WORKING DOCUMENT

# PRACTICAL GUIDANCE FOR THE UN GLOBAL COMPACT **SUSTAINABLE OCEAN PRINCIPLES**

## AQUACULTURE

Sustainable Ocean Business Action Platform

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**Note:** The Practical Guidance maps current regulations, business standards and best and emerging practices for a particular sector. Under the auspices of the UN Global Compact Sustainable Ocean Business Action Platform, the guidance has been mainly developed by companies operating within the sector.

The guidance is a dynamic working document. It will be reviewed on a regular basis to follow new legislation, best business practices, higher standards and market innovations. Input, feedback and comments from all stakeholders are welcome. If you would like to contribute, please contact: ocean@unglobalcompact.org



# GENERAL INTRODUCTION TO THE GUIDANCE DOCUMENT

## 1. THE UN GLOBAL COMPACT SUSTAINABLE OCEAN PRINCIPLES

The UN Global Compact has, in consultation with more than 300 stakeholders worldwide, developed the Sustainable Ocean Principles. The purpose is to promote the well-being of the ocean for current and future generations, as well as to emphasize the shared responsibility of businesses to take necessary actions to secure a healthy and productive ocean.

The nine principles cover three areas: ocean health and productivity; governance and engagement; and data and transparency. Signatories confirm their endorsement of the principles, setting out a framework for responsible business practices across relevant sectors and geographies. The principles build upon and supplement the overarching Ten Principles of the UN Global Compact, including the fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption.

The principles are relevant for companies with activities that may impact ocean health and companies that are part of an ocean productivity value chain. The principles are, therefore, also relevant for land-based industries, including the financial sector. The principles are directed at company boards and executive management. They are designed as a tool for moving beyond minimum standards and towards excellence in sustainability. They can be used as basis for due diligence assessments and serve as a reference point for interaction between companies on sustainable uses of the ocean.

Companies should understand the broader environmental and social consequences of their activities. Companies should ensure that material ocean-related risks and opportunities are integrated in corporate strategy, risk management and reporting. They should ascertain that the ensuing responsibilities are clearly defined within the organization. The company board should effectively guide, monitor and review company management in these efforts.

The principles are not introducing a new set of reporting measures, but rather encourage companies to use existing mechanisms to disclose their practices.

*DISCLAIMER : This guidance and the information contained therein are intended as a general guide to the issues addressed. They must not be considered a substitute for legal advice and questions regarding the legal interpretation and application of the information should be directed to appropriate legal counsel. Any actions taken or omissions or alterations made on the basis of this information are done at the user's risk.

The guidance was issued in September 2020 and will be updated on a regular basis to ensure that relevant developments, expectations, standards and requirements are properly reflected.

# 2. THE GUIDANCE

## WHAT?

This guidance document is complementary to the UN Global Compact Sustainable Ocean Principles and is intended to broadly outline ways to operationalize these nine principles to specific industry sectors. The guidance aims at guiding signatories on how they can deliver on the principles in practical terms.

## WHO?

First and foremost, the audience is the set of companies operating in the sector targeted by the guidance. The guidance may also be used by financial institutions and insurers as a due diligence tool and to inform their decisions. The guidance may also support policymakers and civil society organizations to better understand the challenges, opportunities, regulations and standards of the sector.

## WHY?

The guidance aims at identifying shared challenges, common solutions, risks, opportunities, relevant partnerships and reporting frameworks needed to help operationalize the principles.

## HOW?

The document starts with an introduction presenting the authors and contributors, defining the scope of the document and general considerations for the sector, in line with the preamble of the Sustainable Ocean Principles.

**The guidance is organized in three sections: following the Sustainable Ocean Principles**

- **OCEAN HEALTH AND PRODUCTIVITY**
- **GOVERNANCE AND ENGAGEMENT**
- **DATA AND TRANSPARENCY**

For each of these sections, the guidance describes the main challenges and opportunities of the sector.

The document also highlights relevant reporting frameworks and partnerships which will help companies in the implementation of the principles.

Under each principle, the document seeks to provide clear and practical tools on how to implement the principles in business operations. In order to inspire companies, the document also identifies good practices from companies or initiatives.

# Sustainable Ocean Principles

The ocean is vital to the wellbeing and prosperity of humankind. To achieve the world community's ambitions as laid out in the Sustainable Development Goals, there is a need to expand our use of the ocean to produce food, energy, raw materials and transportation. Carrying out these activities in a sustainable manner will contribute to reducing global warming and environmental degradation. Ensuring a healthy ocean provides significant opportunities for business and global economic growth.

As described in Sustainable Development Goal 14 on Life Below Water, there is an urgent need to protect and restore the health of the ocean, which is rapidly deteriorating due to increasing temperatures, acidification, depletion of natural resources and pollution from land and sea. Businesses have a shared responsibility, alongside Government and civil society, to take necessary actions to secure a healthy ocean.

These Sustainable Ocean Principles provide a framework for responsible business practices across sectors and geographies. They build upon and supplement the Ten Principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption. We, as signatories of these principles, recognize the urgency and global importance of a healthy ocean, and will take action to promote the well-being of the ocean for current and future generations. As relevant to their business, we believe that companies should:

### OCEAN HEALTH AND PRODUCTIVITY

**Principle 1:** Assess the short- and long-term impact of their activities on ocean health and incorporate such impacts into their strategy and policies.

**Principle 2:** Consider sustainable business opportunities that promote or contribute to restoring, protecting or maintaining ocean health and productivity and livelihoods dependent on the ocean.

**Principle 3:** Take action to prevent pollution affecting the ocean, reduce greenhouse gas emissions in their operations to prevent ocean warming and acidification, and work towards a circular economy.

**Principle 4:** Plan and manage their use of and impact on marine resources and space in a manner that ensures long-term sustainability and take precautionary measures where their activities may impact vulnerable marine and coastal areas and the communities that are dependent upon them.

### GOVERNANCE AND ENGAGEMENT

**Principle 5:** Engage responsibly with relevant regulatory or enforcement bodies on ocean-related laws, regulations and other frameworks.

**Principle 6:** Follow and support the development of standards and best practices that are recognized in the relevant sector or market contributing to a healthy and productive ocean and secure livelihoods.

**Principle 7:** Respect human-, labour- and indigenous peoples' rights in the company's ocean related activities, including exercise appropriate due diligence in their supply-chain, consult and engage with relevant stakeholders and communities in a timely, transparent and inclusive manner, and address identified impacts.

### DATA AND TRANSPARENCY

**Principle 8:** Where appropriate, share relevant scientific data to support research on and mapping of relevance to the ocean.

**Principle 9:** Be transparent about their ocean-related activities, impacts and dependencies in line with relevant reporting frameworks.

# AQUACULTURE GUIDANCE


## CONTRIBUTORS:

**Cermaq (lead):** W. Grønbrekk, L. Sams, M. Burdiles, S. Ramsvatn, R. Finch, D. Pescatore and L. Bergan;
**Bakkafrost:** R.M. Hansen and A.H. Peters;
**Ceiia:** G. Crisostomo, A. Costa, and N. Lourenco;
**Camanchaca:** A. Tello; **DNV GL:** B. Pretlove;
**Hilton Food Group:** N. Edwards;
**New Zealand King Salmon:** A. O'Neill, J. McCowan, and G. Rosewarne; **Nutreco:** J. Villalon;
**Skretting:** J. Diaz and S. Noonan;
**Stockholm Resilience Center:** R. Blasiak;
**Sustainable Shrimp Partnership:** J. Camposano;
**Tokyo University:** N. Yagi;
**Hilton Food Group:** N. Edwards

## CONSULTATIVE GROUP:

**Food and Agriculture Organization of the United Nations (FAO):** M. Halwart & Aquaculture Branch Team; **Global Salmon Initiative (GSI):** S. Ryan;
**Stockholm Resilience Center / Beijer Institute:** P. Henriksson and M. Troell


## SCOPE

The scope of this document is aquaculture, defined here as farming of aquatic resources for human consumption.
This does not include algae for fish feed or dietary supplements.
This guidance is mainly intended to be applied to offshore and coastal open-pen production facilities focusing on seawater.

The scope and contents of this first version of the Aquaculture guidance document reflects the expertise of the participants of the working group in the UN Global Compact. At the time of launch (July 2020), the group is largely composed of salmon producers. Later revisions intend to incorporate best practice from other types of aquaculture production including more species.

If you have comments and/or would like to contribute to the next versions, please send an email to: ocean@unglobalcompact.org

## GENERAL CONSIDERATIONS FOR THE SECTOR:

For the past two decades, wild-caught seafood output for human consumption has remained stagnant. The Food and Agriculture Organization of the United Nations (FAO) estimates that close to 90 per cent of global fisheries are at maximum sustainable yields or have exceeded them. Since 2014, aquaculture has provided more fish for human consumption than capture fisheries, and by 2030, aquaculture is expected to provide about 59 per cent of the fish available for human consumption[1].

According to The State of World Fisheries and Aquaculture 2020 published by FAO, total world fish production (excluding aquatic plants) is expected to expand from 179 million tonnes in 2018 to 204 million tonnes in 2030. This represents an increase of 15 per cent (26 million tonnes) over 2018.[1] The major growth in production is expected to originate from aquaculture, which is projected to reach 109 million tonnes in 2030. Aquaculture will then be one of the fastest growing animal food sectors[2].

In order for aquaculture to be a viable solution in meeting future food demands, and as a result of operating in common waters, the sector has a high focus on social license to operate. This includes responsible and transparent operations to demonstrate its environmental and social performance.

The farmed seafood value chain is complex and involves many levels, thus it is important to ensure transparency of operations and supply chain, emphasized in this guidance document. Often, the industry operations are under local, national and international legislation and it is necessary to understand the complexity of the legal landscape.

This topic is further addressed in the *Mapping Ocean Governance and Regulations" (2018)*.

The environmental and social impacts associated with the aquaculture industry have been publicly vetted and debated for over a decade though different multi-stakeholder processes, including the ISEAL-compliant standard development process of the Aquaculture Stewardship Council (ASC) process.
Much of the outcomes of the robust debates between the NGO, Government, and industry sectors can be drawn on here to ensure a relevant coverage of the issues.

[1] FAO - SOFIA 2020 Report. http://www.fao.org/publications/sofia/2020/en/
[2] FAO - SOFIA 2020 Report. http://www.fao.org/publications/sofia/2020/en/

# OCEAN HEALTH AND PRODUCTIVITY

## CHALLENGES AND OPPORTUNITIES OF THE SECTOR

Aquaculture provides protein and nutrition to the world's population, including vitamins, fatty-acids and important minerals such as zinc, calcium and iodine. In general, fish provides more than 3.3 billion people with 20 percent of their average per capita intake of animal proteins.[3] Farming the ocean is a way to contribute to diverse and healthy diets by providing a low carbon, nutritious food to a growing world population. The aquaculture industry can contribute with solutions that would help curb climate change and contribute to the development of a sustainable ocean economy while providing jobs and improving food security and nutrition.

**Several issues are important to address to achieve a sustainable growth of the aquaculture industry. These include:**

- Local pollution and effluents from aquaculture, including benthic impacts
- Biodiversity impacts, including escapees leading to invasion of non-native species, or other ecosystem impacts
- Land conversion including mangroves and other high-value conservation areas
- Deforestation resulting from increased demand for terrestrial ingredients for fish feed (e.g. soy)
- Impact on forage fisheries resulting from demand for marine ingredients for fish feed
- Fish health and welfare in farming operations
- Medical treatment use, especially the risk of Anti-Microbial Resistance (AMR) in human health from antibiotics entering the environment
- Reliance on fossil fuel for operations that will increase with growth of industry
- Access to water space to grow volume

The industry is also affected by climate change, and adaptation is a critical issue. Aquaculture is facing challenges related to ocean acidification, sea temperature rise, oxygen levels, algae blooms and extreme weather events. These risks may impact the health of aquatic organisms and the resilience of aquaculture operations. There are also risks related to pollution from land-based activities[4] and other ocean industries impacting aquaculture operations in some areas.

[3] FAO - SOFIA 2020 Report. http://www.fao.org/publications/sofia/2020/en/.
[4] Agriculture chemicals and wastes such as fertilizers, manure and pesticide. http://www.fao.org/3/y3557e/y3557e11.htm.

## REPORTING REGIMES, STANDARDS, CERTIFICATIONS TO BE CONSIDERED

In addition to national standards and reporting requirements, the following frameworks are commonly used and acknowledged throughout the aquaculture industry:

- Aquaculture Stewardship Council (ASC)
- Marine Stewardship Council (MSC)
- Global GAP
- Best Aquaculture Practices (BAP)
- ISO 14001
- FAO Code of Conduct for Responsible Fisheries and the Ecosystem Approach to Aquaculture including its Technical Guidelines No. 5 Suppl 8 on Recommendations for prudent and responsible use of veterinary medicines in aquaculture
- Compassion in world farming / RSPCA
- Seafood Stewardship Index (SSI)
- FISHWELL report: Welfare indicators for farmed Atlantic salmon
- Business Benchmark in Animal Welfare (BBFAW)
- Coller FAIRR Protein Producer Index

## PARTNERSHIPS TO BE CONSIDERED

In general, companies should engage in collaboration with science, NGOs, communities and other relevant stakeholders to ensure optimal assessments of the environmental, economic and social impacts of their aquaculture operations. A number of industry partnerships lead the way, including:

- Seafood Business for Ocean Stewardship (SeaBOS)
- Food Industry Initiative on Antimicrobials
- Roundtable on Sustainable Soy
- Supporters of the Cerrado Manifesto
- Global Salmon Initiative (GSI)
- The Ocean Cleanup
- Global Dialogue on Seafood Traceability (GDST)
- Sustainable Shrimp Partnership (SSP)
- Seafood Nutrition Partnership
- IFFO Responsible Supply Standard

# PRINCIPLE 1.

## ASSESS THE SHORT- AND LONG-TERM IMPACT OF THEIR ACTIVITIES ON OCEAN HEALTH AND INCORPORATE SUCH IMPACTS INTO THEIR STRATEGY AND POLICIES.

### GUIDANCE

It is recommended that aquaculture companies:

- Publicly report their performance on key performance indicators, covering environmental, social, economic and governance aspects, through an annual report on their website or similar
- Establish clear roles and responsibilities for economic, social and environmental sustainability performance in the company, anchored at the top (Board and/or CEO level)
- Establish a sustainability strategy that is based on a Materiality Assessment to ensure alignment with material environmental and social indicators that the business has an impact on and is impacted by
- At a minimum, adopt Sustainable Development Goals (SDGs) 8, 12 and 14, report progress annually, and strive to align strategies to contribute to the realization of the 2030 Agenda for Sustainable Development
- Conduct Environmental Impact Assessments aligned with the latest science, including the potential social impact on the adjacent and neighboring communities. Engagement with relevant stakeholders such as policy makers, NGOs, scientific institutions and local communities is encouraged when possible
- Establish a policy for antibiotics use that, at a minimum, states that there shall be no use of antibiotics as growth promoters or for prophylactic use, all antibiotics use to be prescribed by a veterinarian, and no use of antibiotic types classified as critically important for human health by WHO
- Set a clear commitment for all involved parties engaged in the development of aquaculture projects to strive to do no harm to the environment and engage in dialogue with neighbouring communities. This includes identifying and assessing environmental impacts and risks, implementing mitigation methods and being transparent in reporting operational impacts (see Principle 9).

### GOOD PRACTICE EXAMPLES

- **All New Zealand King Salmon Farm sites** required consent application, planning and on-going reporting which is publicly available through the Local Authority website, which is a smart maps application showing the location and status of Marine Farms
- **Cermaq:** Conducts a materiality analysis to prioritize reporting on aspects of their business that are important to the company and its stakeholders
- **Scottish Salmon Producers Organisations (SSPO):** voluntary reporting schedules for sea lice, survival figures, and wild catch data for wrasse (used in sea lice prevention)
- **SeaBOS:** Signed Joint Statement from the 1st Keystone Dialogue

# PRINCIPLE 2.

## CONSIDER SUSTAINABLE BUSINESS OPPORTUNITIES THAT PROMOTE OR CONTRIBUTE TO RESTORING, PROTECTING OR MAINTAINING OCEAN HEALTH AND PRODUCTIVITY AND LIVELIHOODS DEPENDENT ON THE OCEAN.

## GUIDANCE

Companies are encouraged to demonstrate their efforts to restore, protect and mitigate risks to the natural environment adjacent to their operations and in their supply chains.

- Engage in, promote, and encourage regional coordination and effective management of cumulative effects from multiple farms operating within the same area.
- Where relevant, assess opportunities for implementing multitrophic aquaculture[5] in facilities, including opportunities for external collaboration.
- Mitigate all land conversion in close proximity of facilities when appropriate (e.g. reforestation efforts).
- Identify opportunities for shared value creation with local communities through joint efforts in areas such as habitat restoration, hatchery construction, operation, training and education.
- In collaboration with suppliers of marine feed ingredients, specify that all source fisheries are either certified to the IFFO RS or MSC standards or are in comprehensive fisheries improvement projects (FIPs, which can be directly supported).
- Develop sustainability criteria within supplier contracts, especially feed contracts with a focus on environmental and social challenges with measurable outcomes.

## GOOD PRACTICE EXAMPLES

- **Leroy Seafood:** Exploring how kelp can be used as a future source of energy
- **Skretting and Cargill:** Support Peruvian anchovy sector's Fisheries Improvement Project (FIP) and will participate in the steering committee
- **Cermaq:** Through its iFarm concept and development of new pen technology, Cermaq develops solutions that improves the overall sustainability of a salmon farm and reduces its impact on ocean health and biodiversity
- **New Zealand King Salmon:** Company has applied for the first open ocean salmon farm in New Zealand. The company proposes open ocean farming as a sustainable opportunity to grow King salmon by improving fish health, welfare and lowering the impact on the marine environment.

[5] Multitrophic aquaculture is: similar to polyculture, where two or more organisms are farmed together. In aquaculture, multiple aquatic species from different trophic levels are farmed in an integrated fashion to improve efficiency, reduce waste, and provide ecosystem services, such as bio-remediation.

# PRINCIPLE 3.

**TAKE ACTION TO PREVENT POLLUTION AFFECTING THE OCEAN, REDUCE GREENHOUSE GAS EMISSIONS IN THEIR OPERATIONS TO PREVENT OCEAN WARMING AND ACIDIFICATION, AND WORK TOWARDS CIRCULAR ECONOMY.**

## GUIDANCE

To reduce emissions, companies can:

- Develop a strategy to reduce use of natural resources, fossil fuel and fresh water
- Include ocean impacts (e.g. warming and acidification) in the Environmental Impact Assessment (EIA) and environmental monitoring
- Establish appropriate risk management systems, including monitoring and crisis management plans
- Adopt the Science Based Target Initiative (SBTi) and demonstrate $CO_2$ emissions reductions to 2030 in alignment with the 2015 Paris Agreement and adhere to targets under a 1.5°C temperature increase threshold
- Work towards a circular economy through measures such as: implementing a waste management policy and targets, mapping and reporting and report plastic use including polystyrene boxes and packaging, and utilizing by-products where relevant
- Engage with local communities and participate in regular beach and water ways clean up while reporting waste volume and types of materials collected
- Invest in electric or hybrid vehicles/vessels and generators, where possible, and use renewable energy sources
- Assess Scope 3 emissions and establish targets to address material topics such as transport and feed emissions

## GOOD PRACTICE EXAMPLES

- **DS Smith:** Using Greencoat® to keep seafood fresh from catch to customer
- **Global Salmon Initiative:** Industry projects to reduce antibiotics use in Chilean farming operations
- **Pincoy Project:** Aiming to reduce aquaculture antibiotics use in Chilean farms
- **University of Tasmania Institute for Marine and Antartic Studies (IMAS):** Conducting a broadscale project exploring a range of emerging issues in salmon aquaculture
- **New Zealand King Salmon shared fleet:** in the process of being managed over to electric and continued invested in EV charging infrastructure. Processing Fork lifts are EV. The next step is delivery vehicle
- **Snohetta furniture:** made from discarded net from Norwegian farms

## PRINCIPLE 4.

**PLAN AND MANAGE THEIR USE OF AND IMPACT ON MARINE RESOURCES AND SPACE IN A MANNER THAT ENSURES LONG-TERM SUSTAINABILITY AND TAKE PRECAUTIONARY MEASURES WHERE THEIR ACTIVITIES MAY IMPACT VULNERABLE MARINE AND COASTAL AREAS AND THE COMMUNITIES THAT ARE DEPENDENT UPON THEM.**

### GUIDANCE

Companies can:

- Participate in independently verified certification processes that address environmental and social issues.
- Engage in consultations and dialogue with local communities and indigenous peoples
- Aspire and target full compliance with the ASC standard and leading GAP standards in their production facilities (including using ASC certified feed), as well as compliance with government standards especially on food safety, or implement the BAP standard as a minimum
- Work towards innovative solutions for supplementing sustainable wild caught marine resources in feed

All aquaculture facilities should have an antibiotics use policy in place, which includes the following principles:

- Antibiotics should only be used when animal welfare is threatened by a bacterial disease (not for prophylactic or growth promoting use)
- Treatment only by prescription from an authorized veterinarian and under veterinary supervision
- The antibiotic used must has a proven therapeutic effect against the disease and must be approved for use in fish farming
- No use of antibiotics categorized as Critically Important for Human Health

### GOOD PRACTICE EXAMPLES

- **Skretting:** Committed USD $2 million in 2020 to develop alternative ingredients for aquaculture feed
- **Cargill:** Working to improve aquaculture sustainability by increasing the efficiency of feed production and conversion
- **Global Salmon Initiative:** All members committed to certify all farming sites to the Aquaculture Stewardship Council salmon standard for responsibly farmed salmon
- **Global Salmon Initiative:** Industry projects to reduce antibiotics use in Chilean farming operations
- **SalmonChile, Monterrey Bay Aquarium and Chilean Salmon Marketing Council:** Commits to antiobiotic reduction program

# GOVERNANCE AND ENGAGEMENT

## CHALLENGES AND OPPORTUNITIES OF THE SECTOR

Operating in common waters, it is important for aquaculture companies to have a high standard on environmental and social performance, adhering to and moving beyond minimum requirements set by laws and regulations. Good governance practices can contribute to building trust and enable the industry to deliver consistently high quality products beyond general food safety requirements and produce food from aquaculture in a responsible way.

**Good governance contributes to increase the opportunity for a consistent performance on environmental and social topics, and should cover, at a minimum, the following:**

- Compliance with all laws and regulations, ideally with public reporting which includes disclosure of any non-compliances
- Application of the precautionary principle
- Implementation of adequate management systems
- Implementation of certifications and best practice (standards)
- Agreement: code of conduct for the business and its suppliers that focus on embedding social and environmental responsibility at the heart of operations, purchases and decision making
- Having social and community legitimacy to operate (social license to operate), demonstrated through, for example community engagement and dialogue
- Identification of solutions for shared value creation with local communities and indigenous peoples
- Provision of a living wage and decent working conditions, and seek opportunities for local community development

Engaging with stakeholders and ensuring good governance may strengthen the management of aquaculture facilities and ensure robust processes, taking into account that:

- The industry is subject to socioeconomic, technical and environmental challenges at several levels, which requires a multifaceted approach
- The industry can bring significant and sustainable socioeconomic benefits to coastal communities, providing opportunities for regeneration and diversification, as well as employment opportunities

## REPORTING REGIMES, STANDARDS, CERTIFICATIONS TO BE CONSIDERED

- FAO Dialogue on social standards in seafood supply chains
- Responsible Fishing Vessel Scheme (RFVS)
- Oxfam guidance on conduction a human rights impact assessment in aquaculture
- SA8000 Certification
- ISO 9001
- UN Principles on Human Rights
- UN Global Compact Communication on Progress
- Business Social Compliance Initiative (BSCI)
- Sedex
- Global Reporting Initiative (GRI)

## PARTNERSHIPS TO BE CONSIDERED

In general, companies should engage in collaboration with science, NGOs, communities and other relevant stakeholders to ensure optimal assessments of the environmental, economic and social impacts of their aquaculture operations. A number of industry partnerships lead the way:

- Norwegian Centre of Expertise: Seafood Innovation Cluster
- Canada's Ocean Supercluster
- Global Aquaculture Alliance GAA
- Seafood Business for Ocean Stewardship (SeaBOS)
- Global Salmon Initiative (GSI)
- Sustainable Ocean Business Action Platform of the UN Global Compact
- Advisory Network of the High Level Panel on a Sustainable Ocean Economy
- UK Seafood Ethical Action Alliance

# PRINCIPLE 5.

## ENGAGE RESPONSIBLY WITH RELEVANT REGULATORY OR ENFORCEMENT BODIES ON OCEAN-RELATED LAWS, REGULATIONS AND OTHER FRAMEWORKS.

### GUIDANCE

The aquaculture industry is continuously improving. Open, inclusive and transparent dialogue between companies and authorities is important for developing a framework of conditions that support sustainable practices. Companies can:

- Participate in industry associations
- Contribute to consultations relevant for the industry
- Engage in multi-stakeholder partnerships to enhance policy frameworks and industry practices, including dialogues with local and national authorities on aquaculture matters.
- Advocate for the sustainable management of wild capture fisheries
- Establish collaborative forums to address barriers to sustainable growth in aquaculture and establish a dialogue with policy makers to overcome such barriers
- Take a science-based approach and engage with policy makers, science and civil society to develop solutions to identified sustainability challenges and opportunities in the industry

### GOOD PRACTICE EXAMPLES

- **New Zealand Government Aquaculture Strategy**
- **UK Seafood Industry Alliance:** Provides a clear voice at all levels of government to provide consumers with sustainable fishery products
- **UK DEFRA Seafood 2040:** A strategic framework to build a sustainable seafood industry
- **SeaBOS:** Our pledge for ocean stewardship - our plea to governments
- **West Coast Vancouver Island Roundtable:** Builds partnerships to develop and implement plan for the recovery and sustainable management of Clayoquot Sound's wild salmon stock
- **DFO Technical Working Group for Area-based Management:** Working Group includes provincial, federal and municipal regulators, ENGOs, First Nations Fisheries, shellfish and finfish industry to support the development of new approaches to the management of aquaculture in the Pacific Region
- **Global Salmon Initiative (GSI)**
- **Advisory Network of the High Level Panel on a Sustainable Ocean Economy**
- **D'Entrecasteaux and Huon Collaboration:** An innovative partnership providing a framework for collaboration that will support and enhance natural diversity and improve the condition of the D'Entrecasteaux Channel and Huon Estuary in Australia

# PRINCIPLE 6.

## FOLLOW AND SUPPORT THE DEVELOPMENT OF STANDARDS AND BEST PRACTICES THAT ARE RECOGNIZED IN THE RELEVANT SECTOR OR MARKET CONTRIBUTING TO A HEALTHY AND PRODUCTIVE OCEAN AND SECURE LIVELIHOODS.

### GUIDANCE

Developing and sharing best practices is critical to determine sustainable solutions and a licenses to operate and grow in the longer term. Standardization lifts the performance of the industry as a whole, improves the footprint of aquaculture operations and builds trust with stakeholders. Companies can:

- Engage in dialogue with other related companies who have implemented relevant standards – going beyond laws and regulations
- Proactively share information and good practices, and report on material topics for the aquaculture facility
- Engage directly with relevant standards initiatives in both aquaculture best practice and feed raw material
- Engage with customers to learn which certifications and standards are of most relevance in their respective markets
- Set a target to certify facilities to a certain standard within a stated time period to drive progress
- Develop a realistic plan for implementation of certifications, including an assessment of existing management systems in place

### GOOD PRACTICE EXAMPLES

- **SeaBOS**: Signed Joint Statement from the 1st Keystone Dialogue
- **Global Salmon Initiative (GSI):** Annual sustainability report, showing performance of its members on key performance indicators of the industry as a whole
- **Aquaculture Stewardship Council (ASC):** Standard process for assuring quality and credibility of standard setting activities
- **Ocean Disclosure Project:** Works towards the goal of 100 per cent sustainably produced seafood by coordinating efforts to deliver greater transparency in global seafood supply chains
- **Cermaq:** Collaborating with Ahousaht First Nation in Canada to restore and maintain healthy wild salmon populations, and educate and train younger generations in salmon stewardship, restoration and habitat protection
- **Wegmans:** Retailers' seafood sustainability requirements
- **Tesco:** Seafood policy focused on sustainable sourcing and involvement in industry-wide initiatives

## PRINCIPLE 7.

**RESPECT HUMAN-, LABOUR- AND INDIGENOUS PEOPLES' RIGHTS IN THE COMPANY'S OCEAN RELATED ACTIVITIES, INCLUDING EXERCISE APPROPRIATE DUE DILIGENCE IN THEIR SUPPLY-CHAIN, CONSULT AND ENGAGE WITH RELEVANT STAKEHOLDERS AND COMMUNITIES IN A TIMELY, TRANSPARENT AND INCLUSIVE MANNER, AND ADDRESS IDENTIFIED IMPACTS.**

### GUIDANCE

Companies are encouraged to proactively collect and assess relevant information on human-, labour- and indigenous peoples rights to ensure that they do not engage — indirectly or directly — in violations. This is particularly important in geographies with limited regulations in this field or limited enforcement of regulations. Looking for shared opportunities with communities, existing industry, government and indigenous groups is good practice. Shared value is not work required by regulators, or part of normal operations, but efforts to identify and support programs, initiatives and projects which align with both the values of the community and the company. Companies can:

- Incorporate human-, labour- and indigenous peoples rights in their corporate governance structure and policies
- Engage in the development of social responsibility codes of conduct, standards, and collaborative forums that improve transparency of social standards
- Establish a code of conduct for local community engagement and ensure compliance with laws and regulations including UN declarations, ILO standards and the Ten Principles of the UN Global Compact
- Proactively share information and good practice, and report on material topics for the aquaculture facility and company
- Conduct thorough audits of the supply chain and require suppliers to do the same, and establish follow up measures when breaches are identified
- Conduct Human Rights Impact Assessments - an in-depth review of the potential issues and positive outcomes across supply chains
- Support indigenous communities by providing access to education and employment opportunities within aquaculture
- Provide a safe working environment for employees (including contractors) and offer appropriate development opportunities and an adequate wage to employees
- Engage in concerted action towards gender equality. The empowerment of women in all ocean-related sectors is needed to achieve Sustainable Development Goal 5
- Increase and improve capacity building (including access to training and development) to educate more female leaders to identify and eliminate the physical and social barriers that prevent women from participating in the ocean industry
- Actively invite diversity and support the leadership and contribution of women at all levels and in all sectors of the ocean industry.

- Build the capacity of partners and suppliers in their efforts to ensure decent working conditions in their operations, giving special consideration to the needs of SMEs, and improve the knowledge of workers on their fundamental rights
- Undertake efforts to enhance the positive social and labour effects of operations to achieve decent work for all, taking into account the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration).
- Require business partners along their supply chain to have anti-discrimination policies on the basis of gender, age, ethnicity, sexual orientation, race, disabilities, religion or membership of a union
- Ensure that workers are paid fairly and have the right to freedom of association within operations, and require the same from suppliers.

## GOOD PRACTICE EXAMPLES

- **Nutreco:** Created a Supplier Code of Conduct that enables them to engage with suppliers on sustainability issues
- **Cermaq:** Stakeholder engagement in Nova Scotia, Canada
- **Leroy Seafood:** Established an ethical code of conduct
- **Skretting:** Sustainable Catfish Program in Nigeria

# DATA AND TRANSPARENCY

## CHALLENGES AND OPPORTUNITIES OF THE SECTOR

Being transparent about results, sharing relevant data and supporting research are important elements in sustainable aquaculture development. Transparent practices can help improve business decisions, performance as well as ensuring accountability and fact-based dialogue with stakeholders. Data collection can for example be done through environmental baseline studies, impact assessments and monitoring. Implementation of acknowledged reporting standards and certifications are also important sources and drivers.

### Transparency

Transparent reporting and data sharing is important for several reasons, for example:

- Transparency can help the industry strengthen its social license to operate
- Sharing of best practices can contribute to improving the performance of the industry as a whole, including avoiding incidents. The sector is dependent on science based decision making and R&D to solve bottlenecks to sustainable development.

## REPORTING REGIMES, CERTIFICATIONS TO BE CONSIDERED

- Barentswatch: Seafood industry data from Norwegian companies
- Global Reporting Initiative (GRI)
- Seafood Stewardship Index (SSI)
- Aquaculture Stewardship Council (ASC)
- Marine Stewardship Council (MSC)
- UN Global Compact Communication on Progress
- Global GAP
- Best Aquaculture Practices (BAP)
- IFC Performance Standards
- B-Corp
- Scottish Salmon Producers Organisation (SSPO)

## PARTNERSHIPS TO BE CONSIDERED

- Global Dialogue on Seafood Traceability
- Global Compact SDG reporting action platform
- Global Salmon Initiative (GSI)

# PRINCIPLE 8.

## WHERE APPROPRIATE, SHARE RELEVANT SCIENTIFIC DATA TO SUPPORT RESEARCH ON AND MAPPING OF RELEVANCE TO THE OCEAN.

### GUIDANCE

Companies are encouraged to be transparent and share relevant non-financial data for scientific use. Authorities also have a role in providing and maintaining suitable data storage platforms and services to ensure collection, storage and distribution of collected data, such as:

- Environmental baseline data collection
- Ongoing and post construction monitoring studies
- Environmental impact assessments and life cycle impact assessments

Additionally, companies can:

- Engage in pre-competitive collaboration to pro-actively share data and find solutions to common industry challenges
- Engage in and contribute to research and development on material issues affecting the sustainability of the aquaculture industry, such as vaccine development for high impact bacterial diseases, or digital solutions to collect farm data to improve resource use.
- Contribute to student research on relevant topics for the industry
- Create case studies reflecting on wins or learnings from industry (example 3)
- Participate in industry, science and government cooperation schemes on research and innovation

### GOOD PRACTICE EXAMPLES

- **Nutreco:** Sea Lice Research Center's collaboration on sharing data to mitigate the challenges of sea lice in aquaculture facilities
- **Global Salmon Initiative:** collaboration on sharing industry data for enhanced biosecurity
- **Pincoy project in Chile:** Working to decrease the need for antibiotics in salmon farming
- **Barentswatch:** All lice levels and treatments are available for all aquaculture facilities in Norway through external platform

# PRINCIPLE 9.

## BE TRANSPARENT ABOUT THEIR OCEAN-RELATED ACTIVITIES, IMPACTS AND DEPENDENCIES IN LINE WITH RELEVANT REPORTING FRAMEWORKS.

Companies are encouraged to:

- Publicly disclose status and progress on key performance indicators
- Disclose ongoing or planned activities
- Regularly assess potential impacts using environmental monitoring studies. For quality reasons, this data should be presented in line with acknowledged reporting frameworks and ideally be independently verified
- Make performance data and company information externally available for its stakeholders
- Publish an annual report with material stakeholder information and performance data including how their activities impact ocean health and productivity
- Report externally in alignment with relevant and selected SDGs
- Engage and share information for relevant reporting benchmarks
- Report immediately any incident such as escapes, discharges and mortalities to the authorities
- Disclose fisheries used in feed supply chains
- Engage in traceability efforts, when possible, to demonstrate sustainable and safe seafood products from egg to plate
- Engage in dialogue with feed suppliers to strengthen practices for sustainable sourcing of marine feed ingredients

The aquaculture industry is unique in that it has multiple environmental and social standards that offer options for independent auditing and certification. It is recognized that the seafood industries have two main standards that are multi-stakeholder, transparent and developed in a highly inclusive manner: the *Marine Stewardship Council (MSC)* for wild-caught seafood and the *Aquaculture Stewardship Council (ASC)* for farmed seafood. These two standards are created and managed under ISEAL guidelines.

## GOOD PRACTICE EXAMPLES

- **Nutreco:** Global Salmon Initiative: Annual sustainability report
- **Ocean Disclosure Project:** Various companies disclosures of supply fisheries and aquaculture sources including feed components
- **Cermaq:** Involved in a blockchain seafood traceability initiative with a customer, Labeyrie.