



Sustainable Fisheries
PARTNERSHIP

ANNUAL REPORT 2016



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TRANSITION TO SUPPLY CHAIN ROUNDTABLES

SINCE ITS EARLIEST DAYS IN 2006, SFP HAS CHAMPIONED THE CAUSE OF INDUSTRY-DRIVEN PROGRESS TOWARD SUSTAINABLE SEAFOOD PRODUCTION WORLDWIDE.

SFP was the first NGO to create and encourage the use of fishery improvement partnership (now projects, or FIPs). To this day, we are proud of our involvement, along with that of our dedicated corporate partners, with successful improvement projects.

Over the years, as the popularity of FIPs and their companion aquaculture improvement projects (AIPs) began to swell, the resulting unintended consequence was that commitments piled up at a rate that could overwhelm even the most dedicated industry stakeholder. To remedy this, SFP helped develop the concept of the Supply Chain Roundtable (SR), which allows for multiple stakeholders to review and support related FIPs at once, consolidating what could otherwise be a daunting series of tasks.

Just before 2016, the SR concept took on a new meaning for SFP. Jim Cannon, SFP's founder and CEO, held a meeting in December 2015 in the US with SFP's SR liaisons and analysts where he declared SFP was shifting its focus. Starting in 2016, the organization would be turning even more of its attention to SRs and the accomplishments of SR participants. The SR concept, he said, needed to become a driving force for change.

As described in the following pages, 2016 was a year of major accomplishments for SFP, especially in terms of this underlying new commitment to SRs. Some of the benefits of this new focus are still coming to fruition over a year after the initial announcement, but everything SFP has done this year, in one way or another, has been serving that ultimate purpose.

A MESSAGE FROM THE CEO AND FOUNDER

SFP HAS A SIMPLE AIM: GET AS MUCH OF THE WORLD'S SEAFOOD PRODUCTION INTO EFFECTIVE FISHERY AND AQUACULTURE IMPROVEMENT PROJECTS (FIPS AND AIPS) AS QUICKLY AS POSSIBLE. IN 2016 WE FOCUSED ON SUPPLY CHAIN ROUNDTABLES (SRS) AS THE BEST WAY TO ACHIEVE THAT GOAL.

Image: SFP/Tita Nopitawati



SRs bring major international suppliers together to cooperate pre-competitively in launching, assisting, and supporting multiple FIPs and AIPs. One key role for SRs is to cooperate in identifying and then engaging local influential seafood companies and getting them to lead FIPs and AIPs. Major international suppliers with long-term commercial relationships with local seafood producers are best placed to make the business case to local producers for why they should lead FIPs and AIPs and become sustainable.

Virtually all FIPs and AIPs need to improve regulation to become sustainable, and this is why leadership by local influential companies is so critical: only they can consistently generate the political will to act year after year. Effective FIPs and AIPs are those led by committed local influential companies working together at appropriate scale to engage policy makers and improve the regulations and management of fisheries and aquaculture zones.

In this annual report we highlight some of the SRs SFP has been involved with and the positive work those SR participants have done

throughout 2016. We also highlight other critical work SFP does behind the scenes, including convening our partners in forums to share lessons and build cooperation, developing analyses and reports that inform SRs and recommend priorities for FIPs and AIPs, and promoting transparency via the Ocean Disclosure Project (ODP).

All this work – SRs, ODP, reports, forums – is only successful if together it delivers effective FIPs and AIPs. In 2016, 15 new FIPs started publicly reporting their activities and progress. The majority were industry-led and made good progress. In this report we describe a few FIPs and AIPs that illustrate the importance of industry leadership and pre-competitive collaboration, from retailers and food service, international suppliers and local seafood producers. I hope you enjoy this annual report from SFP, and invite you to engage with us and our

partners and collaborators as we expand our efforts to improve fisheries and aquaculture worldwide.



Jim Cannon



A MESSAGE FROM THE **CHAIRMAN** **OF THE BOARD**

ON BEHALF OF MY FELLOW
BOARD MEMBERS,
**WELCOME TO SUSTAINABLE
FISHERIES PARTNERSHIP'S
2016 ANNUAL REPORT.**

It's been another excellent year for SFP and the ongoing efforts of our partners to promote sustainable practices in global seafood supply chains. Work continues on the Ocean Disclosure Project, which we launched in the summer of 2015 with five of our key partners – Asda (part of Walmart), Biomar, The Co-operative Food, Morrisons, and Skretting. Each company now publicly discloses the full list of fisheries they use for sourcing supplies, along with data on stock sustainability. The project has also acquired a new partner, UK seafood supplier Joseph Robertson, and we hope we will have more to announce soon.

We've also put a lot of effort into planning our new initiative – Target 75 – which we publicly launched in June this year. The mission of Target 75 is that by 2020, 75 percent of world seafood production in key sectors is – at a minimum – either sustainable or in a formal improvement program making regular, verifiable improvements. We hope this target will encourage key seafood buyers to create new FIPs and AIPs in key sectors that still face sustainability challenges.

None of this important work would be possible without the ongoing commitments and exceptional support from our patrons and donors, as well as our capable and dedicated staff working worldwide, and to both groups

my fellow directors join me in offering our most sincere gratitude and respect – obviously we could not do this work without you.

I would also like to acknowledge the increasing financial significance of the contributions we are now receiving from many of our retail and other commercial partners. These contributions are not only vital to fund our work, they also show to us that private-sector commercial players increasingly understand they have a role to play and responsibilities to discharge. That they value our efforts is most gratifying.

Finally and critically I must thank our team. We would be nothing without the extraordinary and dedicated effort of the 65 diverse, creative, professional, and good-humored optimists who work for us in a dozen countries around the globe. Being a virtual organization does not slow them down one bit – at any time of any day, our team is working on sustainability projects somewhere around the world. The sun never sets on SFP. Our people are all members of a global network of experts, collectively committed to the cause of promoting and encouraging sustainability in the seafood industry.



Andrew G K Donaldson

A YEAR IN REVIEW: **SFP IN 2016**

THIS YEAR HAS BROUGHT MANY CHANGES FOR SFP, WITH NEW PARTNERS, EXCITING DEVELOPMENTS WITH IMPROVEMENT PROJECTS WORLDWIDE, AND INNOVATIVE TOOLS FOR EVALUATING IMPROVEMENT TOWARD SUSTAINABILITY. HERE ARE SOME OF THE HIGHLIGHTS OF 2016:



Image: Oksana Perkins/Shutterstock.com



MARKING PROGRESS

SFP keeps a close eye on fishery improvement projects (FIPs) and aquaculture improvement projects (AIPs) and is always pleased to report on positive progress, anywhere in the world. Here are some of the key developments SFP noted this year.

In January, SFP cheered the release of **a new public report** connected to a landmark tilapia AIP in Hainan, China.

The report shows how an AIP based on the holistic approach of zonal aquaculture can help disease management, both on-farm and between neighbors.

“This AIP is the best example of a zonal AIP in the world and also one that has strongly transitioned from SFP to industry-led, with support of a local NGO (China Blue), an international buyer (Fishin’ Co.), and many key local industry leaders,” said Anton Immink, SFP’s aquaculture director.

The project officially began in 2011, with SFP working with producers in Hainan to find ways to make their operations more sustainable. A year later, SFP hosted its first successful

aquaculture policy roundtable, with key processors, farmers, and seed and feed producers in attendance. Together, they established Hainan Tilapia Sustainability Alliance, which continued the improvement project work in the sector, with an increasingly stronger role in maintaining the AIP. In 2015, the Alliance issued the first version of its Code of Good Practices (CoGP) for Hainan Tilapia Farming, with technical assistance from the Pearl River Institute of Aquaculture and Hainan University.

Now, 35 pilot farms are in the process of adopting the code, with technicians working with farmers on site. It is the first-ever regional and industry-led initiative in China to promote sustainable aquaculture practices.

“Han Han, the CEO of the new China Blue and former SFP staffer, has taken lessons from the Scottish salmon industry and other leaders to help steer the industry on a course towards true sustainability,” Immink said.

“This AIP is the best example of a zonal AIP in the world, and one that has strongly transitioned from SFP to industry-led.”

ANTON IMMINK | AQUACULTURE DIRECTOR | SFP



In February, SFP announced that a shrimp fishery based in Sinaloa, Mexico, had **earned certification from Fair Trade USA** after demonstrating it had met the organization's standards for worker empowerment, local economic development, social responsibility, and environmental stewardship.


The artisanal Sinaloa shrimp fishery generates annual landings of 2 million pounds with a value of \$14 million. SFP has been working with the fishery in an improvement project since 2009, collaborating with California-based Del Pacifico Seafoods. Rather than using traditional trawlers, the Sinaloa fishery employs small boats, called pangas, which burn less fuel and produce less bycatch. The boats use special hand nets that produce the lowest bycatch and fuel consumption per pound of shrimp in the world.

Sergio Castro, President and founder of Del Pacifico, said his company sought the certification as a way to celebrate the incredible work of the fishermen. "We noticed other processors and shrimp importers were not informing consumers and the industry of the good job these fishermen are doing: developing a unique technique and gear that is good for the environment."

The Fair Trade program includes requirements that get more rigorous over the course of six years, requiring applicant fisheries to meet specific criteria concerning the protection of fundamental human rights, wages and contracts, working conditions, access to services, responsible fishing methods, and product traceability. By earning the certification, Sinaloa has become the first wild shrimp fishery to be certified under the Fair Trade seafood standard. The certification is also the first of its kind in Mexico.

"SFP helped industry prepare for this important milestone, but Del Pacifico and its supplier MHMR International showed true leadership in supporting the fishermen to make the improvements and plans necessary for Fair Trade certification," said Juan Manuel Caudillo, SFP's deputy fisheries director. "We hope this serves as a model that spreads to other shrimp fisheries in the world and other fisheries in Mexico."

In May, SFP announced a **Moroccan sardine FIP** had made significant progress, earning "a significant increase" in scores on the Marine Stewardship Council's (MSC's) FIP benchmark tool, along with the highest possible "A" progress rating on the SFP FishSource database.



"The management framework has greatly improved since the project started, with both stocks subject to a management plan, and while this aspect is still evolving, the most recent stock assessments show that Moroccan-managed stocks are generally in good shape," said Jo Gascoigne, the FIP's chief scientist.

Among other improvements, the fishery now includes scientific observers on boats to monitor fishing practices and efforts to put new harvest control rules in place.

According to the MSC's benchmarking tool, an index of "1" indicates that the fishery has the potential to unconditionally pass MSC certification on the 28 performance indicators assessed. The Moroccan sardine fishery has improved from an overall index of 0.59 (central zone)/0.61 (south zone) to 0.74 (both), with a recently published stock assessment included in this score and the fishery's assessments updated to reflect this better performance.

The FIP began with the ALDI SOUTH Group along with its suppliers Clama, Lovering Foods, and Otto Franck. Other stakeholders directly involved with the FIP include European and Moroccan seafood companies, L'Office National des Pêches at the Moroccan Ministry of Agriculture, and the Moroccan National Institute of Fisheries Research.

With progress continuing, the fishery is well on track toward the goal to reach the criteria for MSC certification in the next few years.

ADDRESSING THE INDUSTRY

One of SFP's lesser but nonetheless important roles is to ensure media coverage related to

fisheries and our partners is properly informed. Here are two examples from 2016:

In May, **SFP weighed in on an article published by the BBC** on a memo leaked by the New Zealand government. The memo focused on fisheries officials' practices concerning an inshore fishery focused primarily on dogfish sold to local residents. The article mentioned concerns that the fishery was placing Maui dolphins at risk.

SFP became concerned when the article suggested there might also be a problem with a hoki fishery used by longtime SFP partner McDonald's as a source for whitefish and cited a source looking to boycott New Zealand seafood products at the time.

"There is no connection between the situation of these dolphins and the McDonald's business and attempts to link the two are simply dishonest," SFP CEO Jim Cannon said at the time.

In a related matter, also in May, **SFP commented on a study** produced by the Institute for the Oceans and Fisheries at the University of British Columbia. The study, which covered a 61-year period, suggested that hoki and four other species' catch levels and related problems of discards and waste were actually worse than previously thought. SFP's analysis, meanwhile, indicated that the study was relying too heavily on historical data.

"The methods in the paper are questionable, but regardless of the methods, the paper is highly misleading in aggregating historical data and implying current performance is as bad," said Geoff Tingley, SFP's Fishery Technical Director, citing details of the miscalculation.



INFORMING THE INDUSTRY

SFP's staff of fisheries scientists and analysts frequently produce reports discussing the challenges the global seafood industry faces. Here are some of the key reports we produced in 2016:

In March, SFP released a **sector report on snapper and grouper** describing the state of the world's fisheries for both species. SFP Fisheries Analysts Patricia Amorim and Megan Westmeyer prepared the report, based in part on data collected from SFP's fisheries database FishSource.

The report was significant not so much for what it said, but for what its authors were unable to say. While the report does describe a steady increase in landings of snapper and grouper since the 1950s, many snapper and grouper stocks are not being properly tracked, especially in some developing countries, making a full assessment of global snapper and grouper stocks difficult, if not impossible.

"Snapper and grouper are very important to fishing communities around the world, but little science and management is available to ensure

the long-term sustainability of those fisheries," Westmeyer said. "The US market is a major consumer of these products, and thus can be a catalyst for fishery improvement efforts."

The report also contained a series of recommendations for fisheries, buyers, and other members of the supply chain.

Among other suggestions, the report advised stakeholders to:

- Initiate species-specific harvest data collection.
- Improve reporting of harvest data to the FAO.
- Ensure a fishery management plan is in place.

"Many snapper and grouper are in need of the most basic data collection and management efforts," Westmeyer said. "The seafood supply chain can help their producers implement data-gathering programs, but can also reach out to national governments to emphasize the need for fishery-wide scientific research and management." Also in March, SFP produced its **first-ever report on shrimp aquaculture in Southeast Asia**, covering 10 countries and offering improvement recommendations for six of them.



SFP's analysts looked at data gathered from local sources, as well as aggregated market analysis from SFP's industry partners. The study covered shrimp produced in Thailand, China, Indonesia, Vietnam, India, Bangladesh, Malaysia, Philippines, Myanmar, and Cambodia.

The report highlighted 16 provinces in six countries – Thailand, China, Indonesia, Vietnam, India, and Bangladesh – where SFP recommended improvement efforts, especially for farmed shrimp. The prioritized geographies are all significant producers and exporters of shrimp, and are also facing pressing sustainability concerns. They account for approximately 35 percent of global warm-water shrimp exports. Nicole Portley, an analyst with SFP and author of the report, said: "It's important to emphasize that this report really focuses on environmental sustainability issues. There are many complex issues in shrimp production, but we hope this report will offer the seafood industry some tangible advice on how to start making improvements in their supply chains."

The rapid and generally uncoordinated growth in farmed shrimp production in Southeast Asia

has led to issues including major disease outbreaks, ongoing impacts on sensitive habitats, and concerns over water quality. SFP suggested the seafood industry initiate shrimp-focused aquaculture improvement projects (AIPs) in the priority provinces, including zonal management strategies that address the disease management needs and environmental concerns in these regions.

"There is no doubting the value of shrimp farming to the economies of these countries, but something revolutionary needs to be done to tackle the ever-repeating cycle of disease outbreaks. Just as salmon has done, the shrimp industry needs to recognize that farms don't operate in isolation. Strong industry leadership is needed at the local, national, and regional level if shrimp is going to live up to its full potential," said Anton Immink, SFP's Director of Aquaculture.

In August, SFP produced its annual **sustainability overview of global reduction fisheries**, covering 20 of the most significant fisheries used for the production of fishmeal and fish oil (with a total catch in excess of 7.8 million tonnes). The report did not include reduction fisheries in Asia because of limited data availability.

"Many snapper and grouper are in need of the most basic data collection and management efforts."

MEGAN WESTMEYER

FISHERY IMPROVEMENT ANALYST | SFP

The fisheries are rated according to the sustainability assessment presented on www.fishsource.com and use data that was publicly available in March 2016. Among other conclusions, the report indicated only 57.4 percent of the total catch volume analyzed comes from stocks that score 6 or above on SFP's FishSource criteria, meaning they are reasonably well managed.

"It's unfortunate that less than 60 percent of the volume of fish assessed by this report comes from fisheries that can be considered well managed," said Blake Lee-Harwood, SFP's Strategy Director. "This situation has not improved in recent years and there seems to be a lack of ambition in some regions. The good news is that there are at least two fishery improvement projects in place, two of the fisheries are certified to the MSC standard, and another six are in MSC full assessment."

NEW PARTNERSHIPS FOR 2016

SFP is always seeking new opportunities through new partnerships, and in 2016 SFP welcomed two new partners.

First, Alcampo, one of Spain's largest hypermarket chains, joined us in June as the first Spanish retailer to become an SFP partner. With 56 stores, it is the second-largest hypermarket chain in the country.

"We feel quite comfortable and confident that this is a solid partnership that will improve Alcampo's commitment to responsible and

ethical sourcing at the highest level," Yolanda Fernández Jiménez, Alcampo's CSR Manager, said at the time.

The partnership began with a pilot project testing SFP's FishSource and Metrics tools, and we look forward to working with Alcampo in the years to come.

Next, in September, SFP added US Foods, the second-largest foodservice company in the US, to its list of partners. The company services independent and multi-unit restaurants, healthcare and hospitality entities, government, and educational institutions.

SFP will be working with US Foods to help the company continue to improve its sustainable seafood procurement efforts and work toward achieving its sustainability goals.

SFP CELEBRATES 10 YEARS

As noted in last year's annual report, SFP turned 10 years old in 2016. We marked the occasion with a retrospective look at our accomplishments from our first decade and a commemorative video discussing our work.

"Reaching this milestone shows SFP is no longer a small, grassroots organization," Jim Cannon said. "SFP has clearly established itself as a global voice in sustainable seafood, and I couldn't be prouder of the progress we've made together with the industry. We look forward to many more years of working with our partners toward a goal of environmental and economic stability."

"Less than 60 percent of the volume of fish assessed by this report comes from fisheries that can be considered well managed."

BLAKE LEE-HARWOOD
STRATEGY DIRECTOR | SFP



Image: SFP/Tina Non-revan



Image: SFP/Lan Asato



Image: Vladislav Gajic/Shutterstock.com

TAKING IT TO THE INDUSTRY: SFP FORUMS IN 2016

ONE OF THE BEST WAYS FOR SFP TO CONNECT WITH PARTNERS AND OTHER INDUSTRY INSIDERS IS THROUGH OUR FISHERIES FORUMS.

Every year we hold one spotlighting the markets in the Americas and another focusing on those in Europe. This year, SFP brought our forums to two major cities – Miami, Florida (US), and Dublin, Ireland – exchanging valuable information with our attendees on the global state of sustainable seafood.

“Celebrating the past 10 years and looking toward the next 10 was our primary focus, both for the Americas forum and the European forum,” said Emma McLaren, Director of Innovative Solutions for SFP’s Buyer Engagement Division. “Our forums are not just events; they serve as inspiration and support for great work, for the regions where they are held, and the global industry. We will continue pushing boundaries and bringing the forums to where they are needed most, and we look forward to further broadening our scope in the near future.”

STARTING IN THE STATES

Over 120 attendees and exhibitors joined us in Miami, Florida, on February 9 for our Americas forum, offering discussions and presentations on topical sustainability issues.

The main sessions were packed with attendees, all listening to a series of panels with major players in the industry, including:

- **Jack Scott** | *Nestlé Purina Pet Food*: talking about traceability in complex supply chains
- **Mark Palicki** | *Fortune Fish*: talking about the value of FIPs to the seafood industry
- **Carl Salamone** | *Wegmans*: discussing tuna sourcing and ongoing efforts to find more sustainable product
- **Randy Brummett** | *The World Bank*: and Bill DiMento, of High Liner Foods, joining us to talk about zonal aquaculture in growing production regions

“There really was a lot of open and honest dialogue about challenges, and an atmosphere of collaboration to improve the long-term sustainability of the seafood industry,” said Kathryn Novak, Global Director of Buyer Engagement for SFP. “The forum was also a celebration of all the progress that has been made through industry-led FIPs and Supply Chain Roundtables, and it was great to be able to highlight those accomplishments that have been driven by our partners and their suppliers.”

Along with the partner companies represented in person, two other industry leaders, Keith Decker, CEO of High Liner Foods, and Tatiana Trevisan, Sustainability Manager for Walmart Brazil, presented prerecorded messages talking about their companies' experiences with FIPs.

We also discussed various SRs, showing attendees examples of existing SRs that are working well with species including Asia Squid, Eastern Pacific Ocean Tuna, Blue Swimming Crab, and Gulf of California Shrimp.

FROM MIAMI TO DUBLIN

More than 80 delegates joined us on April 12 in Dublin, Ireland, to take part in our European forum, representing 90 percent of our European partners. We were thrilled to see representatives from many countries, including some new faces from our partners in Spain.

We had a full agenda of lectures and interactive panel discussions, with a number of industry leaders presenting, including:

- **Andy Hickman** | *Tesco*: and Henk Peters, of Oxfam, addressing labor and social issues in seafood trading
- **Julio Simarro** | *Congalsa*: discussing the role of SRs in sustainability
- **Stuart Smith** | *Co-operative Food*: discussing transparency and corporate reporting
- **Justin Baugh** | *Fishin' Co.*: talking about the value of FIPs and AIPs

We also covered a number of topical issues, including the state of existing tuna sustainability policies, upcoming challenges with the landing obligations mandated by the new Common Fisheries Policy, and ongoing labor-related concerns. We also covered the use of zonal aquaculture as a key component of sustainable seafood farming. We finished up with an interesting look back by CEO Jim Cannon over the advances in sustainability the industry has made over the past 10 years.

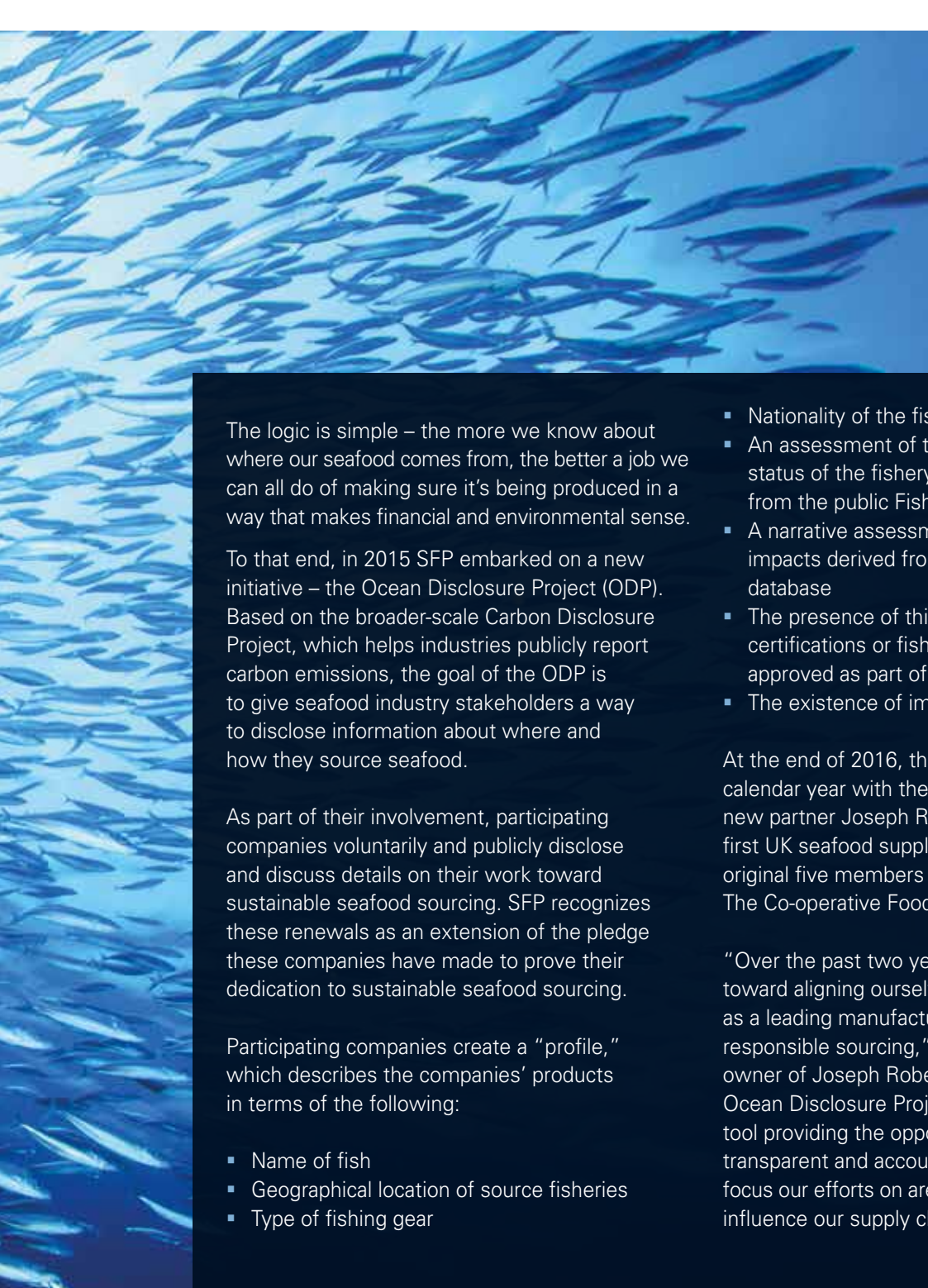


Image: SFP/Emma McLaren



TACKLING TRANSPARENCY **WITH THE ODP**

AS THE GLOBAL SEAFOOD INDUSTRY
CONTINUES TO GRAPPLE WITH
SOLVING SUSTAINABILITY PROBLEMS,
TRANSPARENCY IS ONE GOAL THAT
COMES UP CONSISTENTLY.



The logic is simple – the more we know about where our seafood comes from, the better a job we can all do of making sure it's being produced in a way that makes financial and environmental sense.

To that end, in 2015 SFP embarked on a new initiative – the Ocean Disclosure Project (ODP). Based on the broader-scale Carbon Disclosure Project, which helps industries publicly report carbon emissions, the goal of the ODP is to give seafood industry stakeholders a way to disclose information about where and how they source seafood.

As part of their involvement, participating companies voluntarily and publicly disclose and discuss details on their work toward sustainable seafood sourcing. SFP recognizes these renewals as an extension of the pledge these companies have made to prove their dedication to sustainable seafood sourcing.

Participating companies create a “profile,” which describes the companies’ products in terms of the following:

- Name of fish
- Geographical location of source fisheries
- Type of fishing gear

- Nationality of the fishery
- An assessment of the management and status of the fishery using scores derived from the public FishSource database
- A narrative assessment of environmental impacts derived from the public FishSource database
- The presence of third-party fishery certifications or fisheries that have been approved as part of wider certifications
- The existence of improvement projects

At the end of 2016, the ODP marked its first full calendar year with the addition in September of new partner Joseph Robertson of Aberdeen, the first UK seafood supplier in the project, joining the original five members from 2015 – Asda, Biomar, The Co-operative Food, Morrisons, and Skretting.

“Over the past two years we have been working toward aligning ourselves to be recognized as a leading manufacturer firmly supporting responsible sourcing,” said Simon Robertson, owner of Joseph Robertson. “The addition of the Ocean Disclosure Project creates an excellent tool providing the opportunity to be completely transparent and accountable. It also helps to focus our efforts on areas of improvement and to influence our supply chain in the right direction.”

“The Ocean Disclosure Project creates an excellent tool providing the opportunity to be completely transparent and accountable.”

SIMON ROBERTSON | OWNER | JOSEPH ROBERTSON

MANAGING IT ALL: SR NEWS FOR 2016

SFP MANAGES SRS GLOBALLY AND WORKS WITH INDUSTRY STAKEHOLDERS CONNECTED TO SRS COVERING MANY IMPORTANT SPECIES, MEETING ANNUALLY AT SEAFOOD EXPO NORTH AMERICA IN BOSTON TO DISCUSS THE STATUS OF VARIOUS IMPROVEMENT PROJECTS AND SET GOALS FOR THE YEAR.

The following is a partial list of SRs and some of their activities in 2016:

GULF OF MEXICO SHRIMP SR

This sector experienced significant progress throughout 2016. Overall, participants agreed to actively engage with the National Oceanic and Atmospheric Administration (NOAA) regarding observer program evaluation.

In the past, the Louisiana Shrimp FIP, once an SFP-connected project, transitioned to being advised by the Audubon Nature Institute's Gulf United for Lasting Fisheries. In July, a similar transition took place with the Texas Shrimp FIP, which is still active, but without SFP's direct involvement.

In August, the SR participants sent a letter to the Gulf of Mexico Fishery Management Council inquiring about any recent progress on the ecosystem-based management plan for the Gulf of Mexico. The Gulf Council responded, referencing ongoing work by NOAA Fisheries and explaining that the council is no longer pursuing a comprehensive ecosystem-based fishery management plan but is instead attempting to integrate ecosystem-based fishery management into the existing species-specific fishery management.

The SR participants requested that the council include a section on ecosystem-based fishery management in an amendment to current fishery regulations. This section would review currently available information on the status of the Gulf of Mexico ecosystem and describe how ecosystem-based fishery management is being applied in the shrimp fishery. The council explained that an ecosystem-based fishery management section would be outside the scope of a single fishery amendment, but that the council staff will be developing a fishery ecosystem plan for consideration in 2017 or 2018.

AMERICAS SNAPPER/GROUPER SR

The SR began 2016 with an expansion. Previously limited to the Gulf of Mexico (US and Mexican fisheries), the SR expanded to cover fisheries throughout North, Central, and South America. SR participants helped identify priority fisheries across the Americas so SFP could begin to do preliminary work on options for FIPs.

Another major SR task for SFP was mediating discussions between importers of Mexican grouper on how the grouper fishery should be improved. That led to SFP's recommendation of commissioning a bioeconomic model for fishery improvement. This model is scheduled for implementation in 2017.





EASTERN PACIFIC OCEAN TUNA AND LARGE PELAGICS SR

This year marked progress and collaboration throughout the SR. Participating company Chefs Trading unveiled a traceability system and a new funding initiative by which the company plans to fund specific FIPs in fisheries it sources from. Seattle Fish Co., another SR stakeholder, is also participating in the initiative.

This year, the SR also supported a series of industry-led efforts to initiate FIPs. Chefs Trading made progress toward starting a FIP for yellowfin tuna and swordfish in Costa Rica, and fellow SR participating companies Marpesca and FUNAPESCA took steps to initiate a FIP in Panama covering mahi-mahi and yellowfin tuna. SFP provided FIP training to partners and their supply chains, gave technical support, and assisted with the development of white papers, action plans, and MoUs.

RUSSIAN FAR EAST WHITEFISH SR

In some ways this is SFP's most senior SR, as it dates back to the beginnings of SFP and some of the early work leading a FIP on Russian pollock. The annual briefings in Boston are very well attended and are often some of the shortest – not due to lack of interest, but because both the Pollock Catchers Association and Longline Fishery Association (cod/halibut FIP) provide good updates and show good progress.

RUSSIAN FAR EAST CRAB SR

The RFE Crab SR has had a small but dedicated following since 2012, holding briefings in Boston every year or every other year, most recently in 2016. The Boston briefings allow the supply chain

to meet directly with the representative from the Crab Catchers Associations (CCA), get updates on the RFE Crab FIP, and ask questions. Throughout the year SFP serves as a communications bridge with the CCA, providing updates to participants throughout the year based on project developments or questions that arise in the supply chain. During 2016–17, participant engagement led to CCA expanding the geographic and species scope of the RFE Crab FIP.

ASIA PACIFIC SQUID SR

This SR began when industry recognized the need for collaborative improvements to drive squid sustainability. These companies had been meeting informally, with facilitation from SFP, prior to the SR's creation, but 2016 was the year the SR formalized with priorities and workplans established.

This SR held its first formal meeting in Boston this year, with the participating companies agreeing to become formal members. The SR identified the Japanese flying squid effort, led by Ocean Outcomes, and the Chinese squid effort, led by China Blue, as priority improvement efforts.

NORTHWEST ATLANTIC COD SR

Although this is one of SFP's oldest SRs, 2016 was pretty quiet for the Northwest Atlantic Cod SR, with no formal SR meetings this year. In 2015, the SR agreed to prioritize improvement efforts in the Newfoundland cod fishery, which was at one time the world's largest cod fishery. At the 2016 Seafood Expo Global in Brussels, SFP announced that a second FIP was launched for Newfoundland cod, an accomplishment that is a direct result of the work this SR has been doing since 2011.



REAL TIME: NEW IN SYSTEMS IN 2016

SFP'S SYSTEMS DIVISION IS RESPONSIBLE FOR ALL OF THE ONLINE TOOLS WE OFFER TO PARTNERS AND THE GENERAL PUBLIC FOR KEEPING TRACK OF THE PROGRESS OF FISHERIES, SEAFOOD FARMS, AND IMPROVEMENT PROJECTS TOWARD SUSTAINABILITY.

Here are some of the division's accomplishments from 2016:

FISHSOURCE V3

2016 marked the unveiling of an upgraded version of SFP's long-running FishSource database. Called "FishSource v3," the upgraded database got an interface makeover, giving it a more modern look, but developers also redesigned the database itself.

Among the upgrades, the database now offers:

- More accurate identification of source fisheries, which leads to more robust risk evaluations
- Greater flexibility to make FishSource work better with other systems, such as RAM Legacy Database and Monterey Bay Aquarium's Seafood Watch.
- Other upgrades to make the site easier to use. We added a "How FS works" section, made it easier to navigate, and improved the search function.

We also listened to concerns about monitoring and fighting problems such as human trafficking. For the first time we have publicly posted our Human Rights Abuse Risk levels for fisheries where data are available.

The site's basic function, however, to offer up-to-date sustainability information on the world's fisheries, has not changed. Subscribers can still use the site to find FishSource scores and trend charts, FIP stages and progress ratings, and MSC certification status. While the site is aimed at the industry to drive improvements, we still maintain scientific rigor by basing scores and analysis only on publicly available data, and we provide recommendations targeted to different audiences. Most importantly, keeping FishSource current is an ongoing process. SFP will continually improve the site, adding new information and functionality. For example, right now we are considering adding socioeconomic information and scores, along with information on other certifications/ratings, such as Seafood Watch.

SFP ANNOUNCES NEW FIP RATING SYSTEM

In May, SFP announced a brand new tool for evaluating and grading fishery improvement projects (FIPs).

This new tool uses routinely-collected data to provide the seafood industry with an easy-to-understand snapshot of a project's status. "This tool makes it even easier for our partners to see just where a FIP stands,"

said Braddock Spear, SFP's Systems Division Director. "It's a great way to monitor a FIP's progress toward sustainability."

The tool defines six "stages" of achievement for each FIP. Each stage has a number of criteria, ranging from requiring fishery evaluations or assessments from third parties to demonstrating publicly that a FIP is working to achieving sustainability certification from a third party, such as the Marine Stewardship Council (MSC).

Based in part on which stage a particular FIP has reached, it will also receive a letter grade, from A to E, with an "A" grade indicating Exceptional Progress and an "E" grade indicating Negligible Progress.

Industry partners welcomed the use of the new tool. "Sam's Club and Walmart have been incorporating FIPs and AIPs into our sustainable seafood policy since 2010, when there were less than a half a dozen FIPs globally," said Bob Fields, Senior Merchandise Director for Meat and Seafood at Sam's Club. "Today, there are over a hundred, which is why we are excited to see SFP producing such a valuable addition to its already useful FIP information tools."

SFP TRANSITIONS FIP DIRECTORY TO FISHERYPROGRESS.ORG

SFP also made a move in 2016 to begin transitioning its FIP Directory to a third party, Fishery Progress. Back in 2014, SFP launched the FIP Directory as a resource for FIP participants who wanted to publicly report FIP progress, a common requirement of many FIPs.

That directory went on to host information on nearly 75 FIPs, but the site was never meant to be more than a temporary solution, and now FisheryProgress.org, a product of the Conservation Alliance for Seafood Solutions and FishChoice, is offering an independent site for FIP reporting.

The site serves as a new location for anyone involved in any FIP—whether connected to SFP

or not – to report progress. It includes an updated user interface to make uploading FIP information easier. FishChoice also provides technical support to help FIP participants if they encounter any hurdles uploading their information to the website. The addition of visual representations of data gives quick snapshots of progress.

Buyer and NGO response to the site has been enthusiastic, and they particularly appreciate the verification the site provides to make sure information is consistent and accurate. The site makes it easier for FIPs to provide a greater level of transparency about their goals and progress to meet buyers' sustainable seafood requirements.

With the site going online in 2016, FIP implementers began transitioning FIP information to the new site, with plans to close the FIP Directory down completely in 2017.

SFP MAKES KEY PROGRESS IN FIP RESEARCH PROGRAM

At the International Institute of Fisheries Economics and Trade's Annual Conference in July, SFP CEO Jim Cannon gave a presentation that marked the first public release of preliminary findings connected to the FIP Research Program, a new program of SFP's Systems Division. The ultimate goal of the FIP Research Program is to help FIP stakeholders to understand the drivers for successful FIPs and identify the improvement areas where FIPs are typically most effective. In June, the Science team from SFP's Systems division, working with various other SFP divisions, completed the first version of the project's comprehensive database, which will serve as the principal resource for the project going forward. SFP expects this new database will support more research projects and analysis in the years to come.

This new program has inspired external organizations, including Global Economic Dynamics and the Biosphere program from the Royal Swedish Academy of Sciences, to embark on joint research projects with SFP.



Image: Eric Gavaert/Shutterstock.com

STILL TO COME: A NEW INITIATIVE WITH A TRIED-AND-TRUE MESSAGE

IN MANY WAYS, 2016 REPRESENTED A CELEBRATION
OF WHAT SFP HAS DONE OVER THE PAST 10 YEARS.



That celebration also served as further affirmation, both to us and the industry in general, that our method of pursuing sustainability – improvement projects championed by dedicated, influential industry stakeholders – can bring about real change in global sustainable seafood.

The certainty that an industry-driven approach can make real change happen is driving SFP's new initiative for 2017 – Target 75. In this initiative we set a goal to see 75 percent or more of the world's seafood either produced sustainably or making progress toward sustainability by 2020.

In some ways, this initiative will become a part of our daily work, with all divisions of our organization working toward this laudable goal; but in other ways, we are simply putting a formal name on a process and a method that we already know works. After 10 years proving to the world that it works, now it's time to take the next step – driving the industry to help us turn this method into a movement that will continue to be successful.



OUR PARTNERS

The **co-operative** food

An SFP partner since 2012, the Co-operative Group has more than 2,800 stores throughout the UK, with 60 percent of UK customers shopping at a Co-op store in 2016 alone.

"We have rigorous policies in place to monitor the fish we source and by working with Sustainable Fisheries Partnership we are able to work more effectively with our supply chains to better mitigate risks and improve sustainability," said Aisla Jones, Fish Sustainability Manager for the Co-op. "SFP gives retailers, and indeed the seafood industry as a whole, the tools it needs to help make fishing and aquaculture more sustainable. Its knowledge and data, alongside first-rate advice and counsel, has proven to be an invaluable asset in ensuring we are providing the very highest-quality, sustainable fish to our customers."

The company has worked diligently with SFP from the start, placing 100 percent of its seafood products into SFP's Metrics database, supporting various fishery improvement projects across different species such as tuna, sardine, and crab. The Co-operative was also one of the first companies to sign up to the SFP Ocean Disclosure Project in 2015 and maintained participation in 2016.

"The Co-op represents a significant presence in UK communities," said Ian Rolmanis, SFP Buyer Engagement Manager, UK & Europe. "SFP is very happy to support The Co-operative to ensure these communities have the chance to purchase sustainable seafood."



Image courtesy Aldi

International retailer Aldi has been with SFP for a number of years. The company became a collective global partner in 2015, but Aldi US joined us in 2010, Aldi UK in 2012, and Aldi Australia in 2013.

“SFP has been our partner for more sustainable seafood since 2010,” said Sabine Müller, Manager Corporate Responsibility International for Aldi. “In addition to providing operational support for our national Corporate Responsibility and Buying teams in the US, UK, and Australia, SFP has also been very helpful in further developing our strategic approach to responsible seafood sourcing. Contributing to the improvement of fisheries is an important building block in our approach.”

Aldi has accomplished plenty working with SFP over the years. The company has developed

a comprehensive tuna policy in the UK, and in 2016, Aldi US updated its sustainable seafood policy there, including among its changes adopting SFP’s FIP Progress Ratings to monitor FIP sourcing.

Emma McLaren, Director of Buyer Engagement Innovative Solutions at SFP, also noted Aldi as a corporation spearheaded the development of a sardine FIP in Morocco.

“Working with global multinational companies like Aldi South is a great way to make the type of impact SFP is known for,” McLaren said. “Aldi understands the challenges that come with such a diversity of supply chains, and still works to bring all its leverage into improving fisheries worldwide. With big leverage comes big impact.”



Beaver Street Fisheries, Inc.



US seafood distributor Beaver Street Fisheries has been a partner with SFP since 2015 and has always maintained a strong interest in sourcing sustainable seafood.

“As part of our commitment to sustainability and responsible sourcing, we work closely with our supply chain partners to embrace strategies to support the ever-growing need for responsible seafood from around the world,” said Casey Marion, Director of Sustainability & Quality Management Systems. “We do this by partnering with resourceful organizations like SFP to help us develop and implement fishery improvement projects for both wild and farm-raised species. With their knowledge and expertise, we have certainly been able to collaboratively work with other stakeholders to establish goals to help improve the environmental and social quality of

the seafood production within our supply chains.” The distributor’s efforts are paying off. Beaver Street is the first company to embark on a pilot program for zonal management of shrimp, based in the Surat Thani region of Thailand. The company has also taken a leading role in multiple FIPs worldwide, including in Latin America and the Caribbean. Beaver Street works with several supply chain roundtable (SR) projects with SFP, covering species such as snapper and grouper, Asia-Pacific squid, and Eastern Pacific large pelagics (mahi-mahi).

“BSF shows how much can be accomplished when a supplier is committed to improvements,” said Bryan Szeliga, Buyer Engagement Program Manager at SFP. “Their leadership is helping to improve fisheries and has provided a proof-of-concept in the SFP supplier engagement model.”

Image: courtesy BSF



Image courtesy Super Indo

PT Lion Super Indo is a major retailer in Indonesia, with 149 stores in 18 major cities in Java Island and southern Sumatra alone, and two franchise supermarkets in Jakarta and Bekasi, all supported by more than 8,000 workers.

“We always maintain the freshness and quality of our products by selecting fine sources and applying highly-monitored standard operating procedures in our product handling,” said Lany S. Budianto, President Director of Super Indo.

Since partnering with SFP, Super Indo has been working with all its farmed-fish suppliers to implement good aquaculture practices and to help them earn Indonesia-GAP certification to ensure food safety, environmental sustainability, and traceability. The company is also working to develop FIPs in snapper/grouper fisheries.

By the end of 2016, about 30 percent of Super Indo’s farmed-fish products were sourced from responsible suppliers.

Currently, Super Indo is collaborating with SFP to implement sustainable principles in obtaining fishery products that have become one of the major commodities in Super Indo supermarkets.

“Super Indo has a strong commitment to responsible and sustainable fisheries,” said Rahmat Dani, SFP’s Buyer Engagement Manager. “As one of the biggest retailing networks in Indonesia, this commitment serves as a good role model to encourage other retailers in Indonesia to implement responsible aquaculture and sustainable fisheries programs for their suppliers.”



US. FOODS

One of our new partners in 2016, US Foods, the second-largest foodservice provider in the US, is SFP's first national foodservice partner. The Rosemont, Illinois, company was also the first foodservice company to get chain of custody certification from the Marine Stewardship Council (MSC), already demonstrating its interest in sustainable seafood.

After partnering with SFP, the company wasted no time getting started, working with its vendors on a major data collection project documenting sustainability on hundreds of its sourced products.

"US Foods is committed to improving the sustainability and traceability of the seafood supply chain and bringing our customers the highest-quality products," said Sylvia Wulf, Senior Vice President, Center of Plate, US Foods. "Our alliance with the Sustainable Fisheries Partnership will help ensure that we are well informed and positioned to encourage sustainable sourcing and fishing practices of our exclusive brand seafood. This commitment is a journey of constant

improvement, and this partnership helps to ensure we are on the right path."

Kathryn Novak, Director of SFP's Buyer Engagement Division, said US Foods has been very supportive of improvement projects, and has brought additional focus to new efforts around squid in particular. Novak said the company also takes a collaborative approach, facilitating joint meetings with SFP, the Global Aquaculture Alliance (GAA), the MSC and the National Fisheries Institute (NFI) to work together to solve problems.

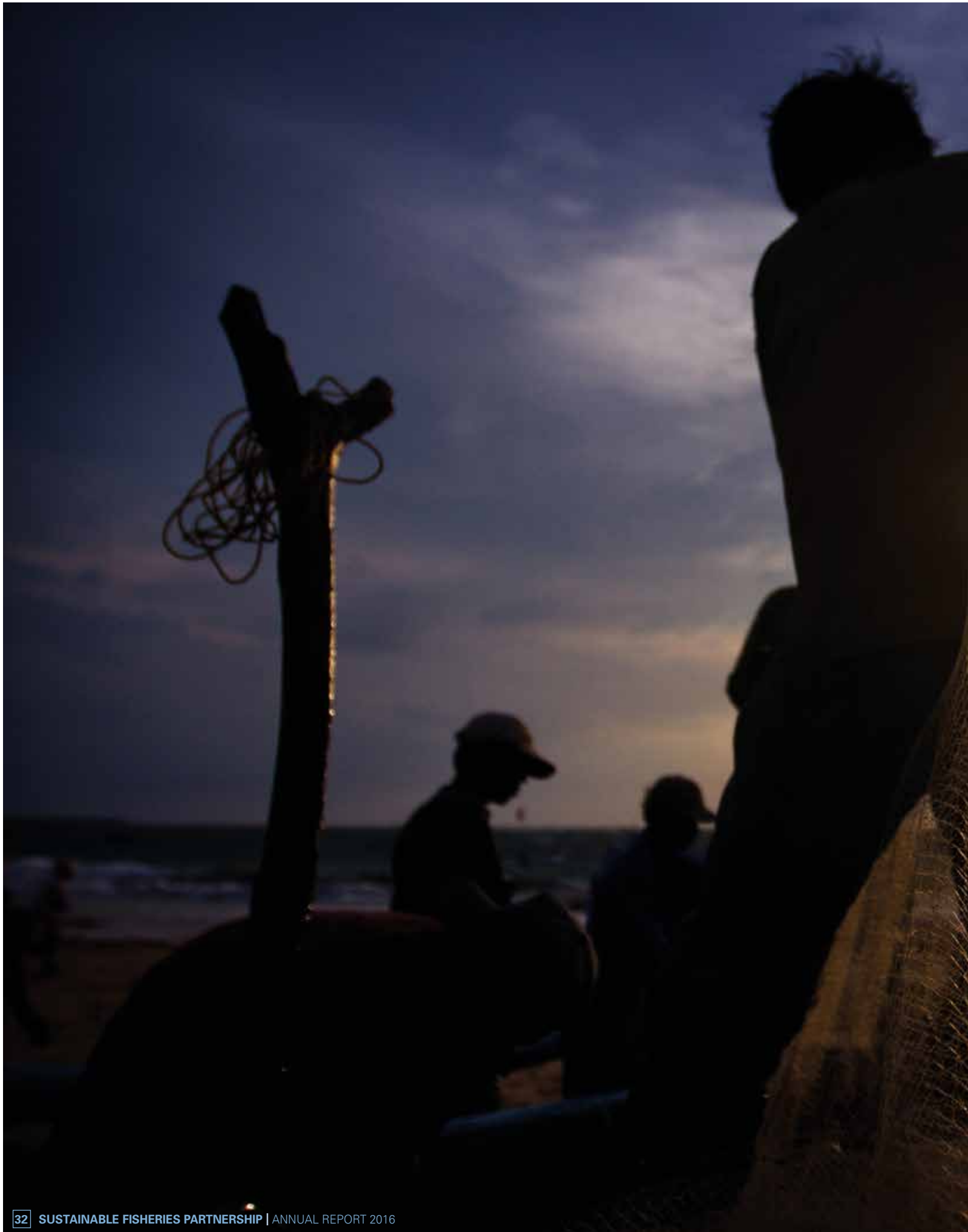
"We're excited to be working with US Foods and to have them join us in our mission to improve the sustainability of global seafood," Novak said. "The leverage they can bring to the table to encourage others to get on the path toward continuous improvement is very exciting."

SFP looks forward to working with US Foods to help the company improve its sustainable seafood procurement efforts and achieve its sustainability goals.

Image: Roman Pysichyk/Shutterstock.com

LIST OF PARTNER COMPANIES







JOIN US!

SFP REGARDS THE CONNECTIONS IT MAKES TO THE INDUSTRY AS VITAL TO ITS ONGOING MISSION OF BUILDING A MORE SUSTAINABLE GLOBAL SEAFOOD INDUSTRY.

We invite all industry leaders who share our concerns about long-term sustainability to consider partnering with us.

SFP PARTNERS:

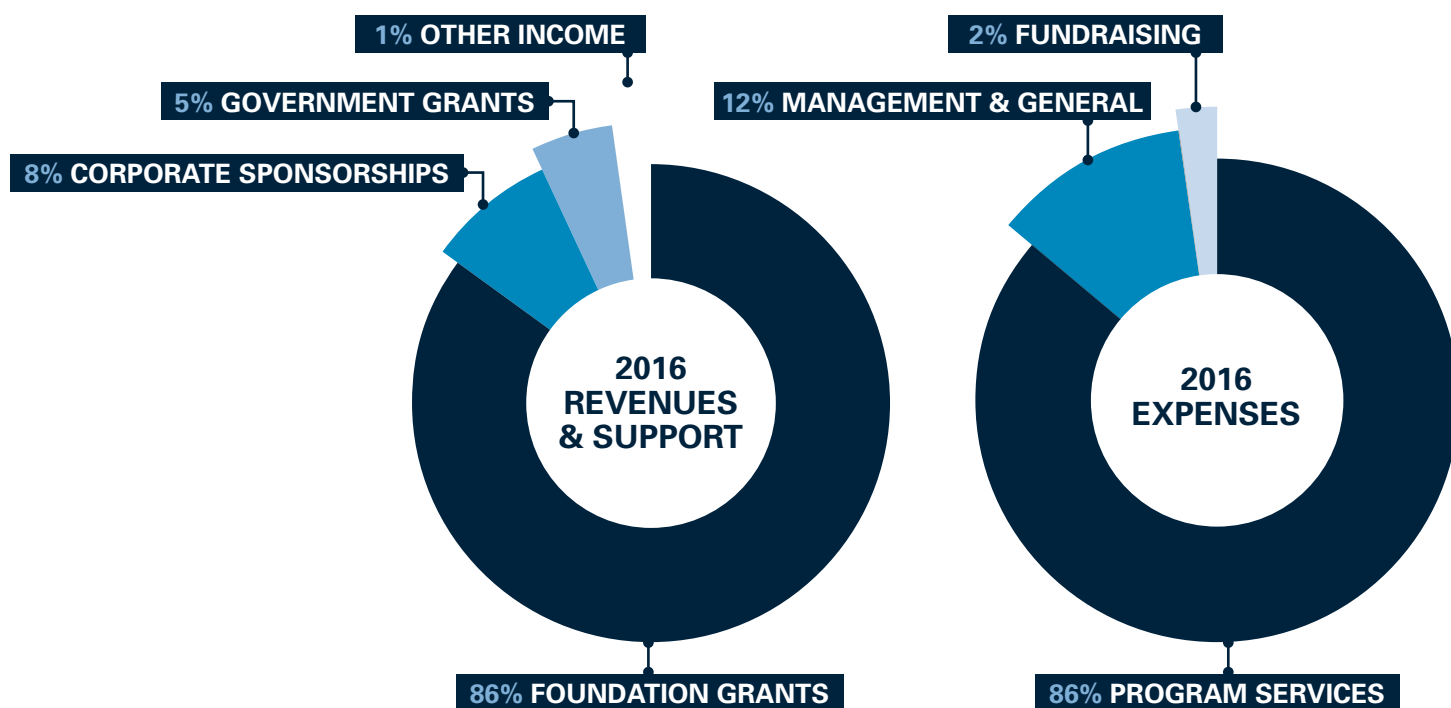
- Have access to key fisheries and aquaculture improvement projects that can directly impact their business.
- Can join supply chain roundtables that monitor and work with multiple fisheries or aquaculture operations all at once, making it easier to follow work in multiple sectors.
- Can use SFP's Metrics system to track the progress of their company or their suppliers as they work toward more sustainable supplies of seafood.
- Receive invitations to exclusive, partner-only forums featuring presentations from and opportunities to network with industry thought leaders.

Does your company have an interest in improving sustainable sourcing? Do you know of a fishery or aquaculture operation that might benefit from an improvement project? Contact us at info@sustainablefish.org. We look forward to hearing from you!

FINANCIALS



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SFP WORKS TOWARD
A FUTURE WHERE ALL
SEAFOOD WORLDWIDE
IS SUSTAINABLE, BUT WE
CAN'T DO IT ALONE.

SFP has long benefited from the generous support of a number of private foundations, all with an eye toward a sustainable future. As a registered nonprofit, SFP's success depends on like-minded individuals, so if you or your organization are interested in contributing to SFP's work, contact SFP at info@sustainablefish.org

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- The Global Environment Facility
- United Nations Development Programme

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ANDREW DONALDSON | CHAIRMAN | SFP BOARD OF DIRECTORS



Sustainable Fisheries
PARTNERSHIP

FURTHER INFORMATION

www.sustainablefish.org

For additional information please contact
us at: info@sustainablefish.org

