



## Report claims seafood company investors are in the dark on product origins

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Many publicly-listed companies with revenues from seafood are failing to provide sufficient information for investors to assess material sustainability issues, according to a new report published by the Fish Tracker Initiative.

“Empty nets – How overfishing risks leaving investors stranded” recognizes that there is growing global demand for seafood with limited supply, creating major opportunities for profitable investment in the sector. But it insists that these profits will only be realized if resources are managed with long-term sustainability considerations in mind and investors are given a much better understanding of the status of the fish stocks utilized by companies.



The report states that there are 228 companies listed on the world’s stock markets with exposure to seafood production, with combined revenues of USD 70.6 billion (EUR 60.7 billion) and it estimates that this represents between 8 percent and 23 percent of the reported global production volume. However, it adds that only 16 percent of these companies provide sufficient information for investors to understand sourcing and the product mix.

Despite the disclosure challenges, Fish Tracker said that it was able to link 19 of the companies with the most significant fishing exposure to many of their sources and found that 11 had links to fish stocks where overfishing was occurring. Furthermore, just 10 percent of companies currently provide assurances to investors and customers through a publicly disclosed sustainability policy.

“These findings highlight sustainability risk exposure in the seafood sector, alongside insufficient evidence of good management,” said the report.

“Investors have a long-term interest in ensuring that the companies in which they invest are sustainably exploiting the fisheries on which they depend. To do so, investors should ask companies to adopt sustainability policies and practices that address the suite of environmental and social challenges faced by the sector.”

Fish Tracker said that these strategies should take account of risks and opportunities and link scientific assessments of fish stock health to company revenues, adding that there would be a “significant benefit” for industry to create a broader standard for disclosure of these policies and timelines.

The report also calls on financial regulators to ensure that relevant listing rules require companies to provide material public disclosure on sustainability issues, including exposure to fisheries resources and their status of exploitation.

This first Fish Tracker report was a collaboration between Asia Research and Engagement (ARE), Investor Watch and the Sea Around Us research initiative at The University of British Columbia.

Fish Tracker said that future reports would include extending its analysis to aquaculture; reviewing downstream activities, with more detail on processing; and broadening the financial analysis by considering the seafood sector's use of debt.



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