

YEAR 4 RESULTS

SEAFOOD PROGRESS



SeaChoice.org
for healthy oceans



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OVERVIEW

[Seafood Progress](#) is an online resource that profiles major Canadian retailers' sustainable seafood commitments and progress. Each retailer structures their commitment differently, so Seafood Progress provides a standardized framework to evaluate the components of each retailer's commitment and how it compares to the mean scores across all major retailers (the "national average"). The assessment framework is based on recommendations produced by the Conservation Alliance for Seafood Solutions in their [Common Vision for Sustainable Seafood](#). For more information, see Seafood Progress's [methodology page](#) and our [2019 report](#) and [2020 report](#).

Buy-Low Foods, Federated Co-operatives Limited (Co-op), Loblaw, METRO, Save-On-Foods, Sobeys and Walmart Canada all engaged with SeaChoice and provided information that was not publicly available to help inform their profiles. Costco Canada is the only retailer that has not engaged in Seafood Progress in the four years that it has been operating, so its profile is based entirely on publicly available information.



CHANGES TO SEAFOOD PROGRESS

New key performance indicators (KPIs). This year we introduced two new KPIs to Seafood Progress to bring more attention to the scope of retailers' commitments. The first KPI scores how many store banners the retailers' commitment applies to. Banners are store brands that large retailers own and operate and which are tailored to meet different customer needs. The second KPI reflects whether the categories most in need of improvement - national seafood brand products (e.g. Highliner or Clover Leaf) and shelf stable products (e.g. canned tuna) - are included in retailers' commitments.

Changes to Scoring Methodology. In the past year, we have adapted the Seafood Progress scoring methodology in the following ways to more accurately represent retailers' efforts:

1. After four years of no engagement with Seafood Progress we decided not to include Costco's scores in the national average calculations to avoid creating an artificially low bar for other retailers.
2. Retailers' scores under KPI 3.2 now reflect the exact percentage of seafood sold that meets their commitments instead of being scored according to the 0, 25, 50, 75, 100 tiered system used in previous years.
3. SeaChoice made the following two changes to the scoring methodology for Step 6 for the purpose of impartial standardization: (1) The scoring criterion that awards points to retailers who 'Refrain from advertising products that are not ASC, BAP for farmed shrimp, or MSC certified' was amalgamated with the scoring criterion that specifies 'Refrains from advertising products that are not Ocean Wise Recommended', and (2) The scoring criterion that awards points to retailers for 'Preferential sourcing of ASC/MSC products' was amalgamated with the scoring criterion that specifies 'Preferential sourcing of Ocean Wise or Best Choice by Seafood Watch products.' As a result, there are now six scoring criteria for KPIs 6.1-6.4 (instead of eight) that are worth 17 points each.

YEAR 4 SEAFOOD PROGRESS RESULTS

As we gradually emerge from the global pandemic, there is a chance to build a more sustainable and responsible economy. The strain on grocery stores has created an opportunity to innovate supply chains, policies and processes. In terms of the seafood supply chain, Seafood Progress has shown satisfactory improvements from most Canadian retailers in the past year.

At national level, there was an average increase of 11% across all indicators in the framework from 2020 to 2021, compared to a 3% increase across all indicators in the framework from 2019 to 2020.

This year some retailers put in more effort to collect data and educate suppliers, staff and consumers on retailers' seafood commitments. For example, Buy-Low Foods collaborated with SeaChoice and its NGO partner, Ocean Wise Seafood, to introduce comprehensive signage on its seafood commitments in all of its store locations. Additionally, both Buy-Low-Foods and Co-op improved their data collection efforts, earning them a perfect score under Step 2. Consequently, Buy-Low Foods and Co-op had the most improved overall Seafood Progress scores.

We were also pleased that both Co-op and Walmart Canada have expanded the scope of their commitments in the past year to include all national brand and shelf stable products. This brings the number of retailers that include all seafood products under their commitments from two to four - a step in the right direction!

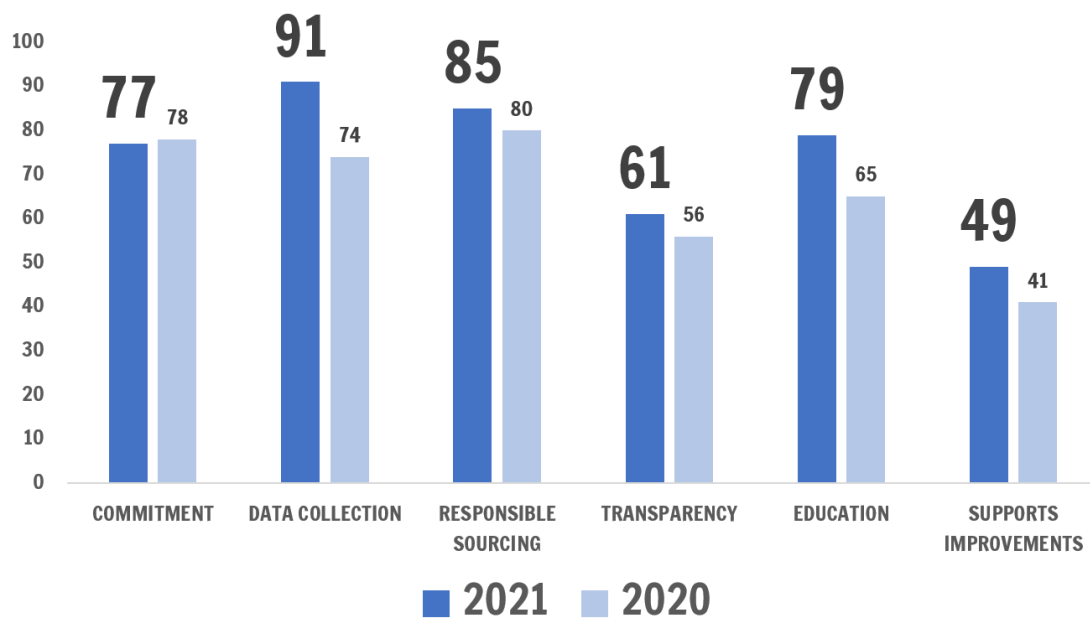
Finally, we commend three retailers, Buy-Low Foods, METRO and Save-On-Foods for their outreach to the Canadian government to show their support for the development of an electronic and interoperable boat-to-plate traceability system for all seafood sold in Canada. Additionally, METRO joined two pre-competitive groups focused on seafood traceability and DNA testing this year.

On the downside, most retailers' social responsibility commitments and actions continue to be inadequate despite the years of accounts and exposés of slavery, forced labour, human trafficking and other human rights abuses in seafood supply chains. Our findings indicate that most retailers don't have a traceability policy to support their social responsibility commitments, and common barriers to implementation include a lack of resources and knowledge on the subject.

In other disappointing news, for the fourth year in a row Costco did not engage with SeaChoice. In fact, the only improvement shared publicly was its signing of the 2020 NGO Tuna forum global advocacy letter in support of long-term tuna stock sustainability. Without the validation of current activities and practices, SeaChoice downgraded several of Costco's scores in Step 6 where publicly available information was outdated.

Finally, Save-On-Foods was the only retailer that saw a decrease in scores this year as a result of its shelf stable products not being included in its commitment, irregular reporting on its commitment and the fact that its traceability system for social responsibility that has been under development since 2019 has not yet been finalized.

STEP CHANGES AT NATIONAL LEVEL



Note: In addition to the factors specified below, all Step changes were impacted by the changes to methodology previously specified.

- **Step 1: Commitment.** Decreased 1% due in part to the introduction of two new KPIs, particularly KPI 1.4 under which Buy-Low Foods, Save-On-Foods and Sobeys scored 0 for not including national brand shelf stable products under their commitments.
- **Step 2: Data Collection.** Increased 19% due in part to Co-op and Buy-Low Foods now collecting all of the data components identified under this step.
- **Step 3: Responsible Sourcing.** Increased 5% due in part to the decision to score retailers based on the actual percentage of seafood that meets their commitment under KPI 3.2 rather than continuing with a tiered scoring system.
- **Step 4: Transparency.** Increased 8% due in part to Sobeys, Walmart and Buy-Low Foods including more labelling components on their products.
- **Step 5: Education.** Increased by 17% due in part to Buy-Low Foods introducing comprehensive signage in all its stores, while Sobeys and Save-On-Foods' provided recommendations to suppliers to help meet their seafood commitments.
- **Step 6: Supports Improvements.** Increased 17% due to actions taken by several retailers.

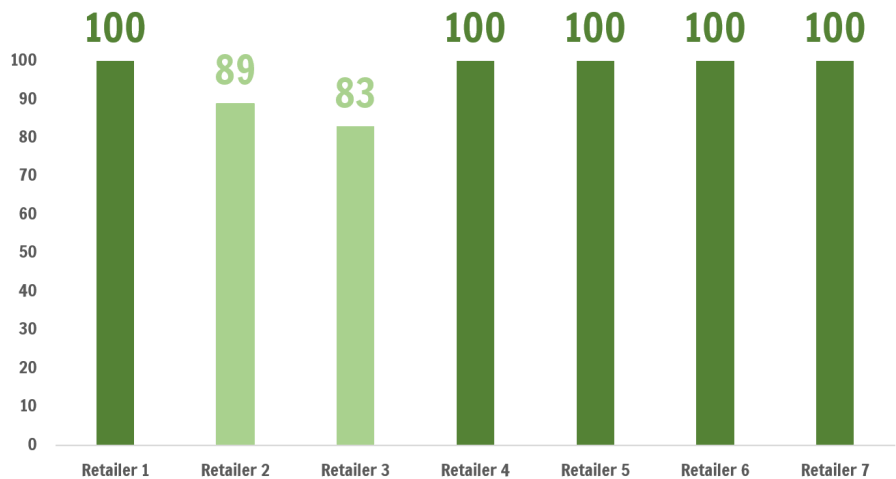
SIGNIFICANT INDICATORS

The following key performance indicators (KPIs) are either new, significant for their changes, or significant for their lack of changes.

KPI 1.3: Store banners covered by retailers' commitments.

New this year, KPI 1.3 looks at how many store banners retailers' commitments apply to. We were also pleased to learn that on average, retailers' commitments apply to 96% of their store banners. This KPI only

considers the store banners that carry the seafood products that are included in retailers' commitments. For example, since Sobeys does not include any national brand products in its commitment, we only considered the banners that carry its private label (i.e., own brand) fresh, frozen and shelf stable products. Additionally, we made the decision to omit banners that account for 5% or less of a retailers' total store count. For example, Save-On-Foods owns two Price Smart stores which are not included in its commitment but amount to only 1% of its total store count.



KPI 1.4: Shelf stable and national brand products.

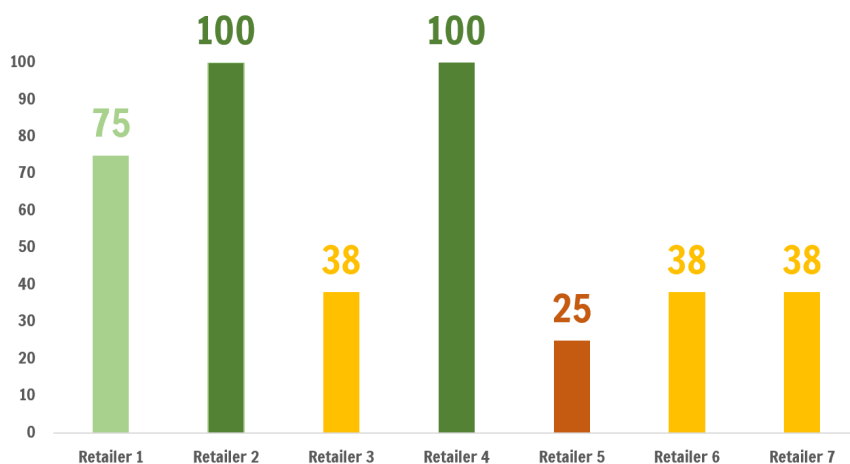
Also new this year, the scoring for KPI 1.4 takes an "all or nothing" approach and highlights the product categories most in need of improvement - national seafood brand and shelf stable products. While only four out of eight retailers

currently include these categories in their commitments, this is up from two out of eight last year. Additionally, Buy-Low Foods and Save-On-Foods reported that they are actively working on bringing these categories under their commitments in time for next years' update.

KPI 1.2: Commitment to social responsibility.

Despite ongoing reports of human rights abuses in seafood supply chains, for the third year no efforts have been made by retailers to improve their commitments to social responsibility. Loblaw, METRO and Walmart Canada remain

the only retailers demonstrating best practice on this KPI by supporting their commitments with clear and effective traceability policies. In our conversations with the other retailers, we learned that a common barrier to implementing a traceability policy is a lack of resources and expertise on this subject. Retailers need to do more to meet their customers' expectations of their products to be produced legally and responsibly through active due diligence supported by effective traceability.



KPI 4.1: Labelling components.

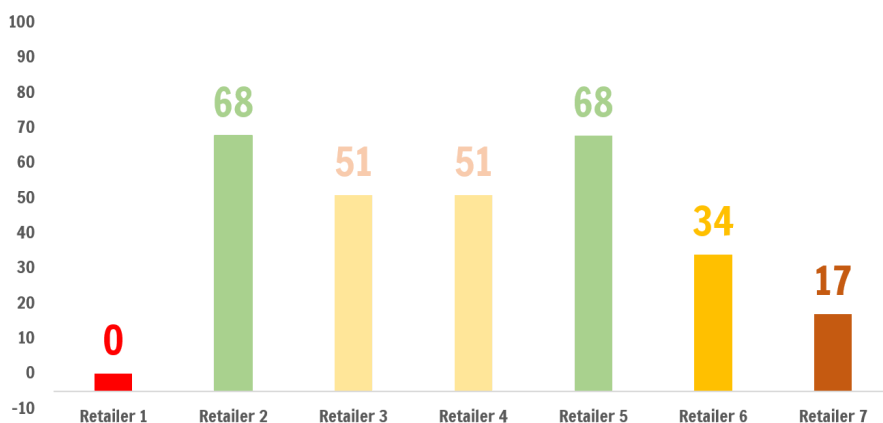
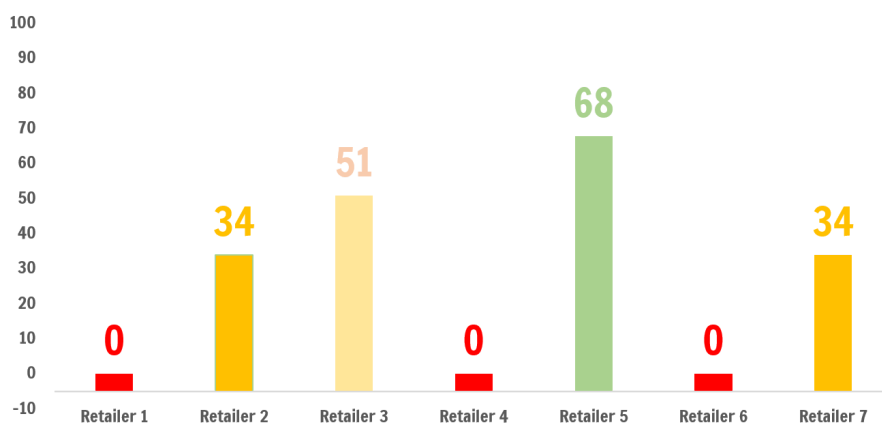
The national average for this KPI has increased by 30% due to three retailers' increased efforts to include more critical information on their labels. One component that several retailers began to include on at least some of their

seafood labels was the geographic origin. We are glad to see improvements in this area, but there is still much work to be done to keep consumers from eating seafood in the dark.

KPI 6.3: Supporting improvements in skipjack tuna.

The national average in relation to retailers' efforts to support improvements in skipjack tuna increased from 18% to 27%. This increase can be attributed to Loblaw signing the

2021 NGO Tuna Forum global advocacy letter that addressed the core elements of long-term tuna stock sustainability and Sobeys' decision to preferentially source Ocean Wise skipjack tuna. Despite this progress, there is much work to be done by retailers to support improvements in the production of this priority species.



KPI 6.4: Supporting improvements for other priority species.

The national average in relation to retailer efforts to support improvements in other seafood products has increased from 28% to 41%. This increase

can be attributed to: METRO, Save-On-Foods and Buy-Low Foods' outreach to the Canadian government in support of an electronic and interoperable boat-to-plate traceability system for all seafood sold in Canada; METRO joining two pre-competitive groups focused on seafood traceability and DNA testing, and Walmart working with its squid supplier to get them involved in a Fishery Improvement Project (FIP). We are very encouraged to see retailers taking a more active role in fisheries and aquaculture improvements and hope to see this trend continue in next years' update.

NEXT STEPS

The global pandemic has led to a dramatic increase in the profitability of Canadian grocers. As such, retailers have a greater responsibility to put as much emphasis on social responsibility and environmental sustainability as they do on profits. This means actively working toward best practice commitments to sustainable and socially responsible seafood procurement.

We call on retailers to make progress in the following areas in the coming year:

1. Make their social responsibility commitments more ambitious and develop clear and effective traceability policies to support their commitments. For many retailers, this begins with developing a comprehensive code of conduct and verification plan to uphold their commitment to social responsibility.
2. Retailers that include all product categories should develop a goal to increase the ambition of their commitment. Retailers that don't include all shelf stable and all national brand products in their scope should actively work towards bringing these categories under their commitments.
3. More initiatives to support improvements in fisheries and aquaculture should be taken so that retailers begin to play a more leading role in the seafood industry.