

Simon Mainwaring:

Hey everyone, Simon here. Just wanted to let you know that we're taking a short summer break after this fantastic episode with Adam Brennan, Group Director of Sustainability at Thai Union Group, a global seafood leader with ambitious growth goals and a deep dedication to sustainability and innovation. We'll be back with the second half of season five on September 26th. We'll start it off with Faith Taylor of Kyndryl, the world's largest provider of IT infrastructure services. And she tells me how every industry from manufacturing to cloud computing is making unique but impactful changes to grow sustainably in the new landscape of purposeful business. I'm so excited to speak with Faith and all of the other guests we have lined up. So until then, check out the more than 100 episodes we have from the first four seasons on Apple, Spotify, or Google Podcasts. See you soon, and remember, let's all lead with we.

Our oceans are the lungs of the planet. They're also a vital source of protein for countless people around the globe. Yet the oceans are under threat from the climate emergency, overfishing, plastic, and so much more. The time to address these issues is now. But where do we begin? What role can business play? And how does the seafood industry drive this much needed change? Let's dig in and find out. From We First and Goal17Media, welcome to Lead With We. I'm Simon Mainwaring, and each week I talk with purposeful business and thought leaders about the revolutionary mindsets and methods you can use to build your bottom line and a better future for all of us. And today I am joined by Adam Brennan, Group Director of Sustainability at Thai Union Group, a global seafood leader with ambitious growth goals and a dedication to sustainability and innovation. And we'll discuss concrete actions that are being taken to better protect our oceans and the food sources they make possible and how together we can transform the seafood industry to ensure a sustainable future for its workers, the industry, and all of our futures.

So Adam, welcome to Lead With We.

Adam Brennan:

Appreciate it Simon. Thanks for taking the time to talk to me.

Simon Mainwaring:

And Adam, I always want to ask at the top, why do you care about this space, about the oceans, about sustainability, about the environment? Because as more and more of us realize how acute these challenges are that we're solving for, it always begs the question, how did we all get started? What was that moment in time? And I know you studied environmental management and you did a master's of science in renewable energy. What triggered that in the first place?

Adam Brennan:

Very interesting question, Simon. I haven't told many people this. I actually, I left the UK at a very young age and I ended up moving to Jakarta. My dad was in the footwear industry and from a very young age, I was really exposed to a very different environment to what I'm used to back home. My dad would take me around these factories and from a very young age, from the age of about 10, what I have ingrained in my mind is just the amount of people that industry employed, some of the working conditions that they were under, issues within the local environments.

I'll never forget that the river would run pink or yellow or purple, whatever color was in fashion that season. That would be the color of the river. And obviously this is going back now decades, but I knew from a very young age that there's an opportunity here to do something different, to improve things for these people working in the factories, to improve the local environment for the communities that live around some of these factories. And so I've dedicated every moment from that point all throughout my

education, into my early career, and now at Thai Union to tackling social and environmental issues within global supply chains.

Simon Mainwaring:

That's really interesting you mentioned that sort of yin and yang between the two. On one hand you've got the environment, the other hand you've got the people as well. Would you say it's fair to say that often people are written out of that equation, that there's a lot of focus on the environment right now, but labor conditions aren't top of mind? How would you sum it up?

Adam Brennan:

I think when we started in 2016, people were at the core part of our original SeaChange strategy and they remain at the core part of our 2030 strategy. I think people are essential to Thai Union, our own operations, to that of our supply chain, and also we have a duty to protect the communities in where we operate. So I think that you are correct, there is a huge amount of focus right now on environmental issues like climate change and biodiversity. But with our 2030 strategy, we're making sure that society and the workers and their wellbeing is front and center of the work that we're going to be engaged in.

Simon Mainwaring:

Yeah, the more you improve the conditions by changing the impact on the environment, the more you take everybody with you, for sure. And for those of you who don't know Thai Union well, would you be able to explain, Adam, just the breadth and complexity and the different categories that you're in because you really are a behemoth in the seafood industry from frozen to chilled to canned to pet food. Give us a sense of the shape of it.

Adam Brennan:

Sure. So we started off as a family run company. We are based in Bangkok in Thailand. We're now listed on the Thai stock exchange and we operate predominantly in three areas: ambient seafood, frozen seafood, and then most recently pet care. On the ambient side we have a portfolio of branded products. So in the US we have Chicken of the Sea, in the UK we have John West, we have a number of different brands across Europe as well. But then also we have a private label business where we are supplying it to some of the biggest global retailers and supermarkets across the world. On the frozen side, as an example, in the US we're the biggest importer of frozen shrimp into North America. And then we recently have an upcoming pet care business where we had an IPO at the end of last year and we are now active in providing a pet food as well to some of the world's biggest retailers. So we're one of the biggest seafood processors in the world, Simon.

Simon Mainwaring:

And size is one thing, but complexity is another. What is that like to harvest, produce all of those different products that go into all of those different industries in all of those different markets across all of those different brands? Is it just this matrix of supply chains or is it sort of centralized? How do you organize it?

Adam Brennan:

So the seafood industry is fairly complex from a supply chain perspective. It is also quite fragmented depending on which supply chain we're talking about. If we look specifically at shrimp as an example,

there are over 15,000 active shrimp farms in Thailand. Thailand is only one of the sources where we source shrimp from. And Thai Union, we don't own any vessels and we own very few shrimp farms. So the complexity is very large. It requires a huge amount of efforts on traceability to understand where our products are coming from, making sure that we have all of the traceability information so that we can engage with these sources then on working towards achieving some of our commitments and expectations.

Simon Mainwaring:

Before we talk about SeaChange 2030 and the initiatives, can you give us a sense of the shape of some of the challenges across the seafood industry, whoever it may be, whether it's overfishing or whether it might be plastic in the ocean or so on? When you stand back as someone with a deep environmental concern, what are some of the things top of mind that we need to solve for?

Adam Brennan:

So I think on the people side, the seafood industry can be high risk in terms of social and labor conditions. That is an area that we've been focused on now for a number of years. And as I mentioned that people element will be fundamental as well as we move forwards. But then obviously we are reliant on the health of the world's oceans. The world's oceans are impacted by biodiversity and also by climate change as well. So I think what we are trying to tackle here is a very holistic viewpoint of how we're defining responsible sourcing and leadership in this space.

Simon Mainwaring:

And being a large publicly traded company, there's a lot of sort of disincentives to start the sustainability journey that you did in 2016. There may be a pure profit motive in the minds of some investors and so on, and there's a lot of capital investments to re-engineer what you are doing. Why was this journey started? What happened in 2016 and then how did you get all the stakeholders on board to support such a kind of self-determined new path forward?

Adam Brennan:

So I think we have to be honest with where we were back in 2016. At that point in time, there was a bright spotlight on the seafood industry around the status quo. And I think we took a long hard look at ourselves and recognized that there's an opportunity to do better. And that's exactly what we started to do. We created one of the industry's first sustainability strategies in what we call SeaChange back in 2016. And at that point in time, it was extremely ambitious. We set commitments for our tuna to be sourced responsibly. We set commitments to protect the workers in our own operations and in our supply chain. And we've worked extensively on delivering on these commitments. But we also learned very quickly that we can't do this alone. And this is a message that will carry through towards 2030. Engaging with stakeholders is absolutely fundamental, be it scientists, be it NGOs, be it other civil society organizations, be it our competitors. On a pre-competitive basis, we also have to work together as an industry to create some of the scalable permanent change that the industry needs.

Simon Mainwaring:

No, I couldn't agree more and obviously the whole core thesis of Lead With We is getting all stakeholders to work together for the largest collective benefit. And what you mentioned there about pre-competitive collaboration is so important. No one company, no one CEO, no one billionaire can solve for any of these issues. We need entire industries to really see themselves as sort of mutually

dependent in terms of leveling up that industry in everybody's interests. But I think that mindset is yet to take hold in a lot of industries. So what is the convening role of someone with a strength like Thai Union? When do you come together as a seafood industry? How do you sort of activate these shared commitments?

Adam Brennan:

So I'll give you one very practical example, Simon, and that is SeaBOS. SeaBOS is a collection of the world's nine largest seafood companies in the world. We come around the table and we engage at a CEO level. So this is not at a chief sustainability officer level. These are not operational people that are coming to these meetings. These are the CEOs of the nine largest seafood companies in the world. My CEO, Thiraphong Chansiri, is chairman of the board. And with his new responsibility, he is now responsible for convening these other large seafood organizations in the industry in trying to align where we should be going collectively. Obviously as Thai Union we can help pave the way, we can show what doesn't work, we can show what does work and help share those lessons. But again, to create that permanent transformation that the industry needs, we have to be working collectively. And that's what something like the power of SeaBOS enables us to do and that's one example of how we engage with the broader industry.

Simon Mainwaring:

And you mentioned this journey you started in 2016 with SeaChange and now in July this year you've announced the launch of SeaChange 2030. So can you sort of break down what are the key components of that? How are you plusing what you are doing already? And you mentioned collaboration before. It was really interesting when I was reading about it was that you want to reshape the seafood industry at large, so what are you doing and how is that going to reshape the industry?

Adam Brennan:

So what we've done with SeaChange 2030 is really built on the original strategy, but we've now taken a more holistic look of our social and environmental impacts from the entire group. As I mentioned, we've done a lot of work to date within our tuna supply chain. But as I said in the introduction, we are not only a tuna company, we have a large presence in shrimp, we also have a growing presence in pet care as well. And so we really took a step back, we looked at all of the different impacts that we create with our global footprint, and then we identified areas where we can improve. And ultimately where we landed is really a focus on five key areas. There are two thematic pillars under 2030: people and planets. From the people perspective, and I echo what I said earlier, protecting labor and human rights is absolutely fundamental.

The seafood industry can be quite high risk, and so it is really important that we are accelerating and reinforcing some of the work that we've already done in this area. As well as also driving health and wellness. We have a growing global population. There is also a huge amount of food insecurity in today's world. And so we acknowledge that if blue foods are sourced responsibly, they can play a huge part in helping to tackle this crisis. Providing a healthy nutritious protein to a growing population is something we also hope to achieve with SeaChange 2030 as well.

But then shifting over to the planet side, we also know that we have to tackle climate change. We all acknowledge that we need to avoid the catastrophic impacts of climate change. We need to adhere to the 1.5 degree pathway. And although seafood is generally classified as a lower carbon intensive source of protein, we still have a role to play, coupled alongside issues such as biodiversity and also circularity as well.

Simon Mainwaring:

So if I understand you correctly, there's five sort of pillars. There's the human and labor rights, there's health and wellness you were talking about, there's the climate action, biodiversity, and circularity. I mean, one of the questions that come to mind in my mind is there's a lot of complexity there and each one of those is a mountain in its own kind of right to move. Like any company or any entrepreneur listening to this podcast, when you've got these competing or multiple priorities, how do you know what to do when and where? Where do you begin to manage all of that, especially given the complexity that you're dealing with?

Adam Brennan:

Great question, Simon. I mean, I think the 11 commitments are all interconnected. Some people have asked me which ones are you going to prioritize? Very difficult. They all have a role to play in shaping what we envision to be a sustainable industry as we move forwards. But obviously as we move forward, some are going to be more difficult than others. One of the first things that we're going to be focusing on is traceability. This is where we started in 2016 within our tuna supply chain. We now need to drive traceability across some of our other supply chains as well. At the end of the day, unless we can be fully confident and are able to verify where all of our products are coming from, we're not going to be able to drive the type of impact that's needed on the ground. So specifically within our shrimp commitments, we are going to be looking at how to drive traceability to understand the sources of raw materials that are coming into our supply chain.

Simon Mainwaring:

And for a layman, I sit there, I have some shrimp in a meal, I'm out at a restaurant. When you think about the supply chain, what does traceability mean? Is it literally where that was sourced from and was that within legal boundaries and within the confines of overfishing or not? Or what are some of the considerations that go into traceability?

Adam Brennan:

So the first thing that we're going to be working on is obviously traceability down to the farm level. We want to start working with the farms in which we source from on everything from biodiversity issues to reducing their energy consumption. So the first thing we're going to be looking at is where are the farms that we source from? But then we also need to go much deeper than that. We need to understand the feed supply chain. What feed supplier is supplying into these farms, and then what raw materials is in those feeds. Because the issue with feed is that they contain both marine and land-based ingredients, and we want to make sure that all of those ingredients are coming from responsible sources.

So let's take land-based materials as an example. Soy is a huge component within aquaculture feed, but soy can be linked to deforestation. And so under our new 2030 commitments, we have a specific call out for all of our feeds come from deforestation and conversion free sources. So we're going to be driving traceability down to the farm level, but then also driving traceability into some of the raw materials within feed ingredients as well.

Simon Mainwaring:

What strikes me about that because there's been so much dialogue in and around the impact space around 2040, 2050, and everyone's like, that's not fast enough. 2030 is around the corner. And you've got a lot of suppliers perhaps who are deeply invested, consciously or not, in the way things have always

been done. They did it the easiest, cheapest, most convenient way to get the highest yield, which gave them the best profit margin that allowed their businesses to thrive. So in the short span of the next six years, how do you motivate people to change, do it at scale, incentivize them to do so, and really take them with you so they don't feel penalized or forced to do it, but rather they want to do it?

Adam Brennan:

Yeah, so I think there's a couple of different prongs to that. The first is around supplier engagement. We have to understand our suppliers. We have to build up those connections. We have to build up trusted relationships. At the end of the day, we can only do this if our suppliers are on board. So there's a huge amount of education and capacity building that's needed within our supply chain. So that's something that we're going to be focused on as we begin to get more and more traceability information is really to drive that supplier engagement and make sure that we're on this journey together. But then the second component is really making sure that the interventions are ready when the time is right.

Now, we need to be working with our broad range of partnerships and also new partners as we embark on this ambition to understand what works in the industry. When we identify who these farmers are, when we identify who the vessels are, what are the interventions that work at scale so that then we are ready to enter them into this framework when that timing is right? And it's also important that we create incentive mechanisms. We talk about our supplier's performance, we identify where any gaps are, but we also make sure that there are interventions in place and incentives in place to actually drive positive action in the supply chain as well.

Simon Mainwaring:

And those who listen to this podcast know that I'm a very poor surfer. I look like an old man drowning the whole time, but I spend enough time in the ocean to be very sensitive to plastic. And some of the statistics I've read from the UN and World Economic Forum, they point to this fact that plastic production will increase by 40% in the next 10 years, and if we don't do anything about it, there's actually going to be more plastic by weight than fish in the oceans by 2050, which is a staggering proposition. I know you have a huge packaging commitment. What does that look like, and I mean, how do you go about re-engineering what must be a seemingly endless amount of packaging that goes into taking your products to market?

Adam Brennan:

So I think at a global level, it's crucial that we tackle the issue of ocean plastics. As Thai Union, we are inherently reliant on the health of the world's oceans. I think we go about tackling a couple of the big root causes of ocean plastics. The first is actually onboard the fishing vessels. So the fishing industry is associated with what we call as ghost gear, which is basically fishing gear that can be lost at sea and continues to fish after it's lost. So we actually have a partnership with the Global Ghost Gear Initiative that is helping to reduce the amount of gear that is lost. So here we're actively playing a role within our supply chain to reduce the amount of ghost gear that's entering in the wild's oceans. So this is really around avoiding and mitigating the loss of ghost gear. But then we also want to play a much larger role in the active removal of ocean plastics as well.

So by 2030 we hope to remove 1,500 tons of ocean plastics by 2030. We'll do this by installing interceptors in some of the waterways that are kind of land-based that enter the world's oceans, but then also play in a much more active removal role in the oceans as well. So that's from an ocean plastics perspective. But then obviously packaging, as you mentioned, also critical. We have a commitment by 2025 where we want 100% of our branded packaging to be more sustainable. But also with our 2030

commitment, we take this one step further. As I mentioned in the intro, we have a branded portfolio, but we also have a private label portfolio. Here, we supply to some of the world's biggest retailers. Now we are not in control of the packaging specs that this product is in, but we are going to be advocating some of these retailers for change, and we are also going to be offering more sustainable alternatives that they can switch to.

Simon Mainwaring:

Right, I mean, I think we're all concerned about it. Every day we look at the amount of waste that we all generate ourselves, we're all complicit in these problems. And the onus isn't just on companies or brands to re-engineer their packaging, but it's also for us as consumers to make more conscious choices. And I guess the other aspect of SeaChange 2030 that really catches my eye is your climate change strategy. I mean, none of us can avoid this. We look in the headlines every day, and whether it's extreme weather or otherwise, we see that the climate emergency is becoming increasingly real and present in our lives. And I was reading that in fact, 600 million people are directly or indirectly reliant on the ocean as a source of jobs and food, especially in developing countries. So the relationship between the oceans and the climate crisis, the oceans being really the true lungs of the planet, could not be more important. So I mean, can you give us a sense of what impact have you already seen as a result of climate change on marine or terrestrial ecosystems that are impacting your business that then motivate you to change? For those of us who don't know, what's the impact already you are seeing and why is that important?

Adam Brennan:

Yeah, so I mean, again, we are reliant on a natural resource. That resource can move as the world's and as the ocean temperatures begin to fluctuate. We're already starting to see extreme weather conditions that affects the availability of tuna. The availability of tuna means that the vessels are spending more time at the ocean, they're generating higher carbon emissions, from a commercial perspective this also drives up cost of tuna as well. So if we feel day to day already the impacts of climate change, and that's why we felt it's so important now that we need to begin to act. As I said, seafood is already regarded as a fairly low carbon intensive protein. That being said, we still believe we have a role to play in decarbonizing the industry. And that's why our new commitments, we're the first global seafood processor to now set science-based targets so that we can help minimize and reduce some of these risks that we're already seeing today.

Simon Mainwaring:

Help us understand that distinction where you are sort of benchmarking yourself against science-based targets. What was going on before and how is that different?

Adam Brennan:

So we've obviously been focusing on climate action already for some time, but the focus has really been on our own operations. We've been driving factory efficiencies, we've been looking at energy efficiency, and we've been actively installing renewable energy at our global network of processing facilities. But when I joined Thai Union just over 18 months ago, I conducted our first greenhouse gas footprint covering Scope 1, 2, and 3 emissions. And what that revealed is that our focus to date, which is essentially Scope 1 and 2, was actually only 10% of the emissions. Nearly 90% of those emissions were upstream and downstream across our supply chain and value chains. So that's why we felt it's so important to understand our Scope 3 emissions and then to set targets to actively drive reduction emissions.

Simon Mainwaring:

And it's interesting, one of the things that I've taken away having been focused on this space for a long time is the shift from this idea that somehow we're going to fix these problems, partly because we caused them, but shifting to the realization that it's actually by restoring nature's living systems, nature can then regenerate the oceans, regenerate the forest, and therefore address climate. Help us understand how you at Thai Union understand your role and how you work with nature to solve for issues like the climate emergency that affect our lives.

Adam Brennan:

As you correctly say, the ocean is a very complex ecosystem and without preserving ocean health, I think that the consequences are astronomical, quite frankly. We've been focused, for example, on biodiversity now for a number of years. Now the reason why we've done that is because we understand that when impact goes too far, it takes nature decades to recover. So when we started to look at our tuna fisheries for example, we want to make sure that all of our tuna fisheries are operating within biologically sustainable levels. Now, if they are overfished and if those fisheries actually collapse, it can take decades to recover. And so all of these ecosystems are all interconnected with each other. Climate change is closely interconnected as well with ocean health, and climate change is also interconnected with biodiversity as well. So that's why with SeaChange 2030, we take a very holistic overview of all of the impacts that we're trying to address. We're not just tackling climate, we're not just tackling biodiversity, but we understand the complexities and the interrelationships that many of these issues have with each other.

Simon Mainwaring:

So if you were to characterize through your lens as the chief sustainability officer, with all that complexity and moving all these pieces forward, what are maybe the top three obstacles that really occupy your mind as you're looking to the rest of 2023 and beyond with those 2030 goals? What are the sort of three top things that you're solving for that are really, they might be quite thorny?

Adam Brennan:

They absolutely are. I mean, we've been focused on fisheries for some time, but we acknowledge that we can still be doing more and we need to be going faster. So what we've done with our new commitments is we've ramped up the level of ambition, but most importantly, we've also expanded our scope. We are a very big player within the tuna industry, but there are also a number of other species in which we source. So we're going to be extending this work now to six other species that cover 90% of the total wild caught seafood that we source. And within this, there were very thorny issues. We recently made a new commitment with the Sustainable Fisheries Partnership, which is an NGO based in the UK that looks specifically at bycatch.

Now, when we go out or when our vessels go out, and by our vessels I mean our supplier's vessels, they go out to catch seafood, but they can catch other species at the same time. This is what we refer to as bycatch. Some of that can be endangered, threatened, and protected species. So within this meat partnership, we are now doing bycatch audits, which basically means we have independent NGOs going into our supply chain, understanding the existing levels of bycatch, and advising us and our suppliers in terms of how they can mitigate those risks. So, again, this is all to protect biodiversity and these are the types of thorny issues that we're trying to address when we scrape beneath the surface of some of these commitments.

Simon Mainwaring:

Yeah, I mean I think we're at that moment, that threshold moment in time now where all the aspirations in the world on paper or in meetings and conferences will do so much. I mean, we really need to, the rubber is hitting the road in so many ways right now. Are you seeing a knock-on effect with your peers? Because as a leader in the industry outright, but also just as a function of size, when you do something, for others to compete they have to level up as well. Are you seeing that knock-on effect yet?

Adam Brennan:

Absolutely. I think within tuna, we're already seeing that. When we started our original strategy, there was a sustainability premium that Thai Union was absorbing. Sustainability costs money, and we acknowledged that from the very, very beginning. But obviously what we've tried to do is work with industry peers to level up the rest of the industry and try and ensure some of our aspirations and ambitions become license to operate. So we're starting to see that already in the tuna industry and now we hope to replicate that across other supply chains as well.

Simon Mainwaring:

And I can't help but think with all of these changes and the capital investments that it takes and the time and the focus and the leadership, it must affect your bottom line in some way, or it must reframe how you think about growth. Because if everything was done in a way just to make the greatest amount of money that a lot of these things wouldn't be done. But we realized for the long-term viability and sustainability of the industry, these investments need to be made. So how have these commitments reframed your idea of growth and then how have you talked about that to the market which may not have the same priorities or motives?

Adam Brennan:

Yeah, really good question, Simon. I think with our 2030 strategy, we are helping to redefine what a sustainable and responsible industry looks like. Now some people are understanding of that vision, some are not. And I think what we've tried to do is really understand our own consumers. We've tried to work with our customers around what some of their ambitions and aspirations are. We've also looked at the future direction of legislation and some of the regulations as well that are coming into play. But also we've looked at the health of the world's ocean. So we've analyzed the risk associated with not acting.

And I think pretty much where we landed is that there is more risk with non-action than action. That there is a price of sustainability, you may have read that we're dedicating \$200 million towards the activation and implementation of this new strategy. Now that decision is not taken lightly. This is actually the entire net profit from 2022 to put that into perspective. So this is how serious the business has taken it. This is how serious Thai Union has taken it. But we don't make that decision lightly. We understand where the industry needs to go. We understand the implications of not acting. But also we see a huge opportunity as well for action, for helping redefine what leadership looks like, and we want to partner with our customers to help make this a reality.

Simon Mainwaring:

And I'm fascinated to hear that you sort of did an assessment of the oceans. I'd love to hear a little bit more about that because if I just look at the headlines, I see that the color of the water off Florida coasts is changing because the temperature is rising and the nature of the ocean itself and what that must do

to the creatures that live in it, surely they're affected. I mean, can you give us a little bit of a top line health report on how the oceans are right now?

Adam Brennan:

So from a Thai Union perspective, 82% of our tuna is now sourced more responsibly. So we've made a huge amount of progress since 2016 when we first introduced some of our sustainability commitments. Now you are correct, the state of the world's oceans is under threat. It's under threat from overfishing, it's under threat from rising ocean temperatures as a result of climate change, ocean acidification, the number of threats are multiple, but obviously it's important now that we begin to take action. We take this leadership stance, we can show what is possible and hopefully pave the way for others to follow.

Simon Mainwaring:

And this leadership stance really points back to the role of storytelling in these circumstances. I mean, it doesn't matter how much good you do throughout your value chain, upstream, downstream, if you don't tell that story in a way that is going to deliver business value, it's very hard to justify it and sustain that commitment over time. So you've announced SeaChange 2030. For those who have their own areas of impact, it might be the oceans, it might be land, it might be reforestation and so on. How do you approach sharing what you're doing with your stakeholders so they go with you?

Adam Brennan:

So I think transparency is one of the fundamental enablers of our SeaChange strategy. We focused on making sure that everything we do is recorded, it's all reported out, but also there is independent oversight. We have always have a habit of making sure we walk the talk from the very beginning. So if we look at some of our early commitments, we've always made sure that there is either an NGO or an independent third party who's reporting out on our progress. Now, if I take some of our more recent commitments that we've made, we acknowledge that when a vessel comes into port, these vessels are audited, they're audited by a third party, but we also recognize that auditing has its limitations.

So we've recently announced a commitment to install either human observers or electronic monitoring on board the tuna vessels so that we can understand what's happening when these tuna vessels are at sea. That is a groundbreaking commitment for the industry. And in order to monitor and provide governance over this commitment, we've partnered with the Nature Conservancy. So that's just demonstrating our commitment not only towards transparency, but also recognizing that we don't have all of the knowledge, we don't have all of the skillsets, and it's important that we connect with those that do.

Simon Mainwaring:

Yeah, I'm glad you mentioned that because I do wonder if there are certain industries that just by their very nature that you always do things the way that things have always been done because you've got to catch a fish and then you've got to freeze it and so on. There must be ways that, I don't know, AI or innovation can be used within the seafood industry to either better select or sort or identify where the right catches are and so on. Are there any innovations in the area that kind of get you excited?

Adam Brennan:

A couple that we're currently exploring. One is the role of blockchain in driving traceability data. Again, because we don't own the vessels, right now the industry is heavily reliant on a lot of manual

documentation that is passed from one actor to the other up and down the supply chain. So we're looking at the role of blockchain and how that could support traceability. But then we're also looking at satellite technology as well. Within our shrimp supply chain, we've been using satellite imagery to understand where the farms are, what is their proximity to the valuable ecosystems. We can also monitor things like disease outbreak on the farm as well. So there are a number of different technology and innovations that we're utilizing to create scalable impact.

Simon Mainwaring:

I can't help but wonder, too, because we're all on the hook here, I mean, pardon the pun, but what can consumers do? We ought to see, too, in whatever it might be. What do we need to be more mindful and conscious in our choices? What do we look for? What do we know? Sometimes you wonder is it greenwashing or is it not? Like how do we play a meaningful role?

Adam Brennan:

I think all consumers should try to understand and learn where their food is coming from. I think you need to recognize some of the existing labels that you can trust that are out there that demonstrate that this product has commitments to social and environmental issues. From a seafood perspective on the ambient side, we often looked to the Marine Stewardship Council, the MSC label that you'll often find on many cans of tuna. This provides confidence to the consumers that this product is coming from a more responsible source. We also have the same on the aquaculture side with the Aquaculture Stewardship Council and also BAP, best aquaculture practices. So consumers should look out for some of these key labels, but they should also research the companies and some of the brands behind the product as well.

Simon Mainwaring:

And you mentioned that you're publicly traded, and I'm very mindful that all of this can sound well intended, but you've always got a stock price, financial observers, and so on who put a lot of pressure on companies. How has this commitment 2030 been received in those areas in the investor class?

Adam Brennan:

So we've done a lot of outreach to the investment community and to some of the key investors within Thai Union. They have a critical role to play, and I think they're beginning to recognize the role that they play. I'm very happy with some of the changes that I've started to see within the investment community in challenging some of the investees in terms of what their ESG performance is. I now get questions from investors over the what percentage of raw materials are certified, what are some of the challenges within the seafood industry, how are we mitigating some of these risks? So these conversations are still very much in the early stages, but they are growing and that is exactly what we need to ensure that we level up the entire industry.

Simon Mainwaring:

And you mentioned that you're expanding into pet care and pet food and so on. Are there other areas or exciting kind of pursuits that you might want to reveal for the first time globally here on this podcast? You heard it here first. I mean, where might Thai Union be going?

Adam Brennan:

So our pet care business is extremely important because what this allows us to do is fully value rise the entire fish. So when we look at a fish, a certain portion of that meat is used for human consumption. We can better use the efficiencies of that fish by using some of the meat for pet care. But then we are also starting to drive new innovations in health and wellness as well. So after you use all of the meat of the fish, what are you left with? Bones, skin, and the head. So we now take the tuna head to extract tuna oil. And tuna oil is an essential ingredient for things like baby formula, but also tuna oil capsules that we are now starting to market ourselves as well. We are grinding up the bones of the fish in order to create calcium supplements, and we're using the skin of the fish to create collagen supplements.

So all of these new business opportunities that we're now exploring all come back to how do we fully utilize one tuna fish to the maximum possible extent. But then we are also looking at other areas such as alternative proteins. What is the role of alternative proteins within the seafood space? So that's another interesting avenue that Thai Union and are exploring coupled with cell-based seafood as well.

Simon Mainwaring:

I can't help but wonder from your line of sight as someone who's committed your entire career most recently to this industry and now to these innovations. If you cast your mind 10, 15 years down the road, given all the challenges and all the things that are already in play, could you paint a picture of what you think the seafood industry will look like? Will it be laser focused and targeted and technology driven in terms of responsible sourcing and so on? What's your vision for it?

Adam Brennan:

So I think 2030 strategy hopefully creates the vision for the future. It's a bit of a roadmap, it's a footprint around what the industry could look like, but I think the success of 2030 really comes in terms of creating scalable solutions. There technology is going to play a fundamental role. We need a lot more research and innovation in the seafood space than what we currently see today. We also need to see the mobilization of finances. The SDG: Life Below Water is one of the least financed SDGs out of all of them. And so we really need to make sure that enough investment is coming in order to create some of these changes that the industry needs, and that investments and those finances are going to the people that need them.

It's not Thai union that needs access to finance, it's often our supply chain. The ones that often have to face the barriers in actually driving some of the interventions that are needed. So I think that's going to be critical as well as we move forwards. But I think a sustainable seafood industry is one that is tackling the global crisis of biodiversity loss, it's one that's tackling the climate change crisis, as well as protecting the people that are operating within the industry as well.

Simon Mainwaring:

Fantastic. Well, I've got to say, Adam, thank you for the way that Thai Union is challenging itself and just as importantly challenging the industry. And as someone who caress deeply about the oceans, it means a lot to me. And just thank you for sharing your insights today. Much appreciated.

Adam Brennan:

It's been a pleasure, Simon. Thanks for taking the time.

Simon Mainwaring:

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