



United Nations
Global Compact



Ocean Safety Index

Executive Summary

Understanding user needs for addressing ocean health and safety across the ocean economy

We interviewed a range of ocean stakeholders to inform our study about understanding user needs for an Ocean Safety Index

What was the purpose of the study?

The study is a partnership between the **United Nations Global Compact, Lloyd's Register Foundation, and the Accenture Development Partnership.**

It aimed to **explore the area of ocean health and safety** in a time of increasing demands being placed upon the ocean, for example, for transport, energy, and sustenance.

Through these interviews, we looked to **understand perspectives on ocean health and safety** and the potential **value** that could be brought to the industry from greater visibility in this area.

This **executive summary** highlights our findings across all interviewees.



We noticed a disparity between the rapid ‘blue acceleration’ that is taking place, and the risks associated with ocean industries

How is the ocean economy changing?

Our interest in safety at sea began when we noticed the **incongruity between what is termed the ‘blue acceleration’ and the level of risk** associated with ocean industries.

The **‘blue acceleration’ refers to the projected increase in investment in ocean industries** in a rush to capitalise on the ocean’s untapped potential.

Currently, the ocean economy represents **5% of global GDP**, which is set to **double by 2030**, reaching **\$3-6 trillion** per annum^{1,2}.

Why are we interested in safety at sea?

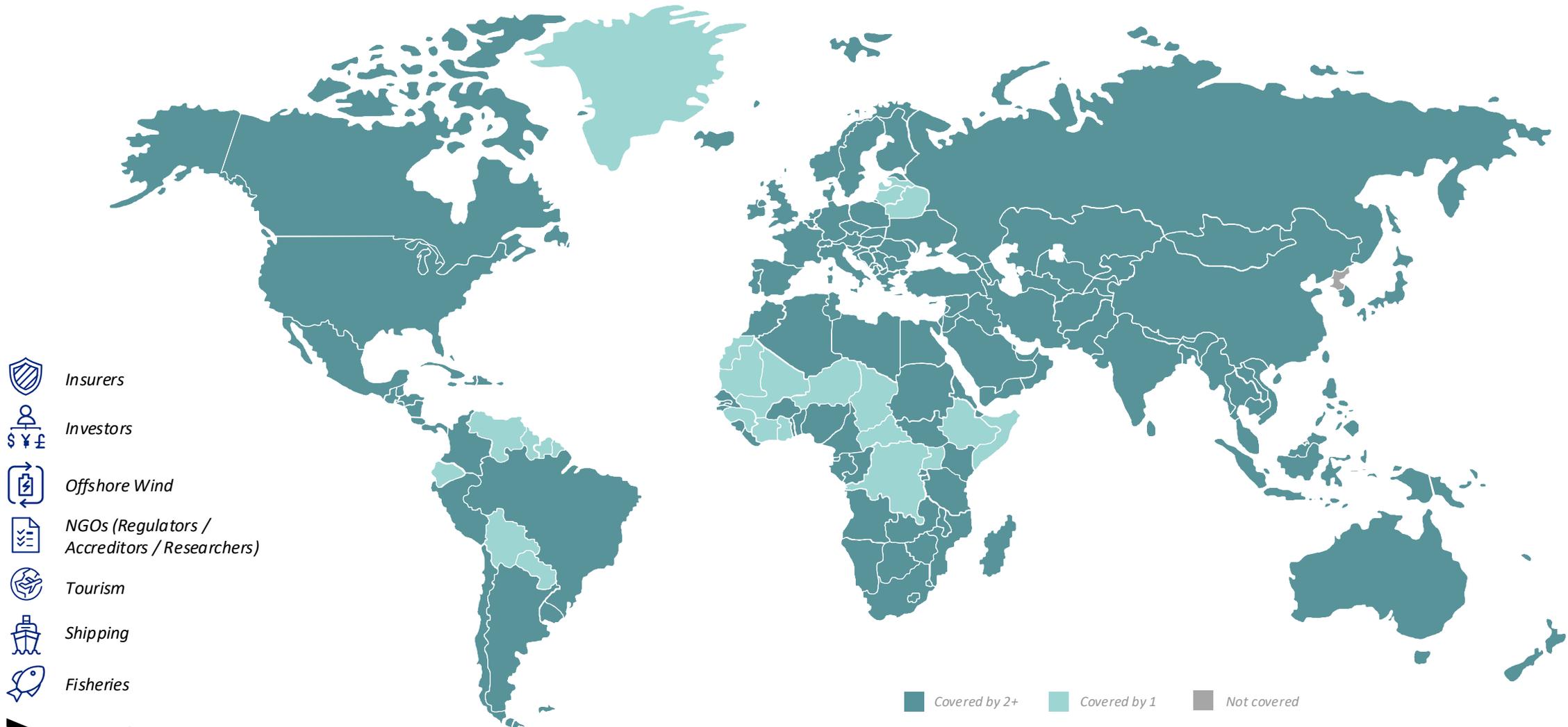
At the same time, we are seeing **increased safety risks** to anyone with a **dependency on the ocean**:

- There has been a **46% rise in weather-related insurance claims**, these are attributed to climate change³.
- **Ocean industries are up to 40 times more dangerous** than other jobs, and this is only projected to increase as the trade-offs between economic risks and safety risks become more competitive^{4,5}.
- It is estimated that **\$8.4 trillion is at risk in the ocean economy** over the next 15 years in a business-as-usual scenario, which **exposes 66% of companies** worldwide⁶.

Investments in the ocean economy are high-risk in the face of present and impending conditions. As such, unless safety is addressed and resilience is built, safety will remain the biggest inhibitor to promoting a just transition to a sustainable ocean economy.



In the interview phase, we consulted with 19 ocean economy leaders and subject matter experts across seven industries worldwide



Interviewees see the vital importance of safe operations, but feel they have the tools in place today to meet safety requirements today



Ensuring safe conditions for people working at sea is expressed as a key focus...

- Organisations are interested in making the ocean safer through **education, asset maintenance and standards**
- **Safety is interlinked with climate change** – but compared to the environmental angle of ESG, social risks are unknown in the value chain
- **New safety challenges emerge with new tech** (i.e., alternative fuels), and this requires training



However, most of organisations interviewed are sure they have met standards in-house...

- Larger organisations in the ocean economy appear **confident in their fulfilment of initiatives and standards, ensuring safe operations for own workforce**, likely due to regulatory pressure over decades.
- **Financial actors** view safety as a component of decision-making, but not a deal-breaking filter.



But admit that outside of their remit of control, safety failures can occur in the supply network

- Many of our participants expressed that they would like **better visibility of broader ESG performance, particularly social and safety** performance in their value chain.
- Better visibility would **enhance decision-making** and could **de-risk their value chain**.
- Typically this **opacity stems from lack of data and regulation** over industries with a heavy reliance on **small-medium enterprises (SMEs)**.
- **Regulatory bodies**, already aware of the issues, **need to include SMEs in reporting and gather more safety evidence** in low to middle income countries.

Broader themes across sectors show varying priorities today, leaning more towards broader ESG themes, and differing opportunities for action



e.g. Insurers, investors, NGOs



e.g. Shipping, fisheries

Industries supporting the ocean economy

Industries closest to the ocean action

More interested in a holistic focus on ESG and sustainability

'E' is the bedrock to 'S'. An index must consider the livelihoods, food security, impact it may have on local communities.

ESG gives an indicator for how future-proof a company is. Underlying data is more useful than an arbitrary ESG score.

Shipping has very high safety regulations already, thus the focus is on reducing environmental impact

Greater focus on a single angle of sustainability

Comprehensive needs

Call to build on EU taxonomy, TNFD, SBTN, SBEP

Desire to improve standardisation across ESG data collection. Interest in attaching 'S' and 'G' conditions to financing.

Indices too broad, want 1-2 parameters relevant to each sector – need to encourage the 80% not disclosing

Multiple data sources are used to evaluate asset integrity; it would be useful to see people and environment risk one place

No index focuses on small-medium enterprises (SMEs).

Sector-specific needs

Regulatory push

Interest in tracking effectiveness of policy changes or new requirements driven by regulators/bodies

Governments play important role and the push should come from the regulators

Interested in using reliable ESG data as a way to assess risks.

The number of tools and their incoherence is confusing. Need to streamline existing tools and work with regulators

Social media and stakeholder pressures are the largest pulls, incentivises paying premiums to act more responsibly.

Consumer pull



There was a broad consensus that lack of regulation is key to why many organisations are facing barriers to collecting third party safety data

Standard regulations do not cover all industries

- **Lack of regulations** is perceived to be a key barrier to improving safety in industries dominated by SMEs, such as aquaculture and fishing.
- For SMEs, there are **limited /no requirements** to ensure assets, infrastructure and equipment is **adequate**, making it **possible to run operations without essential safeguarding**.
- Insufficient global standards hamper **financial actors' ability to benchmark safety**, leaving many industries with inadequate
- **Emerging technologies** are moving faster than regulators which creates **new safety challenges**.

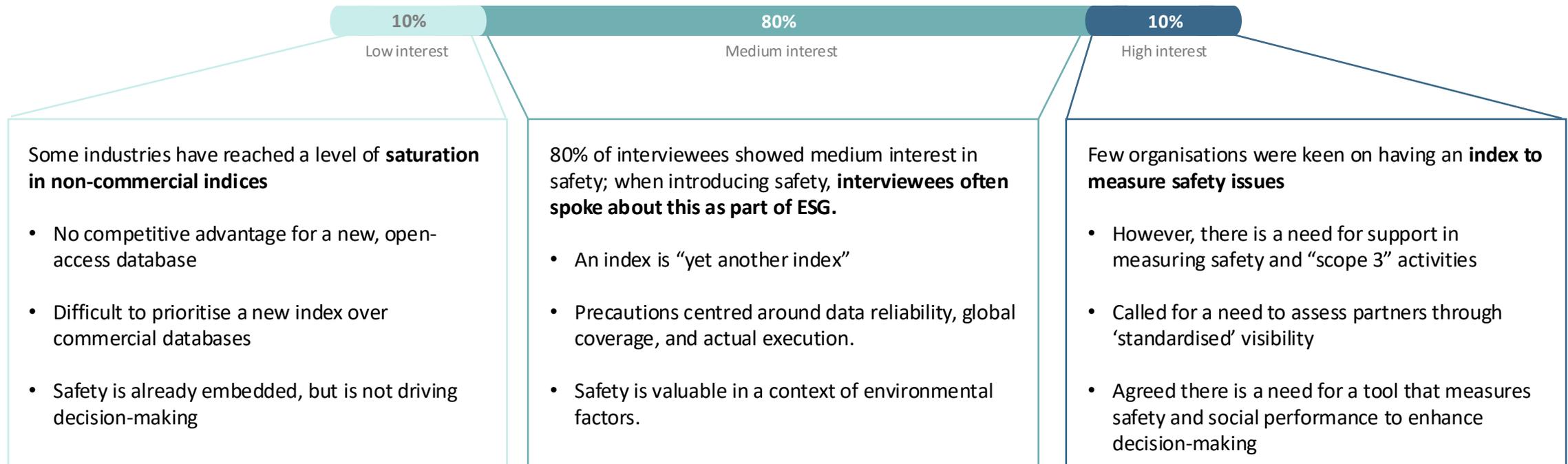
Lack of reliable data is a key barrier to monitoring safety

- **Data is essential evidence of performance** that can be leveraged to enable access to financing for SMEs.
- Organisations notice a **gap in access to data for social parameters and safety performance from SMEs in their value chains**.
- **Regulation is a vital stepping stone** towards data collection.
- Data reliability challenges are greatest in lower and middle income countries. This affects transparency across the entire supply chain.
- Larger companies may resist disclosing data without satisfactory incentives, for fear of being penalised.



Making lives safer in the ocean was of interest, even though an actual index was not the right solution to integrate into corporate processes

Interest among ocean actors in creating an *index* for making the ocean safer



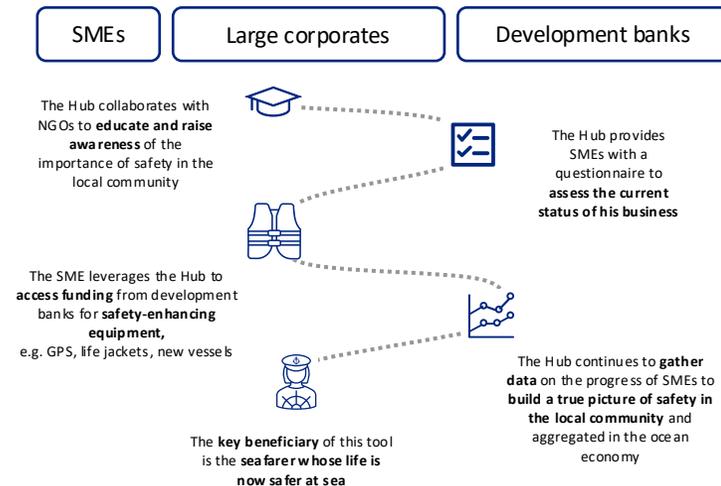
We found that there is limited need for an index measuring safety at sea, but organisations felt a clear gap with respect to an “ESG solution”.

We heard the need for a number of different solutions from which we shaped three, directional concepts to promote a safer ocean

Safety Resilience Hub for SMEs

A hub that coordinates funding and knowledge sharing between SMEs and larger commercial fisheries, tying safety conditions to multinational ESG commitments.

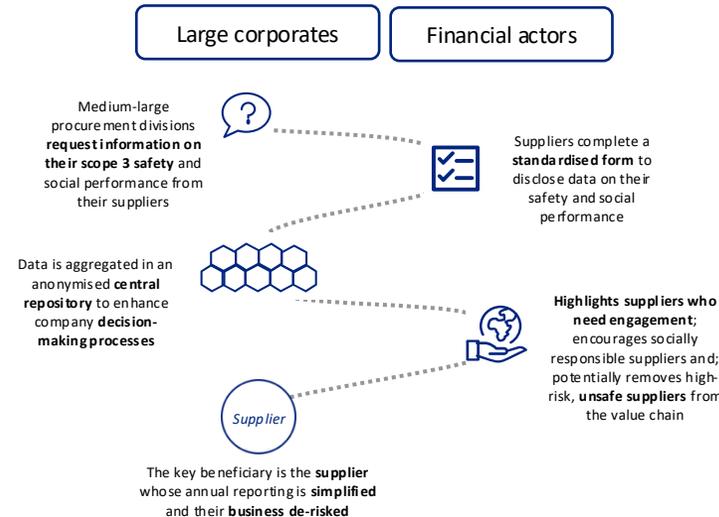
- **90% of all businesses are SMEs, with 50% of the global workforce** employed by SMEs
- Current **ESG scope is too broad** for SMEs which have limited access to resources and often fall outside of safety and ESG regulations.



Safer Supply Chain System

A system allowing large-scale companies to gain visibility of their scope 3 safety/social data, whilst providing a standardised reporting mechanism for suppliers.

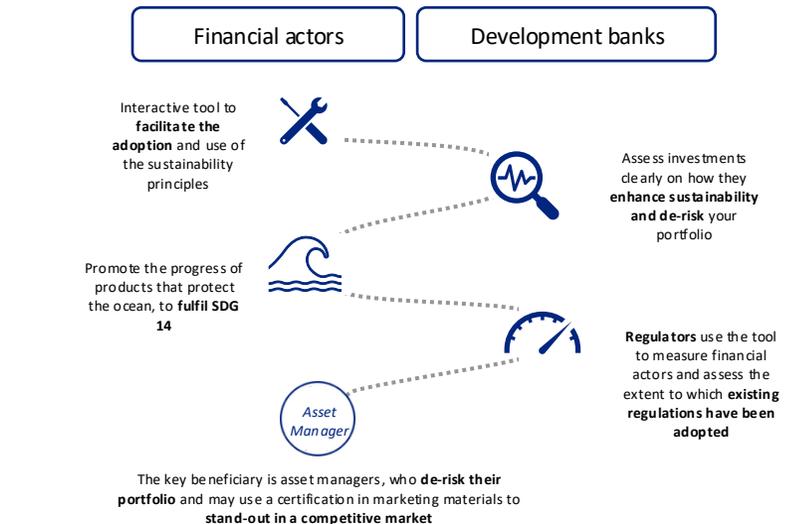
- Suppliers typically have to fill out a different form for each large-scale company they work with, and there is a clear **need to standardise** these requests to improve coherence and **reduce the burden of reporting**
- Answers the request for **scope 3 social performance visibility**



Sustainability Principles Tool

An interactive, accessible, and user friendly tool that distils and simplifies the sustainable principles, such as SBEFPs, SOPs, UNGC 10 principles, etc.

- Sustainable principles today are **complex to navigate and understand**, requiring portfolio leads to invest time and resources to integrate them in decision making
- This concept **removes the knowledge barrier**, allowing actors to use principles with greater ease



The journey has only just started and we invite you to join us

We need your help to **build resilience against the pressures facing ocean industries**, to improve the lives and livelihoods of those closest to the action, and **make your business, investments, and interests safer and better positioned** to reap the benefits the blue economy has to offer.

We are organising a **special session for a select group of businesses**, with a purpose of collectively defining the next steps in creating safer, more socially sustainable livelihoods in our shared ocean economy.

Please contact Suzanne Johnson by [email](#) to let us know if you are interested to join.

We would love to have you on board.





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For further information, please contact:
Suzanne Johnson, UN Global Compact and Lloyd's
Register Foundation
suzanne.johnson@lr.org