Meeting Minutes

Attendees:

9	Members	1	Technical Advisor
4	Observers	5	Steering Committee
2	Academics	2	Secretariat

Date: Wednesday 13 June 2018

First half (members and observers) – 9:00AM - 11:00AM
Second half (members only) – 11:00AM - 12:00PM

Location: 8th Floor, Prince's Building, 10 Chater Road, Central.

Agenda

First half	Second half
Introduction of new members and observers	Discussion points from Codes of Conduct and Guidance document
Chatham House Rules, transparency and anti-competition	Website
Overview of today's meeting objectives	Funding and membership fees
Confirm minutes and Terms of Reference	Chair vote
Recap of January – June	Next steps
Government engagement	Questions and discussion
Academic engagement	
Update: Peninsula tools	
Questions and discussion	

1. Welcome remarks and overview of the agenda from the Technical Advisor (TA).

2. All new members, observers and academics introduced themselves to the group.

3. Members were reminded of their duties, in particular transparency. Members are to act in accordance with Chatham House Rules, and ensure compliance with the Competition Ordinance. Members were also reminded that if they do not want anything reflected in the minutes, to tell the Secretariat.

4. Ran through the major tasks to be accomplished during the meeting:
- Chair selection and voting
- Agreement on the direction of
   · Vision, mission and objectives
   · Language used in claims
   · Incorporating feedback from Working Groups (WG) and academic stakeholders on the Voluntary Codes of Conduct (VCOC) and Guidance Document
   · Timeline for development and implementation
   · Funding models for the Coalition

5. Confirming minutes and the Terms of Reference:
   · Terms of Reference = all agreed
   · January 2018 full members meeting = all agreed
   · WG 2, Wild Catch (10 May) = confirmed by WG lead and all agreed
   · WG 3, Aquaculture (8 May) = confirmed by WG lead and all agreed
   · WG 4, Labelling (4 May) = confirmed by WG lead and all agreed

6. Recap from the first six months (January – June 2018):
   a. WG webinars held in Feb/ March – The WG leads were nominated, members were guided through the relevant documents for their WG. The aim was for the members to read and digest the documents and start thinking through some of the broader questions on what may be missing in Hong Kong, challenges for implementation and the stakeholders to be involved in the drafting process.
   b. After the initial meeting for WG 1 (Guidance Document), it was discovered that the Guidance Document could not be reviewed in isolation, and must be considered with the VCOCs. To this end, WG 1 was dismantled and members dispersed into WG 2, 3 and 4.
   c. WG meetings held between March and April to discuss the documents and get feedback to the TA. Here it was raised that academic experts should be involved in the drafting process.
   d. TA discussed all feedback with the Sustainable Seafood Coalition UK (SSC).
   e. TA and Secretariat approached two academic experts (one on wild catch and the other on aquaculture) and received initial feedback on the documents.
   f. Final webinar with TA and external advisor with the WG members to provide feedback on comments raised and proposed way forward

7. There are currently 12 active members from 10 different organisations. One member had to step down due to leaving the company. The Secretariat and Steering Committee (SC) will be working in the coming months on recruitment in different

segments of the supply chain.

8. Key issues raised by WG members during the past six months:
    a. The option of having different membership tiers: To avoid complexity, SSC (UK) recommends to only have one membership level. Though, founding members will be recognised.
    b. Implementation period: In UK, food service was given more time for implementation as they generally deal with more species. Hong Kong may choose a similar approach (e.g. 18 months vs. 12 months for retailers and suppliers).
    c. Consumer education: Decided it was important to first educate members to ensure knowledge is aligned, but looking to address consumers at a later stage.
    d. Sustainability/ responsibility: There was considerable uncertainty with the use of these terms *(further discussed following the break)*.
    e. Lack of legislation on product marketing in Hong Kong: It was agreed to take guidance from the EU marketing codes.
    f. Role of HKSSC: It was agreed by members that there is a role for the HKSSC to engage with government, it was also said it is important to educate consumers through labelling.
    g. Traceability: Corporate clients have their own guidelines and management systems for food safety and hygiene, but not for illegal fishing. Traceability is considered fundamental for this Coalition.
    h. Scope of the Codes: To cover all species but with a longer period of time given for implementation for those that have a high amount of species.
        i. The Code is voluntary and provides guidance, but ultimately, it's up to the members to decide what they will cover, as long as this is well communicated.
        ii. In the UK, 95% of the product had to meet the VCOC. The most challenging area in Hong Kong will be value added products, such as dim sum.
    i. Translation: Chinese translation will be explored after the VCOCs are developed (2019).
    j. General: All WGs looked at the VCOCs and were happy with the wording. The focus will be to change the Guidance Document.
    k. Labour: It was agreed by all members that labour is very important and should not be ignored, but the coalition will focus on the environmental aspects for 2018, and will begin to look at labour in 2019.
    l. External (non-industry) engagement: Agreed that academics should be engaged to help guide the development of the VCOCs, NGOs will be engaged during the consultation process.
    m. Testing the VCOCs: If any members wish to test, they can go ahead and check feasibility within their own value chain.
    n. Benchmarking: Advised by the SSC that Hong Kong should conduct a baseline review on where we are today so that progress can be measured in future.

9. Specific feedback from WG members on Wild Catch:
    a. Frequency of the risk assessment: Members agreed to annual assessments.
        i. Members proposed to set up a list of all institutions in the Guidance Document that they can work with (to be done by all members) and

the use of information tools such as Seafood Watch, Seafish RASS, WWF Guide, Etc.

    b. Members agreed to broaden the questions in the Guidance Document to cover types of documentation needed to verify the fish is from a legal source, and additional criteria that would help members to assess their supplier.

    c. Risk assessment: Members agreed to the proposal to split the risk assessment into two phases
        i. Stage 1: Fundamentals on IUU
        ii. Stage 2: Sustainability of the fisheries

10. Specific feedback from WG members on Aquaculture:

    a. More to be said of species hybridization and escapes.

    b. Seafood imported from places like New Zealand and Australia were seen to be of lower concern because of the documentation and health certificates required by exporting countries, but for products coming from China it was felt there are more problems because of loopholes in the Hong Kong monitoring process.

    c. Tracing fishmeal shouldn't be difficult, but finding fishmeal that is MSC-certified would be. However, there are increasingly more plant-based proteins that members could source from.

    d. Assessing seed, fry and brood stock: Local aquaculture farms may have trouble, but international large-scale farms should be okay.

11. No members raised any further issues on these discussion points.

12. Government engagement:

    a. The Guidance Document goes above and beyond the law. It is the hope that with seafood traders looking for this information, it will give incentive for government to better regulate.

    b. An industry representative (i.e. The Chair) should be present at any meetings with government.

    c. SC needs guidance from the members on the right avenues for government engagement. The SC, Secretariat and TA have met with a local fishery organisation, and will continue meeting with other government departments to better understand what is controlled by customs vs other organisations. For this organisation, traceability is a significant challenge. It was thought that wholesalers may be able to access more information.

    d. May have to look at who has the most volume of seafood coming in, and any seafood associations that can be engaged. A member reminded the coalition that Hong Kong is a gateway, and there may be seafood that comes in and is later exported so although fresh and chilled volumes appear smaller than frozen volumes, there may be far more in reality.

    e. There has been some government engagement by the members in the past when identifying issues in import/ export, but unsuccessful.

    f. Members of the SC have also engaged with government departments in the past on a range of issues. It was recommended that the Coalition focuses on specific items and is clear on what needs addressing before going to government (e.g. better IUU screening and better product labelling). In a recent study, there was a number of key items found that would help to

increase the traceability of seafood. Knowing what we want to achieve will help to identify which government department to go to.

g. It was pointed out by academic stakeholders that live fish is not considered to be marine fish under Hong Kong law and carriers don't have to report to customs, hence the loopholes in regulation.

h. A member pointed out that in March 2018, China Inspection and Quarantine (CIQ) merged with Customs and is now one entity. There is concern about new regulations emerging with a lack of public engagement in developing these regulations and with subsequent issues. For example, prior to the merger of CIQ and customs, exported seafood would get stamped with a lot number and the health certificate would link to the product, but this is no longer the case and is seen to be somewhat regressive in regard to traceability. This could mean that there will need to be a China supplement in the Guidance Document, as members will have an even harder time finding information on seafood coming from Mainland China.

i. There is now a lot more interest in biodiversity, traceability, health and safety in government which presents an opportunity and what is needed is the data to support.

j. Academic stakeholders pointed out that what would be important to push for are designated landing ports for seafood to enter Hong Kong, as currently any vessel can land anywhere. This could eventually lead to a more effective monitoring system. **Action:** Academic stakeholder to pull together several points on the recommendations on landing port monitoring.

    i. There are designated entry points for live animals such as pigs, chickens and cows, but this is because of the public health angle. Seafood has never been seen as a large public health issue.

    ii. There are already 17 entry points that cover Hong Kong's geography quite well (these are FMO sites and fresh seafood markets) with government officials already in place therefore opportunity to streamline these landing points to collect the necessary data for traceability.

    iii. There has been ongoing discussion already at FMO landing site on collecting data, but it seems that there is a divide in opinion between government and industry.

k. An example of problematic silos in government is in regard to the UN (FAO) Agreement on Port State Measures to prevent IUU fishing. It was pointed out that if China were to ratify this, which government department in Hong Kong would take ownership was not clear. Over 150 countries have signed this agreement.

l. One member pointed out that in the past there has been some success in the work of the Animal Welfare Advisory Group and the Endangered Animals Advisory Group. These groups comprise both industry and government who work to change legislation. There has been some success in Legislative Council (LEGCO) to change legislation, but it took quite a bit of time.

m. It was pointed out that government would not want anything made into regulation to be later rejected by industry. Hence the importance of an industry driven coalition.

13. Academic engagement: Feedback was provided to the members on the response from academics in relation to the Codes and Guidance Document and further decisions made by TA and SC:
    a. Regularity of risk assessments: it was questioned what regular implies. It was agreed that this should be annual for low risk products, if products are identified as medium risk they should be assessed every six months, if high risk then should consider Fishery Improvement Projects (FIPs) or Aquaculture Improvement Projects (AIPs).
    b. Transparency: it was questioned what this implies. It was confirmed that the website will show the minutes of all the meetings. In terms of the members, transparency on risk assessment results will be kept internal to the HKSSC with an overview reported by the Secretariat every two years. This was the process followed in the UK.
        i. It was questioned if all members will be required to communicate their seafood policy online. What has been recommended was to communicate externally, but this does not have to be the detailed policy.
        ii. Members also agreed that if a member's seafood policy was developed in this process, they would adopt it. This is something that may be considered in the future, after the creation of VCOC's, which are the priority for 2018.
    c. Capture-based aquaculture: Juvenile capture for aquaculture should be considered as well as hatchery based aquaculture. It was agreed that in the glossary section, at least, there will need to be some better definitions. That said, stakeholders and members were reminded that this is not a standard, but rather voluntary guidance for how to deal with products not certified to a third-party standard. Ultimately certifications will need to be considered and these would cover the issues being raised
    d. How to decide on an independent competent party: At the moment, "fishery scientist" is not mentioned in the definition, but potentially should be included. It was agreed that consultants with relevant experience in the region would also fit into this. There will need to be some emphasis on who the members will work with, and what type of assessment tools are acceptable. It was pointed out that in Hong Kong it's far more complicated than it is in other countries and therefore a competent party needs to understand the local trade system.
    e. Auditing process: how does one indicate compliance to fisheries regulations? Fisheries management practices does refer to aspects of compliance with fisheries regulations and this is covered by the risk assessment. What can be done is to change the wording in the decision tree to "ineffective management" instead of "without appropriate management."
    f. Additional definitions: It was suggested to improve on the definitions of healthy stock/ adequate management, but remaining aware that this is not a standard.
    g. Threatened species: It was suggested that these may need special vigilance. It was agreed that certain supplements on local delicacies, like grouper, fish maw or shark fin be included in the Codes. This was flagged as important because as species become rarer, they become more expensive and more desired and traders will have a higher incentive to trade because of the high profit margin.

h. Pointed out that fisheries can be stable (currently medium risk), but can still be at very low levels. This might need to be added into the VCOCs for medium and low risk fisheries with data collection / monitoring programmes set as requirement.

i. Animal welfare: Not a focus in the wild catch section of the UK VCOCs because they were developed several years ago when animal welfare was not high on the agenda. The TA will look at the IATA guidelines as reference for transport of live seafood animals (note that these cover air transport, the group was not sure about shipping guidance).

j. Central registry: It was suggested that a registry that classifies fisheries once their level of risk has been determined should be considered. It was pointed out that in the UK, SEAFISH, the body which represents the seafood industry, was approached by the SSC (UK) and agreed to include all the species sourced by members in their risk assessment tool (RASS) A similar approach could be taken in Hong Kong and the TA will be approaching a number of organisations to explore cost effective risk assessments so that it becomes open source. This will need funding to complete.

k. Marine protected areas: It was agreed that the definition can be improved.

l. Legal drug use and minimum residue levels: Given the difference in regulatory controls between countries, it was suggested that CODEX Standards should be referred to, but it will need to be decided how much detail we should go into. Potentially this is something for the glossary. Some of the members are already following the CODEX guidelines for food safety.

m. Traceability in aquaculture: There was concern that it might not be realistic for a local smallholder and group farmers to trace their ingredients. This might not be realistic. But being clear about expectations and providing guidance and a timeline for commitment is key.

n. EIA's: Third-party certifications will require it, but for the rest many will not meet this requirement. It was pointed out that when a product is rated as high risk – this presents an opportunity for a conversation and the solution might be a collective project (zonal aquaculture / AIP). It was discussed that EIA's are not a part of the local AFCD accreditation. Members find that local products are very difficult to trace.

    i. Biosecurity: many farms are only metres away from each other.

    ii. There is an argument for health, several years ago there was imported seafood with ciguatera – there should be oversight on fish for human consumption.

    iii. As the group is based here, should really look at the fish that is imported locally. This is important because foreign salmon producers are not their priority – local producers and buyers are. We must not neglect the local industry and engage with legislators and government on these issues.

o. Ranching: A term used when juvenile wild fish are brought to aquaculture farms. Right now, the VCOCs read quite separately – wild and farmed, but there might be some cross over. Noted that ranching should be defined in the glossary.

p. Sustainable Aquaculture Fund run by the AFCD: Can be for wild or farmed seafood. HKSSC will consider this as a source of funding.

q. Note: there are some species that require low amounts of feed. The HKSSC can promote this, but may not necessarily have to be put into the VCOCs.

14. Tools being developed for the Peninsula.
   a. The tools are being developed by Teng Hoi using international guidance on IUU (namely PAS 2050) in order for the Hongkong and Shanghai Hotels Group (HSH) to meet the traceability and transparency components of the UK Sustainable Seafood Coalition's VCOCs as well as forced labour risk.
   b. HSH will test the tools and following further refinement they will be donated to the HKSSC members for their use.
   c. The tools will enable the HKSSC members to conduct the first stage of the risk assessment (IUU, traceability, transparency). The members would then need to work with existing assessment systems to monitor sustainability aspects of the fisheries and farms such as WWF seafood guide, Monterey Bay Aquarium Seafood Watch, Seafish RASS etc. (second stage of the risk assessment). The final stage would be the development of FIPs and AIPs for problematic fisheries and farms. The funding for FIPs and AIPs has not yet been agreed on.
      i. This approach is important as many of the fish that was being sourced on the red/ yellow/ green rating scale was simply grey and data deficient.
   d. The tools are being developed that will strike a balance between ease of use in the uptake and details and documentation.
   e. Members in the UK likely had their own in-house capacities developed, but this might be different here in HK. Training and capacity building projects are very important, and perhaps we can get government funding to bring this forward.

Break – Members only

1. Confirming the vision, mission and objectives.

As it is written in the UK Codes:

The Hong Kong Sustainable Seafood Coalition (HKSSC) is a progressive partnership of businesses cooperating to address important issues in fish and seafood sustainability.

This sourcing Code outlines general good practice in fish and seafood sourcing which will be used by HKSSC members to inform their own policies for fish and seafood procurement.

This Code applies equally to all members irrespective of size or sector.

- SC – "important issues" seems vague, it's about sourcing responsibly.
- TA – The vision is to have robust sourcing practices
- SC – Vision should be to achieve something, something that you want to see in the future. I.e. All seafood imported into Hong Kong is Sustainable.
- TA – That all seafood imported into Hong Kong is legal and sustainable

2. Labelling code scope:

As it is currently written (with track changes):

"By agreeing to follow the Labelling Code, members commit to assure consumers that all voluntary environmental claims made in relation to their private label fish and seafood are consistent, clear and accurate".

3. Language in claims.

The commonly used terms in Hong Kong:

- Hoi sing gah – seafood price
- Seafood is regarded as a luxury item / experience
- Line caught
- Responsible (includes food safety)
- Sustainable (not necessarily certification, but more of a general term used)
- Stewardship
- Ethical
- Sometimes an eco-label
- Healthy fishing
- Quality
- A Grade
- Ethically raised - ethically grown
- Wild catch (national quota system)

a. Some felt that there was not good communication on local products. This gives HKSSC a good opportunity to define the language. During the WG meetings, it was determined that "responsibly sourced" was most preferred. However, if members are already using the word sustainable in their marketing and wish to continue to do so, that will be okay. But in relation to the HKSSC Codes, responsibly-sourced will be key. The language in the labelling code on MSC/ sustainability will be removed.
b. Responsibly-sourced will need a definition in the glossary.

4. Timeline:

2018	2019	2020
Launch meeting of HKSSC Established member-led working groups (WGs) Review of UKSSC Codes and Guidance document through WGs and webinars; consultation with academic experts Identify industry Chair / Vice-chair Nov – 1st draft Codes & Guidance Doc ready Nov / Dec – wider consultation with NGOs and other stakeholders	Jan – HKSSC member meeting to review stakeholder feedback Assist members in implementing first stage assessment (legality, traceability, transparency) Sustainability risk assessments – process initiated with suitable organisation (e.g. Seafish RASS, MBA, WWF, SFP) Start engaging stakeholders on forced labour	Data deficient / problematic fisheries / farms identified through risk assessments Identify key fisheries / farmed products for FIPs and AIPs

a. Consultation with NGOs: The SC suggests that we should go as broad as possible with the names of NGOs that should be consulted. The SC will make a list of the different NGOs to be approached and members will give feedback on the suggestions.
b. In 2019 the SC will look into the costs of one body conducting multiple risk assessments. In order to do this, the SC may need to know where the fish are coming from. This scoping exercise will need to be done in order to apply for the funding.

5. Website.
   a. The SC and Secretariat will revise the wording and will send these through with the minutes for member comments.
   b. Member logos ("Founding Members") have the option of putting their logos on the page. This will need to be reviewed after the first year. We want the founding members to be recognised but also to avoid a hierarchy that may put others off joining.
   c. With recruitment, both the SC and members can approach for new members. The more members the better.
   d. Members will need to send their logos to the SC.
   e. HKSSC logo: All members are happy with the logo.

6. Funding:
   a. Currently the HKSSC is funded by ADM Capital Foundation which goes towards running the Coalition. It funds the Secretariat and the Technical Advisor's role.

b. Funding was originally committed for the first 18 months, and the SC is trying to continue to raise funding. However, it is expected that at some point, members will need to be paying a fee to continue with the Coalition because of the value it brings.

c. The funding will depend on the number of members that are in the Coalition, and in the UK, fees were determined by the size and nature of the company.

d. Some money has been raised for 2019, which should bring the group till July. The budget has been operating on a shoe string thus far.

e. Secretariat is fairly time intensive and it is totally beneficial to have a paid, independent Secretariat to keep the group together.

f. Technical Advisor is valuable in bringing in external stakeholders to engage with.

g. If HKSSC wants to begin with risk assessments, this will require a different fund amount to work with.

h. Will stocktake Q1 2019, and in January meeting will discuss more on the funding model.

i. Member feedback: Feel that it is important to recruit more members. Founding members will help the SC draw a list of different companies in their supply chains that may be interested in joining. Website will help with the recruitment.

j. SC will put together an info package to share during recruitment.

7. Chair Vote: Two members have been nominated/ volunteered.
   a. The Industry Chair was voted with a vote of 3 to 2.
   b. Will ask the other member nominated if they are interested in representing as a Vice Chair.

8. Next steps.
   a. Members will provide list of key products and species that will feed into the funding proposals, will also be helpful to know the percentage of member's fish that are certified as well as those that are data deficient and problematic.
   b. Technical advisor to work on the VCOCs and Guidance document with members and academic engagement from time to time (July – Sept 2019).
   c. WG webinars on revised VCOCs and Guidance document (Oct 2019).
   d. First draft of published VCOCs/ Guidance for stakeholder consultation (Nov/ December 2019)