



## Meeting Minutes

**Date:** Wednesday 30<sup>th</sup> July 2019

**Location:** 28<sup>th</sup> floor, Oxford House, Taikoo Place, 979 King's Road, Island East

### Attendees:

21 individuals, representing:

8	Member companies	1	Technical Advisor
0	Observers/ academics	2	Steering Committee organisations
1	Secretariat organisation		

## Agenda

Welcome remarks and housekeeping items

Introductions to new Members

Implementation progress

Marketplace discussion

Sustainability risk assessment

Terms of Reference

Funding update

Recruitment

Setting up working groups

Next Steps, Questions and Discussion



## Welcome remarks and housekeeping items, introductions to new Members

1. Welcome remarks and overview of agenda from the Secretariat.
2. Special thanks to KPMG for providing the venue and Skadden for providing legal advice pro bono.
3. Members reminded of the house rules and housekeeping items:
  - Members are to act in accordance with Chatham House Rules.
  - Terms of Chairperson and Vice-Chairperson are to renew every year. The next selection of both positions will be in January 2020.
4. New Members to the Coalition introduced.

## 5. Implementation progress 2019

- Technical Advisor outlined the progress on implementation of the Codes of Conduct since their launch in February 2019.
- It was emphasised that the current Codes of Conduct are there to ensure that seafood sourced is legal, traceable and biologically sustainable. It may include other social elements in the future (to be discussed in next meeting).
- Members have been guided on how to start to map out their seafood supply chains; up to date information can be found in the dropbox shared folders, Members should approach the Technical Advisor if they have any questions.
- Three webinars have been held between Feb to June 2019 to provide support:
  - i. The first webinar introduced various kinds of open-source tools available to Members to help them undertake the first step of the sustainability assessment, such as WWF Seafood Guides and Seafish RASS.
  - ii. The second webinar explained how to start tracking supply chain traceability and legality risks. It covered questions for wild catch and farmed products for Members to use to track their supply chains and to ask the suppliers for more information on.
  - iii. The third webinar presented research on high value species and the associated IUU risks. Speakers on the webinar included Dr. Yvonne Sadovy (expert on live reef fish trade), Markus Burgener and Wilson Lau (experts on the trade in abalone between South Africa and Hong Kong). Members were reminded to take a step by step approach when it comes to sourcing high value live reef species as there is no sure way to know if the source is legal, and starting to collect information on suppliers and asking certain questions is key. The number of major traders is relatively small and some are interested in sustainability, so there is significant potential to influence



practice. Overall there is a need for buyers to undertake their own due diligence. In terms of abalone trade from South Africa, it is hard to differentiate legal abalone from non-legal abalone. An easy way to start to screen is to ask for health certificates.

- Challenges and recommendations on implementing the tools and webinars raised by Members:
  - iv. The excel sheet is easy to fill in generally, but maybe a bit difficult to find the information if it is not readily available by first tier suppliers. The Technical Advisor suggested this will take time and the key was to start asking suppliers for this information.
  - v. The webinars are useful to illustrate other countries' risks and experiences in relation to what is traded in Hong Kong. There was a call for additional webinars on country and species specific issues.
  - vi. From a buyer's perspective, it is difficult to ask suppliers to provide product information as this takes time. The Technical Advisor suggested that where species are no longer sourced, historical information is not needed and to rather focus on current and new suppliers. Again Members are not expected to achieve this overnight.
- Members had some recommendations on the upcoming webinars to be organized:
  - i. Organise another webinar on a foreign country (e.g. US / South America), depending on where the Members are sourcing from.
  - ii. The Technical Advisor can help provide further guidance if Members have any difficulty filling in the Excel spreadsheet.

## 6. Marketplace discussion

- Background to the Marketplace presented by Teng Hoi:
  - i. Quite often buyers cannot accurately identify seafood, especially the species name. The Marketplace assists by providing a search tool that works in many languages.
  - ii. The core function of Marketplace is to provide an online tendering platform for buyers. Suppliers who can meet the required specifications (with a focus on traceability and legality) can clearly display suitable products, enabling buyers to start their procurement process with multiple vendors.



- iii. HSH Group has significantly invested in the Marketplace through provision of extensive data sets from its Asian operations and facilitation of detailed communications with key staff.
- Teng Hoi is seeking legal counsel to ensure compliance with legal requirements, such as competition law.
- There was an open discussion about funding to enable the long-term sustainability of Marketplace, with options including pay per use among others. Given the platform is open to others, it is unreasonable to expect HSH Group to continue to fund it.
- Once legal advice is obtained from Skadden, a Terms and Conditions document will be finalised and we hope Marketplace can go live before the end of August.
- Teng Hoi demonstrated how to use the Marketplace: highlighting the 1-3 star traceability rating system, and the facility to identify species in three or more languages in many cases, Japanese, Thai).
- Teng Hoi proposed to formalise the relationship with HKSSC with an Advisory Committee formed of HKSSC Members. The Advisory Committee would continue to provide input into the design and development of Marketplace, in continuance of the informal practise that has occurred to date.
- **The HKSSC Members unanimously agreed to establish an Advisory Committee to help define further changes to the Marketplace.**
- Teng Hoi also proposed that an MOU to define the relationship between HKSSC and Marketplace should be developed. This was also agreed by Members.

## Break

### 7. Sustainability risk assessment pilot project

- The Technical Advisor ran through the objective of the project – to provide an online source of information readily available to Members of the HKSSC about the sustainability criteria and risk rating of the seafood they buy. It will focus on species where information is currently lacking in other online risk ratings and databases and will pilot around 10 species to start.
- Funding has been approved from the Estee Lauder Foundation with a contribution from ADM Capital Foundation. RS Standards will manage the project in partnership with local academics. Results of the assessments will be open source. Ultimately the aim is to develop a more cost-effective model for assessments working with local institutions.



HKU and CityU professors have been engaged and a Peer Review Committee has been established.

- Members were asked if they were willing to disclose their seafood lists with the project manager (an NDA has been signed with the consultant) to identify species to focus on. Fortunately a good number of species were identified during the discussion.
  - i. A suggestion was made to use the Marketplace to identify the scientific names of the species discussed.
- Members put forward the following wild catch species mostly purchased at wet markets:
  - i. Red tile fish (“Hamadai”) (Branchiostegus Japonicus, 馬頭, 日本方頭魚, 日本馬頭魚)
  - ii. Rock fish
  - iii. Squids (source unknown) (Latin/Chinese name TBC)
  - iv. Prawn (“Kuruma”) – Japanese tiger shrimp (Marsupenaeus japonicus, 日本對蝦, 日本囊對蝦)
  - v. Leopard coral trout (Philippines) – identified during earlier discussions
  - vi. Japanese sea bass – sometimes wild sometimes farmed (Lateolabrax japonicus, 百花鱸, 鱸魚, 花鱸, 日本真鱸)
  - vii. Scorpion fish (Latin/Chinese name TBC)
  - viii. Slipper lobster (Scyllarides squamosus, 鱗突擬蟬蝦)
- Potential farmed species to include:
  - i. Sabah grouper (Hong Kong) (Plectropomus leopardus, 東星斑, 豹紋鰓棘鱸, 花斑刺鰓鱒)
  - ii. Red snapper (Hong Kong) (Latin/Chinese name TBC)
  - iii. Spiny lobster (Philippines) (Panulirus stimpsoni, 雜色龍蝦, 杉龍蝦)
- Timeline for the project:
  - i. By end September the scope and methodology of the assessment will be determined. Each profile should take 2-3 days.
  - ii. Will meet with other assessment providers to gauge information sharing – the ultimate goal is to increase the number of detailed fish profiles available to Members and the public to make informed purchasing decisions.

## 8. Terms of Reference

- The Secretariat outlined the updates to the document, which clearly defines roles and expectations for Members.
- Changes to the Terms of Reference:



- i. Mission and Vision, annual review of the Voluntary Codes of Conduct and roles of Members, Secretariat, Steering Committee, Technical Advisor, Working Groups and External Advisors.
  - ii. Membership - Suggested there to be a written commitment for Members, to be discussed in later part of the meeting
  - iii. **It was agreed by all Members that minutes can be approved via email rather than waiting six months for the next meeting.**
- Members commitment for onboarding was discussed:
  - i. A commitment letter would be required for new Member as a formal onboarding procedure with clearly defined commitments as the HKSSC is now more mature.
  - ii. Potential Members will know more about the aims of the coalition, making onboarding more efficient.
  - iii. **It was agreed by all Members to formalise the recruitment process via commitment letters.**
- Member targets/commitments were discussed in the meeting:
  - i. The Secretariat proposed to include baseline commitments in the Letter of Commitment as well as to enable individual targets to be set by Members with regular reporting periods to track progress.
  - ii. Members suggested that HKSSC should have a different model from the UK Sustainable Seafood Coalition (i.e. different reporting periods).
  - iii. Concern was expressed about the perception of high barriers for joining the HKSSC and there was broad agreement to mitigate the risk.
  - iv. **All Members agreed to set individual commitments (e.g. X% of fish sourced following the Codes by date DD/MM/YYYY) on top of suggested baseline commitments to be included in the Letter of Commitment. It was agreed that other global initiatives in the sustainability arena will be reviewed to identify appropriate reporting periods (e.g. 18 months to two years).**
  - v. To ensure consistency amongst new and current Members, it will be asked that each Member is to sign the new commitments letter.
- Members suggested that the targets and disclosures should not be shared publicly to avoid naming and shaming. This will also set the barrier too high for new Members to join the HKSSC. A better way to solve this is to start with sharing the information with the Secretariat only:



- i. The majority of Members agreed to start by sharing commitments with the Secretariat only. The Secretariat would then be able to publish an overview of the collective commitments without naming individual Members.
- ii. Suggested that if Members would like to publicly communicate their own target, they may do so.
- iii. There was concern that individual targets may be a little cautious. One solution is to provide all current and prospective Members guidance on what could be included in their targets. This will be circulated in the week following the meeting to Members.

#### **9. Funding update**

- ADM Capital Foundation has committed to fund HKSSC until December 2019. At present, there is no guaranteed funding after this date.
- An annual membership fee was discussed to enable the HKSSC to be self-sufficient (following the UK's SSC approach). A table of revenue bands was displayed based on the SSC (UK) funding model. Members of the SSC (UK) make a donation based on which band their company revenue lies.
- A suggestion was put forward that Members could communicate their revenue bands privately to the Secretariat so that the Secretariat can estimate the expected revenue for HKSSC if it adopted the same funding model and bands as the SSC (UK).
- One Member questioned why the membership fee is paid according to the Member's overall revenue. Large corporations that have revenue streams other than food and beverages may think this is unfair. It was suggested to compare just the F&B revenue however other Members expressed concern that this was complicating matters. The view was expressed that the membership fee is unlikely to be seen to be a barrier for those companies committed to sustainable seafood. It was agreed that the annual membership fee should be discussed and decided in the next Members' meeting after Members have had time to reflect.

#### **10. Recruitment**

- It was agreed that current Members can help connect with their networks to expand the membership base for HKSSC.
- It was suggested that HKSSC can be linked with the UK's SSC to participate in the 2020 UN Ocean Conference in Lisbon. This can form part of HKSSC's outreach.
- It was suggested that the Secretariat should seek exit interviews with individuals who are not interested in joining the HKSSC to better understand barriers and issues.



- It was agreed that Members would include a slide on the HKSSC in all relevant seafood-related presentations at conferences / seafood forums.

#### **11. Setting up working groups**

- Two working groups will be set up for Members to participate in HKSSC's technical and communications work.
- The Technical working group is to handle Marketplace and RS standard risk assessment work.
  - i. Seven Members joined the technical working group (Working Group 1)
- The Communications working group is to handle media, branding and communications work.
  - i. Five Members joined the communications working group (Working Group 2)
- While initially there was a proposition to form a working group specifically to help with recruitment, it was determined that each Member can contribute to this task individually. No recruitment working group was established.

#### **12. Next steps**

- All the documents will be translated into Chinese to support recruitment by August 2019.
- Working groups led by Members have now been set up and can start working on related matters.
- Next year social elements could be considered to be incorporated into the Codes of Conduct.
- One Member asked if they can use the HKSSC logo on their marketing materials. The Secretariat advised Members that they can use the HKSSC logo on any marketing material along with the fact that they are a Member of the HKSSC. However, the HKSSC logo cannot be printed on their products