Date: 9 November, 2016

Location: Friend’s House, 173-177 Euston Rd, London NW1 2BJ

Number of attendees: 9 total (including 6 members, 2 ClientEarth staff acting as facilitator and minute taker and representative from Seafish)

Summary of agreed points

**Item 2: Review of comments**

- The title of the Sourcing Code will read ‘environmentally and socially responsible’, to maintain clarity about the scope of the Code.

- Members’ commitments (section 3) will be contained in one list, applicable both to social and environmental components.

- More discussion is needed on defining the ‘entire supply chain’, and how far along the chain the risk assessment should apply.

- A new section will be included under 4.3 with risk assessment criteria for factories. Existing sections on wild capture and aquaculture will be revised to include social criteria.

- As it is expected the Seafish/SFP/Seafood Watch tools will be ready in early 2017, the next meeting will be scheduled following their release.

Purpose of the working group meeting

The meeting aimed to build on the commitments provisionally agreed at the August 2016 meeting. It focused in particular on the risk assessment, and addressing working group comments on a draft of the Sourcing Code including social commitments.

**Item 1: Seafish/SFP/Seafood Watch social risk assessment tool**

A representative from Seafish updated the group on the social risk assessment tool jointly developed with the Sustainable Fisheries Partnership (SFP) and Seafood Watch.

**Discussion and comments**

- Aimed at seafood buyers, the scope covers wild capture fisheries only. The assessment output will include the following risk rating:
• Critical: evidence of slavery (or other serious human rights abuses) found at the fishery level in the last five years.

• High: evidence of slavery in the fishing industry of the country.

• Medium: no evidence of slavery in the country, but limited or no conditions preventing it from happening (e.g. country did not ratify relevant international treaties).

• Low: no evidence of slavery, country is in a good regulatory position. However, low risk is not equivalent to no risk.

• Risk mitigation actions include third party certification (where available), industry codes of practice and improvement activities. Emphasis is placed on not walking away from a high risk point in the supply chain. A signposting tool, Tools for Ethical Seafood Sourcing (TESS) being developed by Seafish will refer to existing initiatives and resources, to support risk mitigation efforts.

• The social risk assessment tool will be initially populated by the three organisations involved but will welcome other users adding evidence. Currently, limited information exists beyond the country, and ad hoc media evidence. Information levels are also not consistent between countries. The tool will be set up on a standalone website, with organisations ideally using, and contributing information to, this same tool.

• The tool is now completed on paper, following testing with industry users and expert input. The guidance is being finalised. The web platform is expected to be ready in 2017.

**Item 2: Review of comments**

The group reviewed the comments on the amended Sourcing Code, focusing on the definition of ‘entire supply chain’, and sections 3 (Commitments) and 4 (Sourcing Policies).

**Discussion and comments**

**Title**

• The group discussed if the title should remain specific, adding 'socially', or be made more general by removing 'environmentally'.

**Members' commitments (section 3)**

• The group discussed whether the commitments should be separated into environmental and social, as working group comments highlighted overlaps. One member stated the process for supply chain mapping and traceability is the same.

**Risk assessment and sourcing decisions (sections 4.3 and 4.4)**

• The group emphasised the complexity of tackling social standards, in comparison to environmental standards. Independent audits along the supply chain can be useful, but are costly and only provide a snapshot of a situation at any given time.
• One member felt it would be necessary to agree on the substance of the commitments and wait for third party tools to be ready, before agreeing wording. Some businesses already assess social risk and conduct audits within their supply chains. In the short term, agreeing a common process for identifying risks and possible mitigation actions will be a useful step forward. In the longer term, the SSC could support companies to identify collaborative actions to take.

• On the scope of social commitments, one member suggested the Code could stop at 'appropriate responses', with reference to relevant tools made in the guidance. The group discussed how prescriptive the Code should be in defining appropriate responses. While one member felt it was not necessary, another highlighted that too loose commitments may harm overall credibility of the Code.

• The group discussed if environmental and social criteria should be separate for the risk assessment and decision tree, as risk outcomes may differ between the two.

• One member suggested splitting the risk assessment criteria into sections e.g. the fishery, farm and factory supply chains, covering both environmental and social criteria, but with agreement on how these should be prioritised within the risk outcomes. It is best to wait until the Seafish/SFP/Seafood Watch risk assessment tool is finalised to define risk outcomes. Certification, collaborative action, SEDEX members ethical trade audits (SMETA) and vessel traceability measures could be possible mitigation actions. One member referred to the Verite Responsible Sourcing Tool as guidance.

Defining the 'entire supply chain'

• The group acknowledged the number of intermediate steps within a product's supply chain, and the need to ensure integrity throughout the supply chain. One member emphasised that Ethical Trading Initiative membership requires mapping of the full supply chain. Further agreement will be needed on what is included when 'the supply chain' is referred to. This question is particularly relevant with regard to transportation and processing.

Agreed:

• The title will read 'environmentally and socially responsible', to maintain clarity about the scope of the Code.

• Members’ commitments (section 3) will be contained in one list, applicable both to social and environmental components

• More discussion is needed on defining the 'entire supply chain', and how far along the chain the risk assessment should apply.

• A new section will be included under 4.3 with risk assessment criteria for factories. Existing sections on wild capture and aquaculture will be revised to include social criteria.

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