

SSC Members' Meeting minutes

21 July 2022

Microsoft Teams virtual meeting, 10-12.30. Number of attendees: 22.

Summary of agreed actions

Item 2: Consumer law, the Competition & Markets Authority and the Green Claims Code

- Secretariat to directly contact the CMA to explain SSC member interest in updating the Labelling Code and seek advice on appropriate language and framing.

Item 3: EU Corporate Sustainability Due Diligence Directive

- Secretariat to develop and share a survey, with the goal of identifying how many SSC members will be directly within scope of the CSDDD, and how members will supply product to businesses which will be within scope of the CSDDD.
- All SSC members to complete the above survey.
- Informed by the above survey, Secretariat to identify potential advocacy opportunities for the SSC to strengthen due diligence requirements in pursuit of a level-playing field.
- Secretariat to work with ClientEarth's CSDDD legal expert to identify relevant amendments to the Codes to ensure they continue to set voluntary standards above minimum legal obligations, with a focus on transparency.

Item 4: Social responsibility and the Seafood Ethics Action Alliance

- Secretariat to collaborate with the SEA Alliance to codify human rights due diligence practices and develop a draft for inclusion into the SSC Codes.

Item 5: AOB

- Secretariat to facilitate dialogue on the WWF Basket and implications for seafood supply chain.
- Secretariat to circulate poll for members to determine preferred format for future meetings (i.e. virtual, in-person or a hybrid approach).
- Members to consider participation in Feed Working Group and/or Steering Group. Secretariat to circulate relevant information on this.

Purpose of the members' meeting

To reflect on various developments in legal obligations, consumer attitudes and industry best-practice, specifically in the areas of consumer law, environmental claims, due diligence legislation and social responsibility; to consider to what extent these developments necessitate updates to the SSC Codes of Conduct in line with SSC Aim 2.¹

Item 1: Secretariat Update

The Secretariat updated members on collective progress made against the four Aims set out in the [SSC Strategic Plan](#). A full breakdown of KPIs will be circulated at the end of the year. Key recent activities were described as follows:

- Aim 1: To encourage business commitments to the SSC Codes of Conduct.
 - The Secretariat introduced four businesses which have joined the SSC since its last meeting and their representatives on the call.
 - The Secretariat reminded members that membership of the SSC is no longer restricted to businesses buying and selling seafood in the UK. They have been meeting with non-UK businesses, with an initial focus on Northern Europe.
- Aim 2: To continually review and update the SSC Codes of Conduct to reflect developments in sourcing and labelling practices.
 - On traceability; the SSC has formally endorsed the Global Dialogue on Seafood Traceability (GDST) 1.0 Standards, the Secretariat met with the GDST's new Executive Director and is liaising with the GDST team to develop appropriate traceability updates for the SSC Codes & Guidance.
 - On responsible aquaculture feed; the Feed Working Group has met with traceability initiatives, certification bodies, feed manufacturers, NGOs and ratings organisations. Next steps for the group are to meet with policy makers and to publish an Objectives document
 - On social responsibility; the SSC has signed an MOU with the Seafood Ethics Action Alliance (SEA Alliance), and provided input into their Fisheries Risk Assessment tool which members will soon be able to access.
- Aim 3: To support members to effectively implement their commitments to the SSC Codes of Conduct.
 - The SSC held its first Implementation Support Webinar in January 2022, with 40 participants and positive feedback received in a post-webinar

¹ Aim 2: To continually review and update the SSC Codes of Conduct to reflect developments in sourcing and labelling practices. <https://www.clientearth.org/latest/documents/sustainable-seafood-coalition-strategic-plan/>

survey. These webinars will continue, with a priority focus on supporting members to implement existing commitments within the Codes.

- Proposals received for future webinar themes included: traceability, transparency, climate (greenhouse gas emissions mapping, climate change adaptation/mitigation, net zero) troubleshooting (e.g. response to a fishery losing certificate), social responsibility (Responsible Fishing Vessel Scheme, worker welfare / voice / ethics), wild fish welfare, Risk Assessments workshop, self-auditing for compliance with Codes, plastics and packaging.
- Aim 4: To influence changes in policy relevant to seafood sustainability.
 - The SSC submitted a joint response to the DEFRA consultation on the draft Joint Fisheries Statement.
 - The SSC has also coordinated an advocacy campaign on the High Seas Treaty / BBNJ. This has involved meetings with influential decision-makers, hosting an official side-event at the UN Ocean Conference with high-level speakers, a presentation to the EU Markets Advisory Council and collaboration with the Global Tuna Alliance and Hong Kong SSC.

Item 2: Consumer law, the Competition & Markets Authority and the Green Claims Code

In September 2021, the Competition & Markets Authority (CMA) issued 'guidance on environmental claims on goods and services' and launched a 'Green Claims Code' campaign. In March 2022 the CMA proposed changes to consumer law regarding the disclosure of environmental sustainability information.

Discussion and comments

- The Secretariat presented an overview of the CMA guidance and their consumer law recommendations. They also presented ClientEarth's initial view of consumer law in this area and suggested some implications for the SSC Code of Conduct on environmental claims.
- The Green Claims Code is guidance to help businesses understand and comply with existing obligations of consumer law. It reflects increased consumer awareness of sustainability issues, which affects how consumer law is applied. The focus of the Secretariat's presentation was principle 5 of the Green Claims Code: that claims must consider the full life cycle of the product.
- The SSC Codes currently guide members to make claims of 'sustainably' or 'responsibly' sourced seafood based on an assessment of the marine environmental impact of the fishing or farming operation. The Green Claims Code emphasises telling 'the whole story' – which, in seafood, could include climate metrics, transport emissions, energy usage and waste in processing, plastics & packaging, labour/social etc. These aspects are not currently addressed in the SSC sourcing or labelling Codes.

- The Secretariat suggested two possible responses. Firstly, to expand the SSC Sourcing Code to require (and shape) the assessment of wider impacts in the lifecycle of the product, thereby gathering sufficient information to make a holistic and thorough 'sustainably sourced' claim. The second suggestion was to amend the SSC Labelling Code to ensure that claims clearly explain their scope and limitations and do not mislead consumers.
- Members shared their own reflections on the information and options presented. One suggested that it was important for the SSC to start with clarifying the labelling code to ensure claims are clearly only linked to raw material sourcing, but then progress to including wider impacts (e.g. carbon, waste, energy usage) in the Codes. Another pointed out that there are already several initiatives working on which impacts should be included in the scope of environmental claims. They mentioned IGD and Foundation Earth, and suggested that the SSC should not work on this topic in a silo. The group considered whether the SSC could bring seafood-specific expertise to this wider discussion.
- Several members suggested that the only practical option is to redraft the Labelling Code, because developing an SSC standard for the full lifecycle of a product involves such complexity and risk of duplication. Specific concerns cited included standardising collation of data and agreeing on a risk assessment methodology for such a wide range of impacts.
- A member asked whether the Marine Stewardship Council (MSC) had commented or responded to the publication of the Green Claims Code. The Secretariat pointed to the statement which accompanies the MSC ecolabel on products, which specifies that "This product comes from a fishery that has been independently certified to the MSC's standard for a well-managed and sustainable fishery", thus providing further information on the focus of the claim of 'sustainably sourced'. Another member suggested that even certified products risk overreaching in their claims, as for example the MSC standard does not take carbon into account in its definition of a sustainable fishery. They wondered whether ISEAL had stated their perspective on the issue.
- A member explained that having followed the development and implementation of the Green Claims Codes they are nervous to make any environmental claims.

Actions:

- Secretariat to directly contact the CMA to explain SSC member interest in updating the Labelling Code and seek advice on appropriate language and framing.

Item 3: The EU Corporate Sustainability Due Diligence Directive (CSDDD)

The European Commission is currently developing new due diligence rules for companies. The rules will require businesses to identify and prevent, end or mitigate adverse impacts of their activities on human rights and on the environment. A legal expert from ClientEarth

explained the implications of the new rules for businesses and opportunities for the SSC or its members to engage with the process.

Discussion and comments

- The presenter set out the context for this Directive within wider developments in EU Corporate Due Diligence requirements. They explained the aims of the new Directive, namely a transformation to a sustainable economy, advancing the green transition and protecting human rights in Europe and beyond. They set out the new requirements for businesses for companies within scope of the Directive. These include: integrating due diligence into policies, publicly communicate them and monitor their effectiveness; identifying actual or potential adverse impacts; preventing, mitigating or ending those impacts and establishing a complaints procedure.
- The presenter explained the scope of the new rules. They will initially affect EU and non-EU companies with more than 500 employees and a net turnover exceeding €150 million in the EU. Of significant relevance for SSC members is that fisheries and food production are recognised as "high impact sectors", meaning that the threshold will be lowered after 2 years of the new rules being in place. At this point, all businesses with more than 250 employees and a net turnover of over €40 million will be in scope. The presenter pointed out that the directive is also of relevance for SSC businesses which supply companies in scope of the Directive, as they may themselves be risk-assessed by customers in line with the new due diligence requirements.
- The presenter explained the risks which non-compliant companies are exposed to. They set out the administrative enforcement measures and civil liability aspects of due diligence obligations. Directors will hold responsibility for due diligence actions.
- The presenter highlighted issues which, in ClientEarth's view, will require strengthening before the Directive is able to meet its goals. These include: strong public reporting requirements; a broader definition of adverse environmental impacts, including climate due diligence; and robust enforcement mechanisms for non-compliance.
- The presenter put forward a short comparative analysis of the CSDDD and the SSC Codes. They identified significant alignment between the Codes and the CSDDD, including requirements on traceability, the use of risk assessments and identifying appropriate responses. This means that SSC members are already well-positioned to pursue full compliance with the CSDDD. To improve the alignment between the Codes and the CSDDD, the presenter recommended focussing on the proactive public communication of sourcing policies.
- A clarifying question was raised by a member on the geographical scope of the CSDDD. The presenter's clarifying response is set out in Annex 1. Another member asked about 'compliance instruments', which the presenter explained primarily relates to third-party certification schemes. They set out ClientEarth's perspective that certification can be a useful tool in the risk assessment process, but that they cannot be the only tool used to demonstrate due diligence.

Actions:

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- All SSC members to complete the above survey.
- Informed by the above survey, Secretariat to identify potential advocacy opportunities for the SSC to strengthen due diligence requirements in pursuit of a level-playing field.
- Secretariat to work with ClientEarth's CSDDD legal expert to identify relevant amendments to the Codes to ensure they continue to set voluntary standards above minimum legal obligations, with a focus on transparency.

Item 4: Social responsibility and the Seafood Ethics Action Alliance

The SSC has reached a collaborative agreement with the Seafood Ethics Action Alliance (SEA Alliance) to share resources and information. This agreement has already enabled SSC members to feed into the development of a Fisheries Risk Assessment tool. A representative from the SEA Alliance updated members on their work, their plans for the future and on opportunities for SSC members to engage with their initiatives.

Discussion and comments

- The SEAA representative introduced their organisation as a pre-competitive collaboration of retailers and seafood businesses aiming to strengthen human rights due diligence carried out in the global seafood supply chain, and ensure respect for human rights. It started as an informal network of businesses, but has been able to scale up activity since receiving a grant in 2021. They outlined their membership, which represents over 85% of UK retail sales. They showed the SEAA strategy, structured around four pillars: governance; human rights due diligence; advocacy and engagement; and change on the water.
- The presenter outlined key activities for the SEAA, including: a human rights due diligence webinar series to commence in September; the launch of their pilot 'Change on the Water Fund'; advocacy activities focussed on key international instruments; and engagement with MSC and other standard holders.
- The presenter gave an update on the progress of their Fishery Risk Assessment tool development, into which SSC members have previously submitted sourcing data. The tool is undergoing updates by an NGO partner, and should be finalised by the end of August. The presenter introduced other developments in human rights risk assessments: the Fishery Progress Social Policy, which FIPs reporting on FisheryProgress.org are now required to meet; and the Seafood Social Risk Tool developed by SFP, Seafood Watch and Liberty Shared. They suggest that these tools compliment the SEAA Fishery Risk Assessment tool development process.
- The presenter addressed recent publications highlighting the exploitation of migrant workers in the UK fishing sector, the coverage these publications have received and

SEAA follow-up activities. A key issue highlighted is the absence of data on how many migrant fishers are working in the UK. The SEAA presented findings at the Seafish Ethics Common Language Group meeting and has been invited to participate in DEFRA's new Labour Working Group. They explained that another report on 'Fairness in Fishing' will be published by the Seafarers Charity with clear recommendations for relevant bodies.

- The presenter highlighted the recently-launched IUU Fishing Action Alliance, which the SEAA is publicly supporting and which aims to advance the implementation of many of the same key international instruments that are targeted in the SEAA's advocacy strategy.
- The presenter closed with three proposals for SSC member action: join the SEAA; undertake human rights due diligence in supply chains; check FIPs for compliance with the Fishery Progress social policy.
- A question was raised on whether the SEAA is in a position to help the SSC to codify effective human rights due diligence processes for inclusion in the SSC Codes. The SEAA representative confirmed that this would be achievable. Members welcomed the integration of social responsibility best practices into the Codes.

Actions:

- Secretariat to collaborate with the SEA Alliance to codify human rights due diligence practices and develop a draft for inclusion into the SSC Codes.

Item 5: AOB

- A member updated the group on work being undertaken by a large non-member seafood company to assess their own sustainability strategy against the WWF Basket Blueprint for Action. This project will seek to clarify the implications of WWF's "Retailers' Commitment for Nature", which commits signatories to working with WWF to "halve the environmental impact of UK Baskets by 2030, focusing on climate, deforestation and conversion of habitat, agricultural production, marine, diets, food waste and packaging". The member proposed that the SSC Secretariat is a well-placed neutral facilitator for a wider stakeholder discussion on implications for the WWF Basket work for seafood supply chains.
- The Secretariat explained that they will be surveying members for their views on whether future meetings should continue to be virtual or return to being in-person. Attendance has generally been higher for virtual meetings, but opportunities can be missed by working remotely. Members on the call fed back that they would welcome the return of some in-person meetings, with a general preference for a hybrid approach.
- The Secretariat issued an invitation for members to express their interest in joining the Feed Working Group and the Steering Group, both of which have vacancies due to colleagues changing roles at member businesses.

Action:

- Secretariat to facilitate dialogue on the WWF Basket and implications for seafood supply chain.
 - Secretariat to circulate poll for members to determine preferred format for future meetings (i.e. virtual, in-person or a hybrid approach).
 - Members to submit expressions of interest to participate in Feed Working Group and/or Steering Group. Secretariat to circulate relevant information on this.
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Annex 1: Current rules regarding thresholds for companies included in the scope of the Corporate Sustainability Due Diligence Directive

Large EU companies:

Group 1: 500+ employees and net EUR 150 million+ turnover worldwide.

Group 2: 250+ employees and net EUR 40+ million turnover worldwide, and operating in defined high impact sectors, e.g. textiles, agriculture, extraction of minerals. For this group, the rules start to apply two years later than for group 1.

Non-EU companies:

Third country companies active in the EU with turnover threshold aligned with Group 1 and 2, generated in the EU.