

DRAFT

Minutes of the IFFO RS Limited Board Meeting held at
St Pancras Renaissance Hotel London, Euston Road, NW1 2AR on
Wednesday, 11 October 2017 at 10.00 hrs.

Present: Andrew Jackson (Chair)
Eduardo Goycoolea
Humberto Speziani
Frank Trearty
Neil Auchterloine
Ernesto Godelman
Duncan Leadbitter
Michiel Fransen
Daniel Lee
Niels Alstead
Ally Dingwall
Michael Lutz
Estelle Brenan

In attendance: Trygve Berg Lea
Andrew Mallison
Jill-Denisse Bohmfalk

Apologies: David Parker
Blake Lee-Hardwood

1 QUORUM

The Chair opened the Meeting and declared that a quorum was present.

2 MATTERS ARISING

So as to provide an update following the IFFO RS Strategy Review meeting the previous day, the Chair suggested, and it was agreed, that strategy review be the first matter of business discussed.

3 STRATEGY REVIEW

The Chair summarised the outcomes, in relation to the IFFO RS Strategy Review meeting as follows:

ISEAL – It was agreed the Board should continue with the application and development of a credible monitoring programme.

ASIA - There was conditional support to increase IFFO RS's presence in South East Asia given its poor representation at present. More information was required on marine ingredient production in the area and its raw materials. The board requested details on the approach to be undertaken and it was agreed external funding should be sought so as not to impact fees for existing clients. A working group would be set up to discuss the opportunity and make a decision with whether to proceed. A suggestion was made to hold a round table alongside the Task Force meeting scheduled in Asia.

Improvers Programme – The board said it should be made clear that the Improvers Programme material was not the same as Certified RS material. Communication on this was vital to ensure that the Improvers Programme did not erode the credibility of the IFFO RS Standard.

Mixed-Trawler – It was necessary to have a credible scientific based methodology in relation to this. Thoughts on how best to approach this should be sought from a group of experts as to maintain credibility. Once further effort and time had been spent

developing this area, the board could be approached again.

Certification of Fisheries – There was general acceptance that, if handled carefully, this was a positive step to take. It was noted that IFFO RS certification had been credible and accessible to date. The board stated that costs of turning the Fisheries assessment into a certification must be known, be of sufficient benefit and not endanger accessibility to the certification. The Chair advised that a study would be carried out to identify costs to enable further discussion. **(ACTION)**

The Chair welcomed comments from members and it was noted that:

- There was a risk that some NGOs may perceive IFFO RS to be entering into direct competition with the MSC and that communication was key in ensuring NGOs understood its value and that it was complimentary to the MSC
- It was understood that within certain parts of the supply chain the current assessment may already be referred to as a certification. It was agreed that a sub-committee of the Board be established to achieve a clarity of understanding all the way through the supply chain. **(ACTION)**

4 MINUTES

The minutes of the meeting held on 5 May 2017 were approved.

5 ACTIONS

Those actions not completed, in progress or considered under a separate agenda item were discussed as follows:

TOR – it was noted that discussions continued in relation to using 'country' or 'region' when referring to board representation within the document. It was understood the board wished to achieve a breadth of representation globally but that gaining Asian representation was proving difficult. Discussions internally were ongoing but the action was closed.

Asian candidate CVs – No candidates had been identified to date. In order to make progress it was considered necessary to approach a company's Chairperson in order for them to nominate appropriate personnel. The board agreed that there was rising interest from the Chinese government and with some academics in regards to food safety. One board member stated that following a recent conference he felt there was growing interest from Russia.

Social comp process – This remained outstanding and Seafood Task Force would be contacted in order for IFFO RS to get more involved. **(ACTION)**

By-Catch – Confusion has arisen due to the Standard requiring less than 5% of by-catch to be mixed, where a new EU regulation states a figure of 9%. The team continues to try to ascertain the allowable by-catch percentage figure in the factory itself.

Auditor – Auditor training has completed. This action was closed.

6 UPDATE

The update provided to the meeting was taken as read.

7 IFFO RS GOVERNANCE

The update on IFFO RS Governance provided to the meeting was noted.

Following discussion in relation to the proposed Appointments Committee, it was agreed that membership would comprise of 4 members (the Chair of the Board, a representative of IFFO, a representative of the NGO community and a representative of

general stakeholders). A quorum of 3 would be necessary to carry business and must include the Chair of the Board. It was agreed that the first Committee members be Andrew Jackson, Andrew Mallison, Daniel Lee, Niels Alstead and Blake Lee-Hardwood.

In light of his resignation Piers Hart had recommended Clarus Chu, a Fisheries Specialist at WWF, as his successor. It was agreed he was a strong candidate and that he should be invited to join the board. **(ACTION)**

Any other positions would be considered by the newly formed Appointments Committee and the board were welcome to put proposals to it via the Chair. The Chair was keen to see potential candidates from aquaculture farmers.

The board thanked Piers Hart for all his hard work and efforts in making IFFO RS a success.

Discussion took place in regards to the forthcoming vacancy of Chair of the board and the requirements and experience required of that person. The selection process would be overseen by the newly formed Appointment Committee. It was noted a job description would be produced and circulated. **(ACTION)**.

8 BUDGET

The budget provided to the meeting was discussed.

Given the 2018 projected loss of £60,000 the Chair stated it would be necessary to either reduce expenditure or increase fees. The proposal was to increase fees. It was stated that the ISEAL application monies had been allocated but that a modest increase in fees was proposed due to costs relating to consolidation work. The proposed fee increases were £2300 to £2750 per company and £250 to £300 per factory. A flat fee for by-products of £250 was also proposed.

Following lengthy discussion it was agreed to increase fees to £2750 per company and to £300 per factory. A flat fee with no sharing costs between companies for by-products of £250 was also approved. Projected income for the year would therefore be around £450,000.

It was agreed this would be communicated in October and would come into effect from January 2018. **(ACTION)**.

The projected total reserves at the end of the year was £120,000. This included a one off currency gain of £80,000 that had been carried forward. Board members felt the Company should have a minimum of six months operational reserves. It was acknowledged that there was a balance to be achieved in spending money in order to grow and having a 'cushion'. It was agreed to build up reserves to a suitable level over the next three years.

In response to whether charging on a volume basis was a possibility, there was general agreement that this was challenging and that the current charging structure remained suitable for the current year. The board, however, remained open to considering options for changing the charging structure for future years.

As a not for profit company it was agreed that the increase was necessary to enable the company to serve a useful purpose to the value chain in offering its services.

9 IMPROVERS PROGRAMME

The papers provided to the meeting were noted.

It was understood that the Acceptance Mechanism had been revised in line with

internationally recognised FIP guidelines. The key change was the inclusion of a peer review process of the FIP to be conducted by an accredited Certification Body. It was confirmed the applicant would independently set up a FIP and non-compliance would lead to expulsion. Following the peer review, the Acceptance Committee would receive a report for consideration. Regular reporting in regards to applications would be provided to the Board.

Discussion took place on IFFO RS IP Procedures which had been aligned with the guidelines of FisheryProgress.org, an internationally recognised progress tracking tool for FIPs. FisheryProgress.org currently benchmark solely against MSC criteria. By aligning it was hoped FIPs could be benchmarked against IFFO RS criteria in addition to this. The Chair commented that this was a significant step towards stakeholders recognising IFFO RS as a basic FIP.

10 Potential FIP update

It was confirmed that Panama remained the sole applicant in the programme.

Progress in relation to those actively working towards an application was summarised as follows:

Thailand - Progress, albeit slow, was being made in regards to the Gulf of Thailand FIP. A key delay was in regards to the mixed trawler element. Approval had been given and budget assigned to identify peer review members who could assist with this and advise on a suitable methodology.

Vietnam - A contract had been agreed in regards to the Vietnamese FIP to undertake a GAP analysis to assist them in applying for the programme.

India

The two Indian FIPs had made good progress and had been benchmarked against the IFFO RS Standard to create a work plan aimed towards making an application. There had been some delays due to the organisation required to get this going. It was noted that conflict between the two groups existed and local politics were at play. It was suggested that IFFO RS assist where possible to facilitate harmonisation between the action plans with the objective of promoting collaboration between the parties. It was confirmed that one of the FIPs had signed a memorandum of understanding and a press released had been issued.

Ecuador – no update was available.

Panama – The most recent report was circulated two weeks ago. The second report, based on V.1.6, would be issued in November or December. Any further reports would be against version 2. It was confirmed that this was the FIP to be trialled with FisheriesProgress.org.

Mauritania – It was confirmed that one FIP was in development.

Members of the board raised concern over the length of time it was taking to getting more participants enrolled in the programme. It was explained that establishing a credible FIP was not easy and took time. The current level of participants was not a concern.

11 ISEAL UPDATE

[Laura Shepherd and Nicola Clark joined the meeting]

Laura and Nicola provided a comprehensive update in relation to the work being

undertaken in regards to the Company's ISEAL application.

In response to a question, it was confirmed that the Improvers Programme was not critical to the monitoring and evaluation plan but did provide a significant advantage in terms of evidence and as a tool for driving change.

The board was advised that IFFO RS applied formerly to ISEAL on 4 October 2017. Subject to meeting all the requirements IFFO RS would gain Associate membership in April 2018. It was confirmed that following a further year of compliance full membership would be given.

The board thanked the team for their continued hard work.

[Laura Shepherd and Nicola Clark left the meeting]

12 GSSI GAP ANALYSIS

It was reported that an analysis had been undertaken to assess the ability of the IFFO RS Standard and Program to meet the 'Essential Criteria' requirements of the Global Seafood Sustainability Initiative (GSSI) Benchmarking Standard.

The results indicated that IFFO RS showed good compliance in regards to GSSI Governance and Operations 'tabs' with some key improvements and developments required in regards to their Fisheries Standard 'tab'.

An example of a required change was where IFFO RS currently relied on the information supplied by the fisheries, GSSI would require the checking and verification of that information by auditors.

It was confirmed that GSSI would not consider IFFO RS until they were fishery certifiers. The intention was therefore to look at becoming fishery certifiers alongside encouraging GSSI to look at non-certifying fishery assessments. It was acknowledged that any change from GSSI would take significant time. Should IFFO RS become a fishery certifier consideration would be given at that time to applying for GSSI.

Peter Marshall would be invited to the next meeting to discuss the matter further.
(ACTION)

13 IFFO RS STANDARD VERSION 2

The board was advised that the development of IFFO RS V2 had experienced some delays.

In relation to the mixed trawl fisheries element, it was acknowledged that Version 1 utilised well established guidelines and currently there were no equivalent guidelines for multispecies. To develop an equivalent would take years. A further complication was that certain multispecies fisheries would not be able to demonstrate responsible sourcing practices.

In light of these challenges it was proposed a new approach be adopted – the Mixed Trawl Improvers Programme. This would focus on a change of direction towards more sustainable/responsible practices and foster improvement efforts in multispecies fisheries, using the key elements of APFIC and other FAO Ecosystem Approach to Fisheries (EAF) Guidelines.

In order to make the Programme robust and credible a group of experts in mixed trawl fisheries would be established to undertake due diligence and conduct a peer review of the proposed methodology. **(ACTION)**.

The Mixed Trawl Improvers Programme would determine a direction for short-term improvements and would approximate what the end goal looked like. The IFFO RS Improver Programme would do this through a specific framework by characterising the current fishery status, working with the fishery applicant to develop meaningful short-mid term objectives and consistently measuring progress towards those objectives.

Through the Programme people could be held to account and in doing so IFFO RS would contribute to driving up the quality of the management of these fisheries. This should promote improvements and aid a move towards responsible sourcing in this area.

Some concern was expressed in regards to whether it was possible for this type of fishing practice to be regarded as responsible. In response, a comment was made about the fact that there were MSC certified trawl fisheries in the US, Australia and Europe and that therefore there should be a way of IFFO RS identifying them as responsible too.

It was agreed that potential volumes of production from the mixed trawl fishers should be estimated, potential costs identified and feedback from the peer review be received in order for the matter to be considered again.

The papers in relation to introducing social elements to the fishery assessment process were noted. It was agreed that work would be undertaken to include these in version 2.

The proposed implementation plan and next steps in relation to Version 2 were advised and noted.

14 IFFO RS COC VERSION 2

The update in relation to developments in relation to Chain of Custody Version 2 were also noted.

15 ASC FEED STANDARD UPDATE

Everyone here knows about it. Close of Public Consultation on 21st October – last opportunity to get remarks in. Next stage is to meet in Amsterdam in December. It is hoped for this standard to be launched sometime in 2018.

16 NEXT MEETING

The next meeting would take place on Monday, 23 April 2018 at 10:00 AM.

17 CLOSE

On further business, The Chair, on behalf of the Board thanked the team for all their hard work.

The Chair thanked members for their attendance and declared the meeting closed.

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Chairman

Board Action Log

Actions from meeting held on 11 October 2017	Responsible	Status
A study would be carried out in relation to the suitability and affordability of certifying fisheries.	Peter Marshall	
A sub-committee of the board would be established to achieve a clarity of understanding all the way through the supply chain of terminology used.	AJ	
Clarus Chu would be invited to join the Board.	AJ	
A job description for the position of Chair of the Board would be produced and circulated.	AJ	
The fee change agreed would be communicated in October 2017 to take effect from January 2018.	FA	
Peter Marshall would be invited to the next Board Meeting to discuss the certification of fisheries by IFFO RS.	AJ	
In order to make the Programme robust and credible a group of experts in mixed trawl fisheries would be established to undertake due diligence and conduct a peer review of the proposed methodology	DLb/FA	

Action Points from previous meetings	Responsible	Status
To approach both possible Asian candidates indicating the IFFO RS GB intentions and to request their CVs for further discussion.	DLb/AJ/FA	Ongoing
To form a group of experts from the SE Asia region to help advice in the development of the multispecies component for the IFFO RS Standard	DLb/FA/AJ	Ongoing
To trial HRRTS and MSC labour guidelines for its introduction into the IFFO RS Standard at fishery level.	FA	Ongoing
To involve Seafood task force in Thailand into the IFFO RS social component process.	FA/DLb	Ongoing
To further research on by-catch per landing in order to present draft requirements for by-catch per landing to the next IFFO RS GB meeting	FA	Ongoing
To further research non-conformity grading table in consultation with the auditors and to present to next IFFO RS GB meeting.	FA	Ongoing
To start the review Process and development of the new version of the IFFO RS Chain of Custody Standard.	FA	Ongoing
To apply the proposed changes to the IFFO RS IP procedures	FA	Ongoing
To continue with the developments of the proposed IFFO RS IP projects	FA/AJ/DLb	Ongoing