

Working Group 3: EU control and sanitary issues, consumer rules

Draft Minutes

Tuesday, 20 September 2022 (09:00 – 12:30 CEST)

NH Brussels EU Berlaymont

Interpretation in EN, ES, FR

Welcome from the Chair, Benoît Thomassen

Click <u>here</u> to access the Chair's presentation.

Adoption of draft agenda and of the last meeting minutes (23.05.22): adopted

Action points of the last meeting

- State-of-play of the decision made during the last meeting information
- <u>Sustainable Corporate Governance</u>:
 - Monitor legislative developments
 - Ongoing
- Empowering the Consumer for the Green Transition:
 - Secretariat to circulate a questionnaire to the members concerning the Commission's legislative proposal, in order to prepare future advice to the Member States
 - Secretariat to prepare background document outlining ongoing Commission initiatives affecting the fisheries and aquaculture sector
 - Questionnaire on consumer initiative circulated: 5 13 July 2022
 - Background paper prepared and presented to Executive Committee: 7 July 2022
- <u>Sustainable Food System Framework</u>:
 - Secretariat to circulate the Commission's public consultation to the members, encouraging the submission of individual responses
 - Secretariat to circulate a questionnaire, based on the Commission's public consultation, to the members, in order to prepare future advice
 - Circulate of the public consultation: 20 June 2022
 - Circulate of the questionnaire: 20 June 5 July 2022
 - Commission's reply: 5 May 2022
 - Consideration by Working Group 3: Ongoing
- Product Environmental Footprint Category Rules for Marine Fish Products:
 - Draft advice to be put forward to the Executive Committee for approval
 - Advice adopted: 24 May 2022





European Commission's reply: 21 June 2022

Biodiversity in areas Beyond National Jurisdiction (BBNJ)

• Update on the Fifth Session of the Intergovernmental Conference (15-26 August 2022)

Click <u>here</u> to access the presentation.

Jacopo Pasquero (EBCD) explained that the BBNJ negotiations were still ongoing after the latest session of the Intergovernmental Conference, which took place from 15 to 26 August in New York. BBNJ refers to a new treaty under the United Nations Convention on Law of the Sea (UNCLOS) for the conservation and sustainable use of marine biodiversity in Areas Beyond National Jurisdiction. There are four main components: Area-Based Management Tools, including Marine Protected Areas; Environmental Impact Assessments; Marine Genetic Resources; and Capacity Building and Transfer of Marine Technologies. There must be agreement in the four components, to conclude the negotiations. The process started in the early 2000s with first talks in the UN General Assembly. In 2004, the UN General Assembly established an Open-Ended Working Group to study issues on BBNJ. From 2006 to 2016, the Working Group met nine times. In 2019, the UN General Assembly adopted a resolution to convene the first Intergovernmental Conference to negotiate a BBNJ Treaty. Negotiations are expected to continue in January 2023.

Mr Pasquero outlined the difficult discussions points between the First and Fourth Sessions of the Intergovernmental Conference. First, the concept of "not undermining" referring to the interactions between the new agreement and existing International Fisheries Bodies, such as Regional Fisheries Management Organisations, on area-based management tools, including Marine Protected Areas. Second, the powers to be given to the Conference of the Parties and to the Scientific and Technical Body. Third, decision-making procedures and involvement of experts. Fourth, interaction with other agreements, including the Convention on Biological Diversity (Article 4 and the Post-2020 Global Biodiversity Framework, currently under negotiations, which includes the target on the 30% of ocean under marine protection by 2030) and the United Nations Framework Convention on Climate Change (UNFCCC). At the Fifth Session of the Intergovernmental Conference, there was very significant progress. There was flexibility from several national delegations to reach consensus, but final agreement was not possible. There was also very significant pressure from civil society to finalise the agreement.

Mr Pasquero provided an overview of the status of the four components at the Fifth Session of the Intergovernmental Conference. For Areas Based Management Tools, there were issues related to the definitions, for example whether to include the concept of sustainable use. Discussions on different areas, such as who is responsible for their identification, whether it involves expert consultation, if it is an expert-led process, and how the assessment of the proposals would take place. The role of the Conference of the Parties and interactions with Regional Fisheries Management Organisation, including the potential provision of recommendations and filling of gaps, took place. The potential recognition of already-existing areas-based management tools and Marine Protected Areas established by Regional Fisheries Management Organisations. The link with other processes, such as





the Convention on Biological Diversity. Plus, discussions on how to deal with areas not covered by Regional Fisheries Management Organisations.

In terms of Environmental Impact Assessments, Mr Pasquero highlighted that these may be conducted for any commercial activity taking place in the high seas. For this component, there are issues regarding the voluntary or mandatory nature: the development of a global standard and guidelines, as asked by most developing countries; relations with other bodies, including International Fisheries Bodies; the potential inclusion of environmental, economic, social and cultural elements in the monitoring; plus, for the definition, whether to include cumulative impacts or not.

For the component on marine genetic resources, several questions remain open, which could be directly relevant for fisheries, particularly on whether to include fish as a commodity for the purpose of marine genetic resources. The inclusion of fish as a commodity would mean significant bureaucratic burden. There are questions around access and benefit sharing, Intellectual Property Rights and Digital Sequence Information. For the component on capacity building, there are issues connected to marine technologies and copyright rules. There is a lack of agreement on finance and capacity building, since developing countries request financial resources to meet these ambitions.

Mr Pasquero highlighted several cross-cutting issues. In terms of definitions and general principles, progress was made, but different options remain on the table, for example on the ecosystem-based principle and the precautionary principle/approach. Most developing countries call for the inclusion of "Common Heritage of mankind" in the principles. There are difficulties in agreeing on the decision-making process, such as consensus, majority, and opting-out options, and the role of the Conference of the Parties. There are also questions on the composition and the role of the Scientific and Technical Body and the role of experts. In relation to the BBNJ Secretariat, several parties, including the EU, want a new body, while other want it to be under the United Nations Division for Ocean Affairs and the Law of the Sea. As for the Fifth Intergovernmental Conference, delegations expressed willingness to build on the text already negotiated in New York. However, several delegations, including Russia and China, remarked that the text negotiated in August was not the result of consensus among all delegations.

Mr Pasquero emphasised that the trade implications of the new treaty were unclear. In terms of traceability, there are questions around ensuring that vessels comply with the measures agreed under the BBNJ treaty. On consumer information, it is important to know whether the measures would be interesting for consumers and about how to communicate these across the supply chain. On labels, there are questions if there would be certifications available for sustainable fishing in the High Seas. On international trade and the WTO Agreement, there are questions on ensuring that vessels receiving subsidies respect rules in the high seas and do not commit IUU fishing. There are questions on the amount of supply, particularly for any species potentially only fishes in the high seas. Plus, potentially impact on prices connected to bureaucracy, especially if fish is placed under the marine genetic resources' rules.

Mr Pasquero provided several examples of stakeholder input. The BBNJ negotiations have been focused on international law and marine conservation issues. Fisheries stakeholders only started expressing their views at a later stage of the process. The FAO was present at the Fifth Session and





shared an information brief, which highlighted the fisheries implications, with delegations. The IUCN, which has published policy briefs and organised several workshops, was also present. The Global Tuna Alliance and the Sustainable Seafood Coalition published a joint statement. He highlighted that these inputs were rather sectorial, so more comprehensive information and more common positions are needed to assist the delegations, especially on trade issues.

• Exchange of views & way forward

<u>Pim Visser (VisNed)</u> wanted clarification that Mr Pasquero's presentation had focused on the market implications, since the other perspectives were being addressed by the LDAC.

<u>Jacopo Pasquero (EBCD)</u> confirmed that was the case. Mr Pasquero informed that the LDAC was already active on the topic and added that the MAC should focus on trade issues. There is insufficient information about the trade implications.

<u>Pim Visser (VisNed)</u> requested information on which fishing fleets were mostly fishing in areas beyond national jurisdiction, since most EU fleets focused on areas under national jurisdiction. Mr Visser wondered if the implications would be greater for certain foreign fleets with a higher degree of activity in the high seas, such as the Chinese fleet.

Jacopo Pasquero (EBCD) responded that he was not familiar with the EU statistics, but that, globally, 4% of fish is caught in the high seas, even though he was not able to precise the main fleets in that percentage. Mr Pasquero encouraged the MAC to address these questions in its work. The issue of IUU fishing would also be relevant to address.

The <u>Chair</u>, in terms of way forward, highlighted that the topic was already being addressed by the LDAC and that Mr Pasquero would be chairing a Focus Group on the matter. For the MAC, the main inputs are connected to trade. Therefore, the Chair proposed to move the topic to Working Group 2.

<u>Pierre Commère (ADEPALE)</u> expressed agreement with the change to Working Group 2.

The <u>Secretary General</u> emphasised that, since the topic was already being addressed by the LDAC, the AC with the primary competence, it was important to know if members actually wanted to work on the topic or merely to monitor developments.

<u>Sean O'Donoghue (KFO)</u> stated that the MAC has a mandate to address trade issues. The main issues on BBNJ will be addressed by the LDAC, but the MAC should work on the trade perspective. Mr O'Donoghue agreed with the change to Working Group 2, adding that it could be included in the Terms of Reference of the new Focus Group on Trade.

<u>Quentin Marchais (ClientEarth)</u> agreed that the MAC should work on the topic. The implications for the supply chain were not entirely clear. Mr Marchais highlighted that the joint statement of the Global Tuna Alliance and the Sustainable Seafood Coalition was quite general, so ClientEarth would be willing to deepen discussions on trade issues.

Product Environmental Footprint Category Rules (PEFCR) for Marine Fish Products





• Presentation of ecolabel "Pescaenverde" by Amaya Ordoñez Iglesias, Consultant, inxenia

Click <u>here</u> to access the presentation.

The <u>Chair</u> recalled PEFCR was a longstanding issue in the Working Group. The previous year, the Focus Group on PEFCR was established. The MAC adopted advice to the European Commission with policy messages, while the adoption of technical advice remained pending. The Chair informed that Ms Ordoñez Iglesias would be presenting "Pescaenverde", an ecolabel based on the PEF method.

<u>Amaya Ordoñez Iglesias (Inxenia)</u> explained that the consultancy firm Inxenia worked with the University of Santiago de Compostela to certify fishery products, particularly from the longline fleet. The University has worked for more than 20 years in the application of life cycle assessments. Several studies demonstrate that the level of emissions varies considerably across the fishing sector, from 0.5 to 25 kg/km, depending on the characteristics and the targeted species.

"Pescaenverde", developed by the University of Santiago de Compostela, is the first type III ecolabel for fisheries registered in Spain and is focused on the life cycle of fisheries products. It aims to complement ecolabels focused on the ecosystem. The ecolabel is based on a software focused on two indicators: carbon footprint and energy return rate of the seafood products in the Spanish market. The carbon footprint is an environmental indicator, while the energy return rate indicates the energy spent in the different stages of fishing, transport, and auction, plus the energy in the form of protein from the edible parts of the catch. Ms Ordoñez exemplified that, for hake, the main species of the port of Burela, the carbon footprint limit was 10,82 Kg CO2eq/Kg and the energy return rate was 1.4%. The main aims of the label are: 1) to provide a tool for useful information to improve the management of the Spanish fisheries, increase the energy efficiency, and contribute to the reduction of the greenhouse gas emissions; 2) certificate these products and provide them with preferential access in their commercial relationships with retailers; and 3) provide to consumers a summarised label of environmental performance, which can assist in situations of fast purchasing.

In terms of methodology, more than 120 species are covered. The life cycle approach is followed, in line with ISO guidelines 14040 and 14044 for life cycle assessment studies. For the carbon footprint, there is a global characterisation, and, for the energy return rate, all accumulated energy is considered. The methodology has three steps: definition of the objectives and scope, analysis of the inventory, and impact assessment. Under the "Pescaenverde" ecolabel, only the extraction process until the first sale was covered. The later stages would be difficult to cover due to different transport methods, different supply chains, various processing aspects, and products with multiple ingredients. As for software, "Pescaenverde" is based on Microsoft Excel, which is appropriate for all types of computers and users. It includes a background inventory and the data on the primary inventory inserted by the professional, which is safeguarded by the calculation of the indicators.

For the certification criteria, the reference values for the evaluation of the certification are established based on averages from previous lifecycle assessment studies. These serve to certify the fish species most landed in Spain according to the fishing fleet and the fishing gear. It is hoped that continuous updates will incorporate new species and reduce the thresholds. In terms of process, the interested parties should submit a declaration of interest to the authority administrating the label, the University





of Santiago de Compostela. A registered consultant develops the evaluation and analysis of the data and verified the veracity of these. An independent certification company corroborates the authenticity, reproducibility and appropriateness of the presented evaluation. The University verifies the validity and eligibility of the species in accordance with the ecological thresholds and establish a licence contract for a maximum period of three years.

Ms Ordoñez presented the longline fishing of hake by OPP7 Burela as a case study. This is the main fleet in the port of the Burela. The developers of the label worked together with the fleet to receive data on all the fishing vessels for a three-year period. Her organisation verified all the data and introduced the primary data in the system, focusing on the characteristics of the vessel, the catch, and the consumption. Transport was also taken into account, especially for vessels that go to different ports. The characteristics of the port of Burela were also included in the calculation. In terms of the carbon footprint profile, for the calculation, the total capture in Kg was divided into hake and other species. For the refrigerant, it was not possible to select R422A or R449, so equivalent ones were selected (R404A and R22). For the conversation of litres into Kgs of lubricant, the reference density provided by the manufacturer was used. For the conversion of meters into Kgs of the net, the conversion factor of 0.25 was used, as provided by the staff of the University. To provide the certification to hake, the carbon footprint limit was established as 10,82 Kg CO2eq/Kg and of the energy return rate was 1.4%.

The majority of the emissions are generated by the fishing operations. In some cases, transport is also quire relevant, particularly for vessels that also land in other ports. There are small emissions that can take place in the point of sale. Almost the totality of the missions in the fishing operations stage is due to the fuel. The weight of the refrigerant depends fundamentally in the quantity consumed annually and the type of refrigerant. After the analysis of the data with the software of "Pescaenverde", it was concluded that the 26 longline fishing vessels of the port of Burela comply with the requirements of the label, presenting a carbon footprint and an energy return rate within the limits established for hake.

<u>Jennifer Reeves (MSC)</u> commented that it seemed quite resourced intensive in terms of adding the information into the system, since there is no automatic upload. Ms Reeves also commented that it seemed to be self-declared data, which raised issues in terms of verification and cross-checking. She wanted to know how the "Pescaenverde" system would be aligned with the ongoing initiative of the European Commission on substantiating green claims, particularly ensuring that it will fit in with the new EU requirements.

<u>Amaya Ordoñez Iglesias (Inxenia)</u> responded that she was not sure how the label would fit in the future. The aim is to demonstrate that the Spanish fleet, particularly the longline fleet, does not create a large quantity of greenhouse gas emissions. The aim is also to provide consumers with an ecolabel that can be easily identified, so that the consumers buy this product, instead of products from fleets with significantly higher emissions. It is necessary to continue working to improve the sector. There has been worked with the OPP7 Burela to develop recommendations and initiatives to reduce the carbon footprint of the fishing vessels.





<u>Christine Absil (Good Fish)</u> noted that, according to the presentation, all components, including lubricants, were considered, but the conclusion was that fuel is the most relevant one. Ms Absil wondered if it was relevant to have such a detailed analysis, when many of the components do not really contribute to pollution, especially when the aim was to have a simple system applicable to many fisheries. Ms Absil wanted to know how "Pescaenverde" would fit it in with the PEFCR for unprocessed Marine Fish products being developed by a group of experts, the Technical Secretariat, led by the Norwegian Seafood Federation, at the request of the European Commission. The group of experts are analysing different methodologies to develop an overarching one. She asked if Ms Ordoñez had been following the developments and how these would be approached in the label.

<u>Amaya Ordoñez Iglesias (Inxenia)</u> responded that, in the case of the longline fishing fleet, the fishing gear, the ice, and other factors, do not have a significant impact on the carbon footprint, but that they wanted to analyse these in detail, because that will not be the case for all fleets. Ms Ordoñez stated that the methodology under development by the Technical Secretariat was being taken into account in the development of "Pescaenverde", so the work goes in the same direction.

<u>Maria Luisa Álvarez Blanco (FEDEPESCA)</u> commented that, in any case, "Pescaenverde" was a private initiative that establishes its own norms for certification.

<u>Amaya Ordoñez Iglesias (Inxenia)</u> confirmed that it was a private initiative, but added that it was based on several years of investigation work. The University of Santiago de Compostela studied life cycle assessments for many years, including on the emissions of the Galician fleet.

• Exchange of views about future work of the Focus Group on PEFCR for Marine Fish Products

The <u>Secretary General</u> recalled that, at the March 2022 meeting, it was agreed, as an action point, that, following the provision of data by EAPO, an additional meeting between the Focus Group and the Technical Secretariat would take place. After that meeting, draft advice on the technical aspects would be prepared. The Secretary General asked if EAPO was prepared to provide the mentioned data, plus if the Working Group believed that the Focus Group should continue.

The Secretary General informed that, besides the development of draft PEFCR for unprocessed Marine Fish products by the Technical Secretariat, supporting studies with private companies to test the system were also ongoing. A second public consultation is unlikely to take place before June 2023. The approval by the Commission would potentially be in December 2023. On the website of the Technical Secretariat, an updated version of the draft PEFCR was available.

<u>Jean Marie-Robert (Les Pêcheurs de Bretagne)</u>, concerning the provision of data, stated that EAPO progress on the matter, but that it was more complicated to collect it than initially expected, for example on the estimation of waste. Therefore, it did not seem feasible to submit the data.

The <u>Chair</u> asked for the Secretary General's opinion on the relevancy of continuing the work of the Focus Group on PEFCR.





The <u>Secretary General</u> recalled that the agreement had been to wait for the data from EAPO before continuing with the technical work. The Focus Group could continue working on the technical aspects or wait for new developments, such as the launch of the second public consultation. The Secretary General encouraged members to express their preferences.

<u>Christine Absil (Good Fish)</u> stated that it could be acceptable to wait for the second public consultation. At the same time, some higher-level discussions could take place, for example on whether the producers can work with the methodology under development. The PEF method will be voluntary, but only some companies will have the resources to undertake the method. Ms Absil warned that those companies would have a preferential market access, leaving behind other companies that potentially have a positive life cycle situation. Ms Absil asked the Commission representatives how the Commission planned to address these companies that do not have necessary resources to undertake the PEF method.

<u>Gerd Heinen (DG MARE)</u> highlighted that the PEF method was developed for a broad range of product categories. The initiative on PEFCRs was led by DG ENV. Mr Heinen agreed with the concerns from Ms Absil. DG MARE has concerns about the PEF methodology, because it excludes certain sustainability hotspots, such as fishing pressure. This would be a major gap. The PEFCR should not completely ignore this. DG MARE is discussing the matter with DG ENV, particularly on the scope. The forthcoming Commission proposal on substantiating green claims will also need to be taken into account.

The <u>Chair</u> asked Mr Heinen, in the context of the PEF method, about other products and sectors for which a PEFCR was already developed.

<u>Gerd Heinen (DG MARE)</u> responded that, in terms of PEFCR, there are sectors, including food ones, that have completely finalised it. The reports are available online. As for the initiative on substantiating green claims, Mr Heinen explained that the initiative would be the same for all products, even though it is likely to make reference to the PEFCR when available.

<u>Sean O'Donoghue (KFO)</u> agreed with Ms Absil. Mr O'Donoghue expressed satisfaction with the recommendations previously adopted by the MAC. Mr O'Donoghue argued that it would be dangerous for the Focus Group to undertake technical work, when there was still a lack of clarity on the key principles of the methodology. The MAC should not be committing to an initiative with which might disagree in the end. He stated that the Focus Group should wait for the second public consultation.

<u>Pim Visser (VisNed)</u> highlighted that there is generally an appreciation for the positive impact on the marine environment of the Marine Stewardship Council. Under DG ENV, there is the Working Group on Good Environmental Status, which is focused on the seabed. There is an increased focus on seabed impacts, likely linked to increase political tensions on bottom trawling. ICES also has a technical group assessing impacts on the seabed. Mr Visser argued that it would be useful to group all this knowledge, instead of having different groups developing indicators on seabed impacts.





<u>Gerd Heinen (DG MARE)</u> responded that it depended on the purpose, objective and scope of the work. If the purpose is to reflect seabed impacts in a broad food sustainability label, then it is not necessary to reach the highest level of technical detail. In other cases, e.g., measures that have a direct impact on fishing activities, it could be relevant to have more detailed technical work.

<u>Pim Visser (VisNed)</u> stated the Working Group on Good Environmental Status had been working on a matrix for the impact of the fishing gear on the seabed. There are very high impact gears and also very sturdy seabed floors, which are compatible. There are also low impact gears and vulnerable seabed floors, which are not compatible. Therefore, a broad approach, like stating that "bottom trawling is not sustainable" cannot be used. It depends on the type of gear, seabed, and species. Even when developing information to consumers, it is necessary to account for the technical details. Significant knowledge is developed by ICES, by the Commission, and by stakeholders, which should be considered by DG MARE when working on labelling.

<u>Gerd Heinen (DG MARE)</u> confirmed that, as suggested by Mr Visser, DG MARE was favouring an approach that did not solely rely on the type of gear, but also on the type of seabed and targeted species.

<u>Patrick Murphy (IS&WFPO)</u> emphasised the importance of accounting for the impact on fishers and supply. An analysis of the impact that consumer information based on the status of the seabed can have on fishers/supply/food security/market seemed to be missing. The introduction of new legislation in the EU can create a distortion in the market when compared to third countries.

<u>Gerd Heinen (DG MARE)</u> clarified that, once a proposal is developed, it will be accompanied by an impact assessment to determine the impacts, including on the market.

<u>Jennifer Reeves (MSC)</u>, in relation to impact assessments, highlighted that there were many ongoing developments in the market, including private initiatives. In the case of the initiative on substantiating green claims and the PEFCR project, there have been several delays. The impact assessment might not be as relevant, since the private initiatives are continuously moving forward. Ms Reeves agreed that the MAC could wait for the second public consultation on PEFCR, but added that she was concerned about the parallel development of public and private initiatives, plus the difficulty in keeping track of the developments.

• Way forward

The <u>Chair</u> asked Mr Heinen if, at that time, DG MARE would like any particular outputs from the MAC concerning the PEFCR for Marine Fish, particularly before the second public consultation.

<u>Gerd Heinen (DG MARE)</u> responded that the development of new outputs was at the discretion of the MAC, but encouraged a response to the second public consultation.

<u>Patrick Murphy (IS&WFPO)</u> suggested inviting a representative of DG ENV for an exchange of views.





The <u>Chair</u> proposed, as a way forward, to temporarily suspend the Focus Group on PEFCR until there were new developments. The Chair agreed that a representative of DG ENV should be invited to the next meeting for an exchange of views.

<u>Sean O'Donoghue (KFO)</u> emphasised the importance of paying close attention to the launch of the second public consultation, so that the MAC can be actively involved. The Focus Group on PEFCR could be reconvened to address the mentioned consultation.

The <u>Chair</u> agreed with Mr O'Donoghue.

Sustainable Food System Framework

• Exchange of views about recent developments of the initiative

Click <u>here</u> to access the presentation.

The <u>Secretary General</u> informed that the survey, launched on 25 August 2022, of the European Commission for business operators and for NGOs had been extended until 26 September 2022, and encouraged members to submit individual replies to the survey. The Secretary General recalled that a questionnaire from the Secretariat had been circulated from 20 June to 5 July 2022. A first written consultation took place from 19 July to 3 August 2022. A second urgent written consultation took place from 1 to 9 September 2022. Taking into account the significant number of comments received under the second consultation, the Secretariat prepared a third version of the draft, which was circulated on 14 September 2022, so that consideration could take place at the meeting. The Secretary General encouraged members to focus on the recommendations (section 11), plus on the potential development of an EU label (section 8). The proposed amendments to the other sections are mostly editorial or rather minor.

<u>Sean O'Donoghue (KFO)</u> argued that the draft was not in line with previous practice, since the text was quite extensive. Previously, efforts had been made for pieces of advice to be concise and focused on the recommendations. Mr O'Donoghue called for a reduction of the text and a greater focus on the recommendations.

The <u>Chair</u> recognised the difficulties in developing a concise text.

The <u>Secretary General</u> stated that the structure of the draft text was inspired by the Commission's public consultation on the Sustainable Food System Framework. Many topics are covered, such as labelling, which resulted in a more extensive text. Several of these topics require further discussion. The Secretary General emphasised that, besides the section on labelling, there were not many divergences among the members, so it should be manageable. When considering the text, if there were parts that members believed were unnecessary, these could be removed.

The Working Group proceeded to consider the amendments proposed, under the second written consultation, to the draft advice" Sustainable Food System – Setting Up an EU Framework".





The <u>Chair</u> presented the proposed amendments to section 11 ("recommendations"), focusing on draft recommendations b), e), f), and k).

The Working Group agreed on the proposed amendments to section 11 ("recommendations").

The <u>Secretary General</u>, in relation to section 8 ("sustainability labels, including a potential EU label"), explained that, in the documents made publicly available by DG SANTE, there was reference to the potential development of an EU label on sustainability, but no specifics were provided on the look and governance of the label. The Secretary General hypothesised that that it could look like the EU organic label, which is voluntary and simply stated that a product is organic, or more like the EU energy label, which is mandatory and provides a ranking (A to G). Under the written consultation, several members, particularly Oceana and Good Fish, emphasised the relevance of initiating discussions in the MAC about the labelling preferences, so that it could be reflect in the text. He explained that sub-titles were introduced in section 8: "voluntary sustainability claims in the market of fisheries and aquaculture products" and "EU dedicated sustainability label for food products", in order to make the text clearer for the reader.

<u>Christine Absil (Good Fish)</u> stated that the terminology on ecolabels used in the public consultation was not entirely precise. Mr Absil recalled that, previously, when developing the advice on "voluntary sustainable claims on fishery and aquaculture products, including ecolabels and certification schemes", the Working Group discussed ecolabels. The conclusion was that voluntary ecolabels with minimum legal requirements were preferred. This refers to certification schemes, such as the MSC. On the other hand, the references to "ecolabels" in the questionnaire referred primarily to an information system similar to the EU energy label. Therefore, further discussion was needed on the development of an information system, including the voluntary or mandatory nature. She expressed satisfaction with the introduction of the sub-titles in section 8.

<u>Pierre Commère (ADEPALE)</u> suggested a redrafting of the first sentence of sub-section 8.1 to clarify that the situation can be quite confusing for consumers.

<u>Christine Absil (Good Fish)</u> suggested moving the sentence "The design and governance of sustainability information systems have to be based on thorough consumer research" to sub-section 8.2, since it is about the potential development of an information system.

<u>Maria Luisa Álvarez Blanco (FEDEPESCA)</u> wanted the clarification of the meaning of the last paragraph of sub-section 8.1, since it could be read that voluntary certification schemes were preferred when compared to a public EU-wide scheme.

The <u>Secretary General</u> stated that the paragraph was meant to reflect previous advice on voluntary sustainability claims, particularly the recommendation to develop minimum requirements for voluntary certification schemes.

<u>Vanya Vulperhorst (Oceana)</u> agreed with Ms Álvarez that the meaning of the sentence was not clear. Ms Vulperhorst suggested the deletion of the second part of the sentence, since the purpose was to highlight that the MAC is in favour of minimum requirements for certification schemes.





<u>Marine Cusa (Oceana)</u> wondered if it would not be more appropriate to refer to a "scoring system", instead of an "information system". Ms Cusa highlighted that, at the STECF Expert Working Group meetings on the marketing standards, the discussions were about a scoring system. This would likely be reflected in the Sustainable Food System Framework initiative too.

The <u>Secretary General</u> highlighted that, at that stage, officially, the initiative on Sustainable Food System Framework and the revision of the marketing standards were separate, but that he did expect the initiatives to be linked eventually.

<u>Christine Absil (Good Fish)</u> expressed agreement to the change in terminology from "information system" to "scoring system". In relation to the first paragraph of sub-section 8.2, which outlined the position of "most of the environmental NGOs" as favourable to a mandatory system, Ms Absil wanted to know if there were other groups amongst the membership that were favourable to that position. Plus, which NGOs were not included in the position. She argued that a voluntary system would be detrimental, particularly in the context of the existing voluntary private initiatives. A ranking system would only work if made mandatory. A simplified voluntary system could lead to greenwashing.

<u>Quentin Marchais (ClientEarth)</u> stated that his organisation is favourable to more consumer information, but that insufficient information was available on how the system looked like, which made it difficult to take a position. There were many positions on weighing of different criteria. There should be system that provides more information, possibly ranking, but it was difficult to know without further details. If there is an ambitious information system, then it should be mandatory.

<u>Yannis Pelekanakis (FEAP)</u> emphasised that the objective of the initiative was to provide more information to consumers and to facilitate sustainable choices. Mr Pelekanakis agreed that consumers need more transparent information. He would be more favourable to an information system than a scoring system. First, there should be information provided to consumers. Later, it could be determined whether it is sufficient or not.

<u>Pierre Commère (ADEPALE)</u> stated that, from the perspective of the processing industry, the scheme should be voluntary, since the format was unknown. The implementation could be quite complex. As long as the format and criteria are unknown, he would not be favourable to a mandatory system. Mr Commère argued that those who want could be pioneers. After the assessment of those cases, the system could be made mandatory, after a few years.

The <u>Chair</u> suggested adding "EU fish farmers" to the second paragraph, which outlines the positions of the members that prefer a voluntary label.

Patrick Murphy (IS&WFPO) stated that, in his view, such a scoring system should be mandatory.

<u>Christine Absil (Good Fish)</u> suggested adding text that says that, regardless of the mandatory or voluntary nature of the system, it should prevent greenwashing.





<u>Maria Luisa Álvarez Blanco (FEDEPESCA)</u> stated that, it was difficult to choose between the two positions. For her organisation, it would depend on the system. In several cases, voluntary certification can be more confusing than a mandatory system of the EU.

<u>Marine Cusa (Oceana)</u> agreed with Mr Commère that the implementation of such a system could be quite complex. Nevertheless, for a scoring system, a voluntary approach would not make sense, since the products with a "poor" score will not participate. Ms Cusa highlighted that there is research demonstrating that, if consumers are provided with a system that only covers some products, the scoring system breaks down and does not provide useful information to consumers. She would not be favourable to the development of a scoring system, if it is not mandatory.

<u>Jennifer Reeves (MSC)</u> stated that the position of her organisation was more nuanced. Ms Reeves agreed that it was difficult to have a position without knowing the characteristics of the system, particularly on the collection and cross-checking of data. She asked for the inclusion of a footnote informing that MSC favour a "pass/fail" approach, instead of a grading system.

The <u>Chair</u> suggested the addition of a sentence stating that "a scoring system and an information system could potentially cohabitate".

<u>Karolina Majewska (DG MARE)</u> informed that, from the side of DG MARE, she was following the developments in the Sustainable Food System Framework. The initiative is to develop a framework legislation, so a high-level legislative proposal that would then be complemented by more detailed acts. It is too early to list the specific criteria for all food products in the market. The framework would first determine what the system would be, for example mandatory vs voluntary or what sustainability dimensions are to be considered. Discussions on the specific criteria would be at a later stage. Ms Majewska encouraged members to provide advice on the general design of the system. She recognised that it was difficult to take a position without knowing the details, but members should focus on the design of the system.

<u>Jennifer Reeves (MSC)</u> agreed that the entire system should be considered, instead of specific indicators. It is a matter of complexity of the system, particularly on what information is covered and how it is communicated. Ms Reeves worried about potential self-declaration approaches. She highlighted that, in the case of certification, there are several international processes providing a framework and rules, which should be considered.

<u>Bruno Guillaumie (EMPA)</u> emphasised that the shellfish farming sector was not opposed to a scoring system. Theoretically, such a system would be beneficial to the sector. The criteria must be clear. The algorithm must be easy and transparent. There could be balance between the two options. At that moment, there were no specifics. Mr Guillaumie suggested that the MAC could, in the context of fisheries and aquaculture products, develop a recommendation on criteria for the algorithm to put forward to the European Commission. The criteria should be simple and user-friendly.

The <u>Secretary General</u> recalled that, as explained by Mr Majewska explained, the initiative was still in the early stages. It could be too early to discuss specific criteria, if discussions on the voluntary or mandatory nature were not finalised. The discussion suggested by Mr Guillaumie could take place in





a few months, once there is more concrete information from DG MARE and from DG SANTE. The Secretary General suggested to include the shellfish farming sector in the first paragraph, since the sector was favourable to a mandatory system.

The <u>Chair</u> suggested adding wording highlighting that the approach should be horizontal for all food products, not specific to fisheries and aquaculture products.

<u>Maria Luisa Álvarez Blanco (FEDEPESCA)</u> agreed with the Secretary General that it would be premature to discuss the specific criteria. If the system is horizontal, then it should be mandatory. Many private certification schemes introduce confusion in the market. There are products in the market that respect all the applicable rules and that should be recognised as sustainable, even without undertaking private certification.

<u>Vanya Vulperhorst (Oceana)</u> suggested the addition of a new sentence in the text indicating that, at that stage, it was difficult to have a position on the future system, particularly without knowing the criteria, but that there was an interest from certain membership groups to have a system that shows the environmental and social sustainability of the products placed in the market.

The <u>Secretary General</u>, following the suggestion of Ms Vulperhorst, added an introductory paragraph to sub-read section 8.2, which read "without having seen the specific criteria of the potential EU dedicated sustainability label, it is rather difficult for MAC members to have a definitive position on this matter. Nevertheless, there is general interest to ensure appropriate consumer information. Below the preliminary views of the members are made available".

<u>Christine Absil (Good Fish)</u> emphasised that it was important to discuss how the information would be visible to consumers. For example, when comparing chicken and food products, the labelling must look similar, even if the criteria vary. Ms Absil recognised that it could be a discussion for a later stage.

<u>Yobana Bermúdez (CONXEMAR)</u>, from the perspective of the processing sector, expressed concern about the proliferation of labels in the market and its impact on consumers. As an example, the situation with the NutriScore label has changed across the years and the EU started considering similar systems. In some cases, consumers are being overwhelmed with information. Ms Bermúdez recalled that, under the ongoing interinstitutional negotiations on the Fisheries Control Regulation, there were discussions on digital traceability, in order to provide a global view on sustainability. Therefore, it could be to early on a mandatory or voluntary system or a label. She argued that the Working Group should wait for the outcomes of the interinstitutional negotiations.

The <u>Secretary General</u> recalled that the European Commission wanted to know the opinions of the stakeholders on the set-up of the label, particularly on the mandatory or voluntary nature.

The <u>Chair</u> suggested the addition of a new sentence on the proliferation of labels in the market, which could potentially cause misunderstandings amongst consumers.

<u>Maria Luisa Álvarez Blanco (FEDEPESCA)</u>, taking into account that it was a horizontal initiative for all food products, requested for her sector to be added in the first position (favourable to a mandatory





system). It could allow the comparison of fisheries products with other food products, providing the possibility for a competitive advantage.

Juan Manuel Trujillo Castillo (ETF) requested for his stakeholder group to be included in the first position.

<u>Quentin Marchais (ClientEarth)</u> informed that, taking into account the addition of the introductory paragraph in sub-section 8.2, his organisation could join the first position. The system should be ambitious and for all food products. Mr Marchais committed to promptly confirming his position to the Secretariat.

<u>Daniel Voces (Europêche)</u>, taking into account the new wording, requested the addition of the EU fishing sector to the first position.

<u>Paul Thomas (EAPO)</u> informed that, considering that all food products placed on the EU market would be covered, his organisation would be in favour of joining the first group.

The <u>Secretary General</u> explained that, under the second written consultation, Oceana requested the addition of a new paragraph stating that ranking systems have proven to be more effective than "yes/no" labels as they apply to all products. The Secretary General asked if all members agreed with this statement or if the would be added to first group's views.

<u>Guus Pastoor (Visfederatie)</u> stated that the processing sector could not agree with the statement. A decision has not been made yet to go for a ranking system. Mr Pastoor that the preferred approach was to have minimum criteria for voluntary claims.

<u>Maria Luisa Álvarez Blanco (FEDEPESCA)</u> stated that it seemed premature to include such a specific statement.

<u>Quentin Marchais (ClientEarth)</u> agreed that it would be premature to include it. His organisation agreed with some parts of the statement, but not necessarily with its entirety.

<u>Marine Cusa (Oceana)</u> explained that the first sentence of the statement was based on peer-reviewed scientific literature, so it was about trusting the information or not. In her view, it was important to highlight that a ranking system would have more added value than a "yes/no" label.

<u>Vanya Vulperhorst (Oceana)</u> suggested to maintain the first two sentences and the scientific reference in the draft text. Otherwise, it would merely be their individual position.

<u>Jennifer Reeves (MSC)</u> echoed Mr Marchais's intervention, since she could agree with some parts of the statement, but not the entirety. Ms Reeves suggested not including the new statement.

<u>Quentin Marchais (ClientEarth)</u> agreed with the compromise suggested by Ms Vulperhorst, meaning that the scientific reference could be maintained, but not the rest.

The <u>Secretary General</u> suggested the addition of a footnote on behalf of Oceana referring the study.





<u>Joash Mathew (AIPCE)</u> wanted to know if the mentioned study was elaborated in the context of sustainability or in the context of other elements, such as the NutriScore. The label of the Commission would be in the context of sustainability.

Marine Cusa (Oceana) informed that the referred study was in the context of the NutriScore.

Joash Mathew (AIPCE) responded that would be a completely different context.

<u>Jennifer Reeves (MSC)</u> argued that it would require clarification, since the NutriScore is quite different from information on sustainability. In the context of some other initiatives, has been more favourable to "pass/fail" approaches.

Marine Cusa (Oceana) agreed with not including the reference, leaving the discussion for a later stage.

The <u>Chair</u> suggested rephrasing draft recommendation j) to reflect the changes to section 8, adding "plus it must cover all food products in the market (not specifically fisheries and aquaculture products)".

The Working Group agreed on the proposed amendments to section 8 ("sustainability labels, including a potential EU label").

<u>Pierre Commère (ADEPALE)</u> expressed concerns about the suggested amendments to item 4 of section 2 ("introduction"). In his view, the aim of the point should be to emphasise the difficulty in synthetising all dimensions of sustainability in a label directed at the consumer. Mr Commère expressed preference for the original drafting of that point.

The <u>Secretary General</u> explained that the new wording had been suggested by Oceana. The Secretary General asked the Oceana representatives whether they would be opposed to going back to the original wording.

<u>Marine Cusa (Oceana)</u> stated that the original wording made it seem like it was pointless to provide this type of sustainability information to consumers due to its complexity. Ms Cusa agreed that there would be complexity, but added that there are scientific experts working on the matter. She disagreed that the information would not be useful for consumers.

The <u>Secretary General</u> suggested redrafting the paragraph to read "it can be difficult to summarise for consumers the different dimensions of sustainability".

<u>Pierre Commère (ADEPALE)</u> emphasised that, for operators, it was extremely complicate to do the synthetisation of the information.

The <u>Chair</u> suggested the addition of "in a simple label".

<u>Vanya Vulperhorst (Oceana)</u> suggested the addition of text highlighting that, despite the mentioned complexity, a more information tool would be useful.





The <u>Secretary General</u> suggested deleting the reference to "and distinguish between what is nice to know and what is necessary to know", since several members found it to be too undetermined.

The Working Group agreed on the amendments to section 2 ("Introduction").

The <u>Secretary General</u> provided an overview of the proposed amendments to section 3 ("Most important / impactful actors to foster the transition to a sustainable food system").

<u>Paul Thomas (EAPO)</u> suggested the deletion of the reference to taxonomy in the last sentence of section 3.

The Working Group agreed on the amendments to section 3 ("Most important / impactful actors to foster the transition to a sustainable food system")

The <u>Secretary General</u> introduced the proposed amendments to section 4 ("Factors potentially preventing food system actors from making sustainable choices").

<u>Pierre Commère (ADEPALE)</u> expressed concerns about the wording of item 1) of section 4, which referred to environmental impacts not being accounted in the price. Mr Commère expressed concern that it could be interpreted as a request for an environmental tax.

<u>Vanya Vulperhorst (Oceana)</u> stated that the aim was to highlight that, often, products with a low price are not environmentally sustainable. It is not about taxes, but about costs not reflected in the price.

The <u>Secretary General</u> asked if replacing the explicit mention of "environmental impacts" with a more general mention of the three pillars of sustainability would be acceptable.

<u>Quentin Marchais (ClientEarth)</u> argued that the main point was about environment, so he wondered about the relevance of mentioning social and economic.

<u>Bruno Guillaumie (EMPA)</u> emphasised that it was an issue related to business relations and that no producer would voluntary avoid passing the cost. If an operator is not profitable, the business will be closed. Mr Guillaumie exemplified that environmental certification increases the price.

<u>Christine Absil (Good Fish)</u> agreed with Ms Vulperhorst that environmental costs are usually not reflected in the price, adding that it impaired decent competition between sustainable products and unsustainable products. The point would be that, for operators, it is difficult to regain, in the market, the additional costs for improving sustainability.

<u>Maria Luisa Álvarez Blanco (FEDEPESCA)</u> argued that consumers do not understand the difference between price and value. In the EU, there are many social obligations. Sometimes, consumers choose the cheaper products, which does not take into account the costs of labour protections in the EU. There must be a just price to cover the responsibilities in all areas. If there are stricter social requirements in the EU than in third countries, then there is a difference in prices. Ms Álvarez Blanco underscored that the issue would be how to transfer that cost in the price.





<u>Pierre Commère (ADEPALE)</u> stated that there were two concepts under discussion. First, as described by Ms Absil, there are operators making efforts to increase sustainability, which are not necessarily valorised in the market due to price pressures. Second, as described by Mr Guillaumie, there are increasing environmental costs in the long-term.

<u>Quentin Marchais (ClientEarth)</u> agreed with Mr Commère, but emphasised that the initial aim of the text, as described by Ms Absil, was to have a general comment about the existing system in which the environmental impact is often not reflected in the price. It is a question of economic model, particularly on how to reflect the externalities into the price. Often, the price does not reflect the true environmental cost. Mr Marchais recognised that the issue of other costs, as raised by Ms Álvarez, was also valid.

• Way forward

The <u>Secretary General</u> expressed satisfaction that agreement had been reached on section 8 of the text. The Secretary General suggested, as a way forward, to proceed with a written procedure for consideration of the remaining sections of the draft text. He committed to consulting the intervening members to find acceptable wording for point 1) of section 4.

<u>Patrick Murphy (IS&WFPO)</u>, for the wording in point 1) of section 4, suggested to reflect that the longterm cost of producing food, including environmental and social sustainability, while having economic returns, was not always possible in the price paid for food.

Empowering the Consumer for the Green Transition

• Exchange of views about recent developments of the initiative

The <u>Secretary General</u> explained that, under the written consultation, there was one small addition from MSC to section 6. Good Fish requested further discussion on footnote 14, since, in their view, the text reflected more the views of the industry, than a consensus position. The Secretary General asked OIG members whether they disagreed with the text.

<u>Guus Pastoor (Visfederatie)</u> expressed disagreement with the wording of footnote 14. Mr Pastoor argued that there was too easily of an assumption that EU products have the higher standards, which was not proven. There are high standards in the EU, but, in some areas, there could be countries with higher standards. There was also too easy of an assumption that EU products are necessarily sustainable because of the CFP. Therefore, the text of footnote 14 did not reflect the views of the processing industry.

Christine Absil (Good Fish) suggested the deletion of footnote 14.

<u>Sean O'Donoghue (KFO)</u> expressed opposition to the deletion of footnote 14, but added that the text could be amended to reflect the issues mentioned by Mr Pastoor.





<u>Vanya Vulperhorst (Oceana)</u> offered to assist in redrafting to specify that, EU requirements are usually more advanced, but that the argument presented in footnote 14 was only valid for EU fisheries that meet the requirements.

• Way forward

The <u>Secretary General</u> stated that there seemed to be agreement to maintain footnote 14, but that he would coordinate with the intervening members to rephrase the text. The Secretary General provided an overview of the status of the file. The Council's first reading was concluded. The Council's Working Party met four times under the French Presidency and continued discussions under the Czech Presidency. The European Parliament appointed MEP Biljana Borzan as Rapporteur in the Committee on the Internal Market and Consumer Protection. The Plenary vote is expected in early 2023. The inter-institutional negotiations are expected in 2023. As a way forward, the Secretary General suggested that, following the rephrasing of footnote 14, the draft advice would be put forward to the Executive Committee for approval via urgent written procedure.

AOB

None.

Summary of action points

- Biodiversity in Areas Beyond National Jurisdiction:
 - Topic to be addressed, from a trade perspective, by Working Group 2, in the context of the new Focus Group on Trade, while keeping track of developments in LDAC
- Product Environmental Footprint Category Rules:
 - Focus Group on PEFCR for Marine Fish to be temporarily suspended until new developments, such as the second public consultation on the draft PEFCR
 - Under the draft agenda of the next meeting, invitation to be sent to DG ENV for an exchange of views
- <u>Sustainable Food System Framework</u>:
 - Secretariat to informally consult the intervening members about the redrafting of point 1) of section 4 of the draft advice
 - Remaining sections of the draft text to be considered under a written procedure under Working Group 3
- Empowering the Consumer for the Green Transition:
 - $\circ~$ Secretariat to informally consult the intervening members about the redrafting of footnote 14 of the draft advice
 - Following the redrafting of footnote 14, draft advice to be put forward to the Executive Committee for consideration and potential approval via urgent written procedure





Attendance List

Representative	Organisation	Role
Alonso Abreu Lozano	Asociación de Armadores Punta del Moral (OPP80)	Member
Amaya Ordoñez Iglesias	Inxenia Desarrollos Tecnológicos	Expert
Anne-France Mattlet	Organización Productores Asociados Grandes Atuneros Congeladores (OPAGAC)	Member
Alexandra Philippe	Market Advisory Council (MAC)	Secretariat
Batuhan Özcelik	Marine Stewardship Council (MSC)	Member
Benoît Thomassen	Federation of European Aquaculture Producers (FEAP)	Chair
Bruno Guillaumie	European Molluscs' Producers Association (EMPA)	Member
Catherine Pons	Federation of European Aquaculture Producers (FEAP)	Member
Christine Absil	Good Fish	Member
Daniel Voces	Europêche	Member
Gerd Heinen	European Commission	Expert
Guus Pastoor	Visfederatie	Member
Jacopo Pasquero	European Bureau for Conservation and Development (EBCD)	Expert
Jaroslaw Zieliński	Polish Fish Producers Association (PFPA)	Member
Jean-Marie Robert	Les Pêcheurs de Bretagne	Member
Jennifer Reeves	Marine Stewardship Council (MSC)	Member
Jens Høj Mathiesen	Danish Seafood Association	Member
Joash Mathew	EU Fish Processors and Traders Association (AIPCE) / European Federation of National Organizations of Importers and Exporters of Fish (CEP)	Member
Juan Manuel Trujillo Castillo	European Transport Workers' Federation (ETF)	Member
Juana Maria Parada Guinaldo	OR.PA.GU.	Member
Karolina Majewska	European Commission	Expert
Maria Luisa Álvarez Blanco	Federación de Asociaciones Provinciales de Empresarios Detallistas de Pescados y Productos Congelados (FEDEPESCA)	Member
Marilena Papaeti	EuroCommerce	Member





Representative	Organisation	Role
Marine Cusa	Oceana	Member
Massimo Bellavista	Copa Cogeca	Member
Miguel Lizaso	European Commission	Expert
Noémie Jegou	Market Advisory Council (MAC)	Secretariat
Pablo Iraeta	Spain	Observer
Paul Thomas	European Association of Fish Producers Organisations (EAPO)	Member
Patrick Murphy	Irish South & West Fish Producers Organisation (IS&WFPO)	Member
Pedro Luis Casado López	Asociación de Armadores Punta del Moral (OPP80)	Member
Pedro Reis Santos	Market Advisory Council (MAC)	Secretariat
Pierre Commère	Association Des Entreprises de Produits ALimentaires Élaborés (ADEPALE)	Member
Pim Visser	VisNed	Member
Quentin Marchais	ClientEarth	Member
Rosalie Tukker	Europêche	Member
Sean O'Donoghue	Killybegs Fishermen's Organisation (KFO)	Member
Sergio López García	OPP Puerto de Burela	Member
Thomas Kruse	Danish Fishermen PO Danish Fishermen P.O. / Danish Pelagic Producers Organisation (DPPO)	Member
Vanya Vulperhorst	Oceana	Member
Yannis Pelekanakis	Federation of European Aquaculture Producers (FEAP)	Member
Yobana Bermúdez	Asociación Española de Mayoristas, Importadores, Transformadores y Exportadores de Productos de la Pesca y Acuicultura (CONXEMAR)	Member

