

## Focus Group on PEFCR for Marine Fish Products

### Minutes

Tuesday, 11 January 2022 (14:00 – 16:30 CET)

Zoom (Online)

Work language: EN

#### Welcome from the Secretariat

Click [here](#) to access the Secretariat's presentation.

**Adoption of draft agenda and of the last meeting minutes (03.12.21):** adopted

#### Action points of the last meeting

- **State-of-play of the decision made during the last meeting - information**
- Next meeting:
  - Secretariat to circulate a Doodle poll to determine the date of the next meeting (2023 December or beginning of January 2022)
    - Doodle poll was circulated
- PEF Methodology:
  - Secretariat to submit additional written questions to the Technical Secretariat
  - In relation to the training session, Secretariat to inform the Commission about the interest in holding a 2h session, which includes a significant Q&A section
    - Written questions submitted and answered
    - DG ENV and DG MARE informed via email message

#### Written Questions to the Technical Secretariat

- **Exchange of views with Henrik Stenwig and Erik Skontorp Hognes, Technical Secretariat**

Click [here](#) to access the written questions and replies.

Jennifer Reeves (MSC) recalled doubts raised at the previous meeting concerning the impact of bycatch on the concept of “fish mass balance”. Ms Reeves also wondered about the impact of storage in the PEF methodology.

The Secretary General provided an overview of the written questions posed to the Technical Secretariat, namely on the timeline of PEFCRs for prepared fish and for other fish products, provision of data on biodiversity impacts, relevance of transport under category 1 “climate change”, concepts



of “relative value/price of the fish co-products” and of “fish mass balance” (farming stage and fishery) and impact of mixing of lots.

Henrik Stenwig (Technical Secretariat) thanked for the invitation and the opportunity to exchange about the draft report. Mr Stenwig explained that, on the basis of the comments from the public consultation, the Technical Secretariat was still making changes to the draft report. Concerning the timeline of the PEFCR for Marine Fish, Mr Stenwig informed that the background data required to proceed with the supporting studies would not be available before March. Therefore, the supporting studies would be carried in March. The expectation is to finalise the process with the adoption of the PEFCR by the Commission before Summer 2023.

In relation to a timeline for PEFCR for processed products, Mr Stenwig stated that it was yet not possible to know. The development of PEFCR for processed fish is expected to be easier than for fresh fish. The process will depend on funding and resources. At the end of 2022, the Norwegian Seafood Federation will likely assess whether there is interest in initiating the process.

Mr Stenwig highlighted that, in accordance with the Farm to Fork Strategy, there should be a proposal on sustainable food system framework adopted by 2023 or 2024. Once there is a general framework, there will likely be a need for additional PEFCRs. Currently, there is only one PEFCR for food. There are a few PEFCRs in the pilot phase, but a significant number of products is not covered.

Gerd Heinen (DG MARE) explained that DG ENV is the lead service in all the PEFCRs. The initiative on a sustainable food system framework is being led by DG SANTE. DG MARE is in close contact with DG ENV and DG SANTE on these topics, respectively. Legislative proposals have not yet been tabled. A possible link between PEFCRs and the sustainable food system framework will be subject of future inter-service discussions in that context.

Daniel Weber (European Fishmeal) wanted to know if the PEFCR for prepared fish would be the applicable category rule to assess fishmeal and fish oil production.

Henrik Stenwig (Technical Secretariat) responded that that was not the case. The majority of fishmeal and fish oil is used for feed. The PEFCR for Feed for Food Producing Animals does not cover the processing of fishmeal and fish oil. Nevertheless, there are data requirements applicable to feed producers. Fish oil that is for direct human consumption is outside the scope of that PEFCR, so it will be under the scope of the PEFCR for processed products.

In relation to the second question on biodiversity impacts, Mr Stenwig emphasised that the focus on biodiversity is increasing. It remains a challenge for the PEF method that the “biodiversity footprint” is outside of the scope. There is no generally accepted method to quantify the impact on biodiversity from production. Nevertheless, PEFCR can require information on biodiversity, which might be relevant for quantification, as “additional environmental information” or as “additional technical information”.



Erik Skontorp Hognes (Technical Secretariat) highlighted that the impossibility to quantify biodiversity impacts is applicable to all products, not only fish products. These methods are in rapid development, but do not exist presently. Once there is, the PEF method will likely adopt them. There are concepts under development, but the data is not currently available. The PEFCR will be a “living document”, which can be reviewed and expanded, once data is available and methods are trusted. At present, the data that the PEFCR asks for will be highly relevant to achieve a better understanding of the biotic impacts, for example through information on the type and location of the fishery. It is still relevant information for educated readers of the information included in the PEF.

Gerd Heinen (DG MARE) expressed concerns from DG MARE’s perspective. For example, in relation to wild caught fish, impacts on the targeted stock, the seabed, and on the habitat are quite central information on sustainability and not merely “additional environmental information”. For fisheries products, these are more relevant than the majority of the impact categories of the PEF method. Mr Heinen wondered about how the “additional environmental information” will be presented and to what extent it would be mandatory. The Commission representative highlighted that DG MARE is also looking into the matter under the ongoing revision of the marketing standards framework. In that context, DG MARE and STECF identified fishing pressure on the targeted stock, impact on the seabed, and impact on sensitive species as crucial fisheries-specific impacts that are highly relevant for wild caught fishery products. DG MARE is working on methodologies for indicators and for grading of products.

Henrik Stenwig (Technical Secretariat) highlighted that the lack of consensus on the quantification of biodiversity impacts is a challenge. Within the framework of the PEFCR, it is possible to acquire information available to the operator. The requirements of the PEFCR vary between “shall” and “should”, in order to reach a balance between mandatory requirements and flexibility. The data should be quantifiable. It would be useful for the PEFCR to match the requirements of the revision of the marketing standards framework. There is sufficient time to adjust the “additional environmental information” and the “additional technical information” requirements to the indicators developed by DG MARE. According to the PEF method, the data should be quantifiable and be available. Plus, the PEFCR should be clear on how the information is presented. The Technical Secretariat can suggest some methods to quantify the impact, but, since there is no consensus, it is better to wait for the indicators to be developed by DG MARE.

Gerd Heinen (DG MARE), in relation to the “additional environmental information” that can be provided under the PEFCR, expressed concerns about the provision of information. For example, in relation to the targeted fish stock, there are measures that are consensual in the community, such as fish mortality rate. At the same time, consumers and operators might not be able to put the “additional information” into context. Mr Heinen wondered if there was a way to grade the information, so that it becomes more understandable for consumers and operators, or whether the PEF method was focused on the provision of factual information without grading.

Henrik Stenwig (Technical Secretariat) responded that, if a grading system is developed under the marketing standards framework, the necessary information could be set as a requirement under the PEFCR. It would also be possible to set requirements on presentation.



Erik Skontorp Hognes (Technical Secretariat), in relation to communication, commented that it is still under development. The PEFCR for Marine Fish will follow the rules on communication set under the legislative initiative on substantiating green claims. The process is still ongoing and will likely depend on the user. It is important to account for the communication to educated receivers, such as operators and policymakers. In relation to communication to consumers, rules will need to be established to be applicable to all product categories.

Henrik Stenwig (Technical Secretariat) asked Mr Heinen whether he believed that it would be relevant to require information through PEFCR that would also be compliant with marketing standards framework.

Gerd Heinen (DG MARE) responded that, the vision of DG MARE was to complement the PEFCR impact categories with fisheries-specific mandatory criteria and indicators. If reporting under the tool of the marketing standards framework would become mandatory, it would be irrelevant to require the data under the PEFCR. The marketing standards and the PEFCR would be complementary actions, as PEFCR covers horizontal criteria that should not be covered by the marketing standards, such as climate change impacts. There are ongoing internal discussions in the Commission about coherence between the different Farm to Fork Strategy initiatives. Therefore, it is not yet certain that the marketing standards will be revised as currently envisaged. It will depend on developments with other initiatives, such as the initiative on substantiating green claims and the sustainability labelling under the sustainable food system framework.

Christine Absil (Good Fish) highlighted that the PEFCR initiative originates from the initiative on substantiating green claims. The expression “green claims” suggests that it covers everything, but, at presented, it is a limited methodology. The underlying idea would be to compare different food products, including comparing land-based products with sea-based products. Ms Absil wanted to know if the other PEFCRs are also looking into integrating biodiversity impacts. Therefore, it is necessary to know how the PEFCR will actually be used and whether it will include biodiversity elements, in order to allow comparisons. If these are specific to fishery products, then it would be appropriate to align with the revision of the marketing standards framework.

Henrik Stenwig (Technical Secretariat) highlighted that biodiversity is not assessed by the PEF method. It will not be included until there is consensus on the quantification method. In the meantime, it is possible to gather information on potential biodiversity impacts that would be relevant for the marketing standards framework.

Christine Absil (Good Fish) wanted to know if similar problems on the quantification of biodiversity impacts were being faced in the PEFCRs for other food products.

Erik Skontorp Hognes (Technical Secretariat) responded that all products see the need. Those who wish to understand the environmental impact of their products also wish to know the biotic impacts. It is a challenge shared by all products. There is a significant discussion among the LCA community about this issue. The PEF method implements methods as these are recognised as valid. The PEF method will likely adopt these, once biology experts agree on the methods.



Jennifer Reeves (MSC) commented that she shared several of Ms Absil's doubts about the usefulness of collecting data on biodiversity. Ms Reeves wondered about the added value, if the information is not mandatory, plus how it will impact the PEF result. Ms Reeves highlighted the risk of duplication and possible gaps. In relation to methodology to calculate biotic impacts, the MSC fishing standards provides public availability methodologies, including on targeted stocks and ecosystem impacts. She wondered whether the Technical Secretariat considered the MSC standards.

Henrik Stenwig (Technical Secretariat) explained that assessing biodiversity is currently not in the scope of the PEF. The Technical Secretariat suggested different ways to collect relevant information for the assessments. Five years ago, in the pilot version of the PEF, a way to calculate impact on some aspects of biodiversity, but this was not included in the end. The required data is not always available for operators. Once DG MARE decides on indicators, the PEF CR can be adjusted.

Erik Skontorp Hognes (Technical Secretariat) highlighted that some of the information requested as "additional information" is also relevant for those reviewing the assessment. The documentation must be reviewed by an independent third party. The additional information can, for example, assist the reviewer better understand the production system.

The Secretary General concluded that further discussions would still need to take place between DG MARE and the Technical Secretariat on the relevance of including data requirements on biodiversity impacts under the PEF CR for Marine Fish products. Discussions with DG ENV will also need to take place about how to communicate the information to operators and to consumers.

Erik Skontorp Hognes (Technical Secretariat) explained that storing would be covered by the PEF CR, considering the relevance of the energy use and the corresponding emissions.

Jennifer Reeves (MSC) argued that the issue should be explicitly written in the PEF CR.

Jean-Marie Robert (EAPO), in relation to transport, stated that he understood that it is a relative scoring.

Erik Skontorp Hognes (Technical Secretariat) drew attention to an article recently published by Rob Parker that describes allocation as an artificial problem. There are some processes in the value chains that are co-products, so the environmental burden must be shared. There is no real option to divide the system to earmark energy use accordingly. One of the solutions is to divide the burden according to the value of the products. The PEF CR is based on the option to divide the footprint burden according to the relative value of the outputs. Therefore, information is needed for that calculation, particularly from the producers. The "fish mass balance" is necessary to account how much of "product A" of "value X" was produced, assisting in the division of the outputs. The reviewer will need to see that the allocations are reasonable, for example to avoid exaggerated allocations to waste flows.



Jennifer Reeves (MSC) wondered if the mentioned issue was connected to “lots”. Ms Reeves wanted to know how the “fish mass balance” worked in relation to fresh fish products.

Erik Skontorp Hognes (Technical Secretariat) mentioned the importance of correct phrasing in the PEF CR. The Technical Secretariat will try to avoid expressions that can be misunderstood. “Bycatch” refers to a co-product, an output. In LCA terminology, these are usually called “multiple output processes”.

Henrik Stenwig (Technical Secretariat) commented that, in a situation where fish is gathered from different fishing vessels, the ideal situation was to have data on the different vessels, but that is not always possible. The system of secondary data for different stages is used. Average data of the three previous years is used. It is about collecting data from upstream. There are two options to divide impacts between different products: mass allocation or economic allocation. Under economic allocation, the most valuable product receives the most allocation.

Erik Skontorp Hognes (Technical Secretariat) noted that, for some fisheries, it can be rather difficult to give instructions on the data collection, particularly when there is significant variation in energy intensity. As an example, in Norway, there are vessels that, in part of the season, participate in shrimp fisheries, which is high energy intensive, and then the other part of the season, participate in cod fisheries, which uses a passive gear. Under a three-year average, the cod fisheries will have an unreasonably high footprint. It can be difficult to solve these specific issues.

Jennifer Reeves (MSC) recalled the example of tuna fisheries where a vessel can have several fishing trips without any catch and then one fishing trip with a significant catch. Ms Reeves wondered about how the allocation of energy use would take place. In terms of averages from multiple vessels, it will not recognise vessels that are doing better in terms of energy efficiency.

Erik Skontorp Hognes (Technical Secretariat) responded that the tuna fisheries example was precisely the reason why data from a long period is required as well as why the entire activity must be included. In terms of averages, it will depend on how different supply chains are able to solve their communication of data. The specific fish should correspond to the energy use of the specific vessel. It will be necessary for businesses to communicate their data between themselves. Taking into account the existing traceability of information for fishery products, it should not be difficult to achieve. Those who are not able to communicate the individual data will not draw benefits from their best suppliers. In a similar way to existing certification schemes, the industry will need to be able to solve this.

Henrik Stenwig (Technical Secretariat) stated that the PEF method functions like an accounting system. Without the introduction of primary data, the operator can not claim to be better than the competitor, since everyone will be at the benchmark. In order to claim a better environmental footprint, the operator needs to achieve a better data quality and provide primary data. Once the accounting system is established, there will be a tool for operators to improve their environmental footprint and to document it.



Jennifer Reeves (MSC), in relation to tracing to a specific vessel, commented that, under the MSC scheme, it was possible to trace back to a specific certificate, but not necessarily to a vessel. The chain of custody is very well developed, but it is still difficult to trace back to a specific vessel.

Erik Skontorp Hognes (Technical Secretariat) responded that systems will be developed where fishers see a value in reporting on their energy use, allowing a communication of the data. Mr Hognes recognised that it would be difficult for the end of the chain to trace back.

### First Open Public Consultation

- **Continuation of exchange of views about the draft report**

*The Secretary General proceeded with an overview of different sections of the [draft report](#), providing members with the opportunity to comment on each section.*

- 6.4 Data quality requirements

Christine Absil (Good Fish) wondered about the four criteria having the same weight.

Erik Skontorp Hognes (Technical Secretariat) responded that the four criteria have the same weight. This is set by the PEF method, so it was not determined by the Technical Secretariat specifically for the PEFCR for Marine Fish. In practice, the collection of data is a rather demanding exercise. For the user, it can be challenging.

- 6.5 Data needs matrix (DNM)

Jennifer Reeves (MSC) wondered about, in case the user does not have primary data, whether the datasets were conservative. Ms Reeves asked about potential examples.

Erik Skontorp Hognes (Technical Secretariat) responded that the Technical Secretariat is working on the default values. The default values are not very different among producers and, as such, do not have a large impact on the final results. It can be difficult to decide what is a conservative value, for example in the case of energy use. In the case of yield and preparation data, it can be easier. In an ideal situation, there would not be default values.

Daniel Weber (European Fishmeal), in relation to the default values, wanted to know if the values would be continuously updated.

Erik Skontorp Hognes (Technical Secretariat) responded that the PEFCR will include some default values to complete the assessment even some data is missing. The database will grow and cover other commodities. When PEF-compliant studies are complete, the Commission will likely include them in the database. It is important to continuously review and make changes. In some situations, it will not be possible to use default data, taking into account the variation and the impact.



- 6.7 Allocation rules

Jennifer Reeves (MSC) wanted to know, if under the allocation rules, discards would not have any environmental footprint due to the lack of economic value.

Erik Skontorp Hognes (Technical Secretariat) explained that, under the PEF bookkeeping method, discards represent a loss/inefficiency. The environmental burden is carried by the product that is sold.

Jennifer Reeves (MSC) stated that then, from an environmental perspective, it was not negative. The allocation to the sold products would serve as an incentive to reduce discards and be more efficient.

Erik Skontorp Hognes (Technical Secretariat) emphasised that all the burden needs to be carried. Reviewers need to check the allocation across flows.

Jennifer Reeves (MSC) wondered about whether there were cases where unwanted catches could be used and how these would be covered.

Jean-Marie Robert (EAPO) emphasised the importance of having examples, in order to better understand the methodology, the calculation, and problems of allocations.

The Secretary General wondered if Mr Skontorp Hognes would be able to, at a later stage, translate these allocations into a practical example. The Secretary General recalled that a training session organised by DG ENV would be taking place in the future.

Erik Skontorp Hognes (Technical Secretariat) stated that there were different examples available regarding allocation and results. Some bycatch can be utilised. Once landed, it is necessary to determine if it is a waste flow or whether it is a product. If there is a commercial value for the fisher, then it is a product. If there is no commercial value, then there is a waste value. For some cases, the circular footprint formula can also be used. Mr Skontorp Hognes clarified that, in the context of the PEFCR, “discards” means a biomass that is thrown back to the sea and is not utilised.

Gerd Heinen (DG MARE) commented that the draft report was rather abstract. Therefore, as mentioned by Mr Robert, it would be useful to have real life examples.

The Secretary General noted that, when preparing the MAC’s draft contribution, there could be a reference to the importance of respecting the legal definition of “discards”. A request for practical examples could be added. The Secretary General asked Mr Skontorp Hognes whether he could prepare a practical example for discussion at the next meeting.

Henrik Stenwig (Technical Secretariat) recognised that drafting and using a PEFCR can be complex. In the case of the PEFCR for Feed for Food Producing Animals, there were also feed producers that expressed difficulty in using the PEFCR. There is clearly a need for practical guidance. FEAC produced a short guide on how to understand the PEFCR for Feed. It is necessary to consider how much of practical examples should be reflected in the PEFCR document.



Erik Skontorp Hognes (Technical Secretariat) stated that that Mr Stenwig and himself could come back to the FG about the presentation of practical examples. The PEFCR on its own will likely never be fully understandable for those who are not LCA experts. The PEFCR should be a simple listing of rules. It is important to have guidance documents together with the PEFCR document.

Jean-Marie Robert (EAPO), in relation to discards, argued that, from the perspective of the EU fishing industry, discarded fish is not a waste. There will be environmental value by being consumed by other fish and crustaceans, helping them grow. As an example, discards at sea are not the same as fish heads disposed as garbage on land.

Henrik Stenwig (Technical Secretariat) stated that the environmental effort connected to discards would always be recorded through the landed product. There also varying uses of bycatch.

The Secretary General recalled that, under the landing obligation, fishers are expected to land everything caught, including fish below the minimum conservation reference size. The Secretary General wondered about the impact of a situation where landed undersized fish could be donated to charity, without a commercial value.

Erik Skontorp Hognes (Technical Secretariat) responded that it goes back to the discussion about the rule selected. Under the selected rule, either there is an economic income or there is waste flow. In the case of a charity donation, the waste handling would have zero environmental impact. Mr Skontorp Hognes explained that, otherwise, there can be specific rules for specific options.

Henrik Stenwig (Technical Secretariat) exemplified undersized fish collected for feed production would correspond to an economic allocation. If market outlets are established for by-products, there is a circular economy. If there is no market, then it is considered a waste.

Erik Skontorp Hognes (Technical Secretariat) recalled that, under the PEF method, there is also the possibility of using the circular economy footprint formula.

Christine Absil (Good Fish) emphasised that allocation rules should create perverse incentives.

#### - 6.7.1 Economic allocation rules

The Secretary General asked whether the 3 years average was used for all products or whether it was specifically for the PEFCR for Marine Fish.

Erik Skontorp Hognes (Technical Secretariat) responded that usual time period is 3 to 5 years, particularly in productions that vary with seasons. In relation to the use of market price, Mr Skontorp Hognes explained that, in a situation where a market price does not exist, the producer would have to argued why their products only represents a certain part of their revenue.

The Secretary General asked for an example where there would not be a market value, but there would still be a PEF study.



Erik Skontorp Hognes (Technical Secretariat) provided of an example of vessels fishing krill. The fishing vessel delivers a meal fraction and an oil fraction. At that stage, the oil can be sold directly to the market and there is a market price. The meal is an intermediate product and there will be further processing steps onshore before it is actually sold to the market. The sharing of the fishing effort between the meal and the oil is complex, since one of the products does not have a clear market price.

- 6.7.3. Allocation – wild products

Jean-Marie Robert (EAPO), in relation to the scoring system, stated that he would like to better understand what is categorised as “targeted species” and “non-targeted species”. Mr Robert provided the example of trawlers officially targeting anglerfish, but that will catch clusters of megrim and rays. These species will be sold commercially without a problem, but are still known as “bycatch”. Mr Robert expressed concern that these captures would receive a low score due to not being the main species of capture. It is a matter of definitions and consequences.

Henrik Stenwig (Technical Secretariat) stated that the products going for human consumption should be allocated with the larger proportion.

Erik Skontorp Hognes (Technical Secretariat) stated that, perhaps, the allocation factors should be reconsidered. The other option would be for the company to argue the values. For bookkeeping purposes, the values are the relevant part, not the name of the mass flow. Under the First Open Public Consultation, there was feedback about the difficulty in defining “targeted species”. It would be also possible to use a table similar to table 6-2, meaning a division between “products going to direct human consumption” and “products not going to direct human consumption”. The other alternative would be not to provide any default values.

Jean-Marie Robert (EAPO) expressed concern about the impact on fishing vessels landing high quantities of bycatch species that are sold to market. There must a fair definition across different fisheries, in order to reach a level-playing-field.

Henrik Stenwig (Technical Secretariat) recognised that there was some conceptual unclarity regarding the use of the expression “targeted” and “non-targeted”. The concept for environmental accounting does not necessarily correspond to the TACs and quotas system.

The Secretary General stated that, at the next meeting, members could have another discussion on table 6-3, particularly whether it should be the same as table 6-2 and whether alternative wording should be used in relation to “targeted” and “non-targeted”.



## AOB

- **Reporting back at the 26 January 2022 Working Group 3 meeting**

The Focus Group agreed that the Secretary General would report back to Working Group 3. The report would be short, informing about the discussions and the preparation of draft comments, but that these draft comments are not yet ready for circulation. The reporting would also include mentions of the collaboration with DG MARE and the Technical Secretariat as well as of the training session to be organised by DG ENV in February 2022.

## Summary of action points

- Next Meeting:
  - Secretariat to circulate a Doodle poll to determine the date of the next meeting (beginning of February 2022)
- PEF Methodology:
  - Secretariat to submit additional written questions to the Technical Secretariat
  - In relation to the training session, Secretariat to inform the Commission about the interest in holding a 2h session, which includes a significant Q&A section



## Attendance List

Representative	Organisation	Role
Alexandra Philippe	Market Advisory Council	Secretariat
Benoît Guerin	BG Sea Consulting	Observer
Christine Absil	Good Fish	Member
Daniel Weber	European Fishmeal	Member
Erik Skontorp Hognes	Technical Secretariat	Expert
Garazi Rodríguez	FEAP	Member
Gerd Heinen	European Commission	Expert
Gundula Broich	European Commission	Expert
Henrik Stenwig	Technical Secretariat	Expert
Jean-Marie Robert	EAPO	Member
Jennifer Reeves	MSC	Member
Pedro Reis Santos	Market Advisory Council	Secretariat
Solène Chambard	ADEPALE	Member

