

**Advisory Committee**  
**London, 1 September 2016**  
**Meeting Report**

**Attendees**

Sophia Cochrane, Tesco  
Retailer Representative - Seafood

Paul Mylrea, World Wise Foods,  
Importer Representative – Non-seafood

Roger Plant, Chair, Issara Institute Board

Mark Taylor, Issara Institute  
Advisory Committee Chair

Emma van Dam, Issara Institute

**Apologies**

Estelle Brennan (Importer Representative – Seafood)

**Current Advisory Committee Composition & Governance**

The Advisory Committee (AC) was originally intended to be a larger group of stakeholders, and will be made up of more members in its next session. The Advisory Committee will play a key role in approving work plans for Issara's Working Groups, but since these plans have not yet been finalized for consideration by the Advisory Committee, the inaugural Advisory Committee meeting served to raise broader strategic questions and issues for Issara to consider.

Both Issara's Executive Director and Working Group leaders will participate in the next AC meeting. In addition, the AC agreed that it would be beneficial to invite a Regional Partner (currently Thai Union) to join the AC as well. Key decisions include:

- **Advisory Committee meetings will be held bi-annually** (with at least one being in-person)
- **Ad hoc virtual meetings** can be scheduled for work plan approvals.
- **Membership to be expanded to two retailer representatives: US& UK:** For retailer partners – the AC committee will move to having two representatives for purposes of continuity. The increasing number of US retailers signing on to the program makes adding one US-based retailer to the Advisory Committee a logical next step. The company selected as the representative should have two potential representatives for meetings.
- **Regional Partners as members of the Advisory Committee:** Thai union is to be invited to join the Advisory Committee once regional partnership has been formalized. Further down the line there is potential for having multiple regional partners in Thailand as well as other Southeast Asian countries join the AC.
- **Election Process:** Issara Institute will need to organise elections to select a) a US based Retailer Strategic Partner representative b) a US based Importer representative (seafood), c) alternates for current primary representatives, d) a replacement for Tesco as a primary representative on the Advisory Committee. Tesco to potentially take a continued role as an alternate representative.

- **Governance:** Issara Institute will share the draft of the Advisory Committee governance document outlining roles and responsibilities with membership for review and feedback.
- **Duration of representation:** The AC agrees to rotate representatives after two years, with each cycle beginning in January.

## Issara Growth & Successes

- Issara started out with 3 people in 2014, and has grown rapidly, with a team of soon to be 20 people. The three key program tenets of Issara's work, including the Strategic Partners Program, Issara Labs, and the Freedom of Choice Program, are evolving, and Issara is now implementing a Business and Human Rights team to enable more focus on supply chain work.
- A lot of positive feedback was shared by Strategic Partners on Issara's work, including:
  - Issara provides great visibility of the supply chain, allowing retailers to have an early warning of issues and to work directly with suppliers.
  - Communications which members receive from Issara was highlighted as working really well – timely and coordinated, whether on emails or incident reports. Issara's responsiveness was highlighted by all members, and the alerts to incidents of great value.
  - The detailed and action orientated nature of incident reports is fantastic.
  - Members ability to get in touch with Issara and discuss supply chains and possible risks was also highlighted as a real plus.
  - The communications (reports) that members receive also help them to communicate better internally in terms of the issues associated with their supply chains and the engagement being carried out.
  - Issara's model (ILM model) is successful and valuable.
  - Issara currently plays a role not achieved through other activities and members see a real business case for partnership.
  - Great service delivery and a responsible team.

## Funding & Issara Resources

- Issara should aim to provide greater clarity on the breakdown and allocation of cost. Partners want visibility of what proportion of the funds is impacting their own supply chain.
- The breakdown, as currently presented, shows that 10 % of each Strategic Partners contribution currently goes into the Victim Support Fund, with 90% going towards monitoring and remediation activities in partner supply chains. The monitoring and remediation part of activities covers funds to travel, conduct outreach, produce communications materials, conduct training, and others. For the sustainability of the Strategic Partners Program future funding also needs to cover the resources and staff to manage the program. Staffing itself has, to date, been covered by a range of other private and development donors.
- To ensure efficiency – field missions lump together travel to particular geographies to make it more efficient. When additional Strategic Partners come on board, the overlap in supply chains means less resources are required overall.
- A lot of time and resources have already been spent working through issues and building solutions with certain local seafood businesses within partner supply chains. Over time, the level of effort should be decreasing and efforts should naturally refocus on monitoring, allowing resources to be spent on other activities to ensure there is no backsliding on those efforts. For non-seafood categories there will be a ramping up and levelling out of resources and efforts required.

- It is proposed that Issara provides an estimated breakdown of projected costs for January 2017, when year 2 of the Strategic Partners program commences. This breakdown should provide a high level overview of how fund allocation works at Issara, including % and amount spent on monitoring of supply chain, as well as what % of the supply chain this amount has allowed Issara to cover? This will enable partners to gain greater visibility of what resources will be required to increase Issara's coverage of their seafood supply chain, as well as coverage into other categories over time. This in turn will be crucial for gaining internal buy-in for potential cost increases within partner businesses. It is suggested that this breakdown is presented in a graph/visual format.
- Current risk reports provide visibility of the percentage covered by Issara's work in each tier. Within the report there is also a breakdown of actions taken, benchmarking against other companies, and others. It was agreed that it would be useful if Issara could provide a proposal for strategic priorities for each company's supply chain at the beginning of each year, communicating how much of the supply chain Issara anticipates being able to cover, and what prioritization Issara recommends for coverage of each tier/types of facilities based on progress made up until that point. Based on this information, retailers will be able to make a better case internally for investing greater funds to ensure greater coverage of seafood or other product supply chains. Retailers should then be asked to provide feedback on the proposal and supply chain monitoring plans and priorities for the year can be finalized. It is clear that some companies will want to get to a point where 100% of their seafood sites are monitored before expanding into other product categories. Given better visibility of where seafood coverage is, this will enable better decision-making for expanding into other product categories.
- **Increased partnership:** For expansion into different countries/product categories (e.g. pineapple in Indonesia), it would be attractive to open up the program to additional sets of retailers, importers and restaurants, opening up additional resources to offset costs.
- **Current flat rate:** Issara's current flat rate funding structure makes challenging requests to Issara's team. Alternate costing models should be considered, including for example for the cost to be determined by the amount of tonnage sourced (as is done for the Bangladesh Accord). A flat rate is simplest but as partners' coverage is so varied in terms of both product and tonnage, partners' contributions should be adjusted.
- Issara should consider restructuring the partnership model to allow for wider **participation of Thai companies** in order to scale up the impact on the ground. The question of **independence of funding** needs to be revisited - options would be for their membership to fund victim support and improved hiring mechanisms in neighbouring countries for example rather than the hotline. Thai companies could support activities not related to labour conditions monitoring and assessment, such as research activities, as a way of becoming partners without compromising the independence of Issara assessments.
- **Competition:** There are risks that certain businesses that are not signed on to Issara's program are reaping the benefits of sharing certain suppliers with Issara Strategic Partners. without making any financial contribution to Issara's work.
- **Sharing learning from other supply chains across Issara's members.** It would be helpful for all retailers to have visibility of key learnings and findings from Issara's work in other supply chains to inform their decisions for considering including coverage of this supply chain in their contract with Issara.

## Issara Growth & Expansion into New Industries

- Partners are interested in expansion beyond Thailand, particularly **Indonesia, Vietnam and China**. Partners are also interested in increased focus at vessel level, in particular fishing vessels of imported fish (tuna in particular). Technology solutions for communicating with crew members seem to be the most practical approach.
- **Donor Funds**. It is important for Issara to communicate the additional resources that would be available for kick-off costs in new countries, for example through donor funds.
- **Smart Growth**. There is widespread recognition that Issara's model could be leveraged in lots of ways and different supply chains, with a huge amount of opportunity. However, there is concern in the context of the above point that resources would be too tight if it expanded too soon. It is imperative that Issara's good work in Thailand does not get diluted. Issara's plan for geographic expansion is for slow, smart growth with a staged approach, beginning with pilots to gain understanding of the local context and partnerships with existing organisations on the ground. The AC proposes a staged approach to expansion, where it is made clear that Issara is exploring options and is open to expanding specific supply chain/geographic work on a case by case basis for each company until a clearer strategy is laid out. Issara could also consider running a series of seminars with partners to begin talking about specific areas for expansion.
  - Issara should aim to **more clearly articulate the options for expansion** both within and outside of Thailand to its strategic partners. Visibility of what options other retailers are discussing would be helpful for informing partners choices.
  - As Issara looks at expansion it is important to look at which **potential partnerships** could be beneficial for rolling out the model, and how the integrity of the different components of Issara's model can best be maintained.

## Communications

### General Communications

- **Coordinating positive messaging on Issara's work**: It would be valuable for retailers and importers to be coordinated and aligned with clear messaging on the value of working with Issara (including in non-seafood industries). This would help suppliers, but also retailers and importers internally, to ensure better exposure to and promotion of this alternative model. This can be drafted by Issara and shared with partners for feedback
- **More regular communication** on the program - in particular its positive impacts. It would be valuable for partners to receive updates on a **quarterly basis** with metrics apart from, and in between, incident reports so that communications and progress updates are ongoing.
- **More transparency** as to the organization, its structure, its funding, its budget, and who it is working with / engaging with i.e. who is doing what, who is in the team, engagement with who, who is funding what? Issara's governance document to be shared with partners and bi-annual updates on Issara's broader growth to be shared with partners.
- **Issara to send out sample risk report** to all partners for feedback. Partners are invited to share comments on analysis priorities, formatting, etc.) Metrics mentioned during the Strategic Partners meeting included an "engagement rating", i.e. how often are the same issues occurring with the same supplier? Are issues decreasing? Moving on from pilot – how has coverage increased? As well as **a dashboard** providing comparative understanding of supplier's performance would be helpful. What issues are ongoing? What issues have been closed off?

- **A questionnaire** will be sent out along with the sample risk report to gain feedback on the types of communications that would be useful to partners. This should include an ask about how often and in what circumstances group calls would be useful.
- **Feedback to be received from members on the types of metrics that are useful** for communicating Issara's impact.
- **Onboarding for new Strategic Partners** through an information pack/members handbook
  - This should include information on activities in the program, funding, what to expect when you join, methods for supply chain disclosure, an overview of the process for incident reports, and more specific information on how Issara works with sites.
  - Clarification should also be provided in the handbook on how supply chain disclosure should work, clarifying that retailers can provide visibility of their supply chain to importer level, after which importers supply information on their supply chain as it relates to each strategic partner.
  - Clarification on unique member requirements for importers, retailers and regional partners, including sharing updated supply chain information in a timely manner at the beginning of each year.
  - **Action** – members' handbook to be shared with Advisory Committee members for feedback.

#### Incident Reports: Phased Communication

**A phased approach to communication will be implemented** whereby importers receive Issara Incident Reports 4-7 days prior to their customers/retailers. In all, it was recognized that importers have a closer relationship to suppliers on the ground and it would be beneficial for importers to be more closely involved with the remediation process so as to be in a position to keep their customers better informed. If there is no agent involved, the report would continue to go to the retailer directly.

- Within the next two weeks a proposal will be shared with all strategic partners to confirm there is consensus on this change being made.
- A protocol should be considered in cases where Issara has visibility of higher risk for the incident to become public. Where this is the case Issara should aim to share the report on a faster timeline. It is however necessary for there to be an understanding that Issara cannot take responsibility for this – given the difficulty of having true visibility of how high the risk of leakage is.

As a part of this debate the following is to be considered/clarified:

- **What are the roles of retailer, importer and regional partners?** This could be more clearly defined.
- **Incident Reports should be prefaced with a clarification of the report to follow.** For example, a 'for information only' tag for reports that go out to retailers, ensuring they are aware that corrective actions are already underway. Additionally, a note clarifying who this report has been shared with and against what timeline, ensuring retailers understand what importers have and have not had a chance to work on would be helpful.
- **Categorisation of issues in Incident Reports.** It could be helpful to categorise issues using language familiar to retailers, e.g. critical, major and minor.
- **Clarification of where retailers may be required to take action** or where it would be beneficial for them to do so. What is expected of Strategic Partners? What would the process be for escalation if suppliers were not following through with remediation?

- **Follow through in the long term with regards to the issues identified, so that partners can close the loop on issues.** Issara was highlighted as being excellent at alerting members of first incidences and follow ups a couple of weeks/month later. However, members would also like to receive a long term improvement/follow through update after this point to inform members of what is working well, what isn't, what solutions were implemented and how they were executed on the ground – e.g. systems and processes in place – and whether the situation is remediated.
- **Renaming of Incident Reports.** Issara could consider renaming incident reports e.g. case reports instead. It would be helpful for partners who are receiving their first incident report to receive more guidance to ensure they understand the process.
- **Not being able to share the reports with the local supplier is an issue for building trust.** Issara to consider whether the incident report, or a report providing a greater level of detail can be shared with the local supplier. Currently, local suppliers receive verbal feedback only, which creates a feeling of resentment as they feel they do not have full transparency of issues shared with Strategic Partners.
- **Media support:** It would be useful if Issara could aim to share a pre-written statement that partners can use in cases where issues are leaked to the press. This statement would explain Issara's model, the partnership and worker voice model, and how Issara is working to resolve labour issues in a systemic manner. A similar statement could also help support suppliers.

## Issara Partnerships & Collaboration

- Partnerships and collaboration were highlighted as key for driving impact in the industry.
- Members highlighted that they would like to understand better how Issara works with other initiatives and NGOs and is open to collaboration so as to avoid duplication but also to ensure maximum impact. One of the challenges mentioned was that Issara doesn't always seem to be understood by other NGOs, Trade Unions and initiatives or seen as collaborative, which is not beneficial to the work its doing with Strategic Partners. So collaboration with external stakeholders was highlighted as a key area needed for future and continued growth.
- Collaboration with other initiatives (Task force / ILO etc.) but also various industry associations (TFFA etc.) would be helpful for scaling up impact on the ground. For the Taskforce in particular, Issara should be linked up with the Board to ensure a more strategic approach to partnership at top level.

## Memorandum of Understanding (MOU) with Thai Union

Issara is currently in the final stages of signing an MOU with Thai Union. This MOU will officially make Thai Union (TU) Issara's first Regional Partner. The details of this MOU will be shared with Strategic Partners to ensure all are clear of the roles and responsibilities of Regional Partners.

Thai Union have been very supportive of Issara's work in the past, and are a partner in many different areas of work including at fisheries and farm level, driving improvements at HR and corporate level throughout its operations, enabling workers access to the Issara hotline. Through the MOU, Issara and Thai Union will also be able to partner more closely on sharing data. Currently, Strategic Partners share their supply chain information with Issara. At times, TU is asked to fill in gaps or provide information. Given that TU's own supply chain potentially has a much broader base of farms and suppliers than those in the supply chains of Issara Strategic Partners, the sharing of this data through

the MOU will also help Issara understand areas of strategic importance for TU. The MOU will allow for better understanding of key needs, reporting of metrics & impact of the partnership and enabling both parties to understand where attention needs to be focused.

If Issara wants to expand beyond seafood and into other areas in the region, it will be incredibly important for regional businesses like Thai Union to be brought onto the process and helping to influence change.

## **Working Groups**

Each of Issara's four Working Group have elected to conduct a landscape analysis as the initial exercise for the Working Group. These landscape analyses will serve to paint a clear picture of what is happening on the ground, and will be able to inform better work plans as a result. Working Groups are in their early stages of working and will be setting out a clear timeline for progress once workplans are in place including goals, measures and outputs.