

Independent audit of Princes tuna sustainability commitments

MRAG Limited is a professional consultancy firm which, amongst other things, specialises in conducting independent third party traceability, sustainability and MSC Chain of Custody audits within the seafood industry.

Princes, as part of their sustainable sourcing statement, publically made 18 commitments toward maintaining sustainable sourcing of their supplies, one of which included independent performance audits against those commitments. Consequently, MRAG was appointed by Princes to conduct an independent audit of those commitments. The audit was carried out by two senior in-house auditors during June and July 2016. Evidence of compliance was gathered from documentary audits, interviews with Princes' managers and consultations with industry experts.

Based on the results of the audit, MRAG can affirm that, as of the above dates, Princes was compliant on each of its 18 commitments.

London 19th September, 2016

No.	Our commitments	Verification means	Evidence required	Audit means	Princes sponsor	Question asked of Princes	NC	Comments
WE WILL COMMITMENTS								
1	Ensure full chain traceability from catching vessel to can	Traceability is an ISSF resolution (09-04.1) and audited annually by MRAG Americas. Participating companies are required to demonstrate ability to trace products from can code or sales invoice to vessel and trip.	Auditor will review recent mock recalls, if available, and select a sample of can codes or sales invoices by label and destination from which the company will conduct traceability exercises. If the company produces cans from loins, or sells loins as a finished good, these products must be included in the assessment. Additional internal traceability audits completed at customer ad hoc request.	ISSF Participating company annual audit, which will be shared with the appointed Princes auditor.	DW/RS	Nothing required. Evidence within MRAG Americas report	Conform	The commitment of Princes ensuring traceability from vessel to can cannot be fully verified with the MRAG America report, as it states "suitable traceability system is in place that allows tracebacks from its product codes back to the vessel and fishing trip". However, Princes log all can codes into an electronic system (eSRM). In the system all cans have a commodity reference number (reference number for the supplier) and a container number. The container number can then be linked to a catch certificate. Through this system, it is possible to trace from can to vessel.
2	Comply with all ISSF resolutions and ensure our suppliers do so too	ISSF participating companies agree to independent auditing against all of the in-effect ISSF conservation measures and commitments. Each participating company is expected to voluntarily provide all necessary information to ISSF and/or MRAG.	The evidence required for the audit is available here: http://issf-foundation.org/wp-content/uploads/downloads/2015/05/ISSF-Participating-Company-Audit-Policy-Document-and-SOPs-April-2015.pdf	ISSF Participating company annual audit result, which will be shared with the appointed Princes auditor.	RS	Nothing required. Evidence within MRAG Americas report	Conform	The audit carried out by MRAG Americas established that Princes is in compliance with all ISSF resolutions with only one observation recorded. Furthermore, all suppliers are contractually required under purchase agreements to be in compliance with all ISSF conservation measures.

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3	Ensure that when we purchase tuna from large-scale purse seine vessels that they must be registered on the ISSF PVR	Will be covered as part of the ISSF participating company audit for 2016, executed from March 2017	On-line statement, Princes Tuna Mauritius quarterly data submissions to RFMOs. Written confirmation received from all fleet and packer suppliers + included in Princes contracts.	ISSF Participating company annual audit. Provide copies of relevant contracts of purchase as required.	AC	Nothing required. Evidence within MRAG Americas report	Conform	The audit conducted by MRAG Americas established that vessels sourced tuna are on the ISSF PVR. Additional evidence obtained from Princes indicated that most (94% at the start of 2016) originate from PVR listed and compliant vessels. In the cases where the catch was not sourced from PVR listed vessels, catch was sourced from small scale artisanal fishing vessels that are not required to be on the PVR.
4	Encourage all vessels that supply tuna to us to register on the PVR	Only small purse seine vessels and pole and line vessels sit outside the PVR requirement (3 above) for Princes. Princes will encourage these suppliers in writing, at least annually to consider registering on the PVR.	Copy of correspondence	Visibility of correspondence.	AC	Provide a vessel list and proof of emails corroborating supplier vessels. What website do they use to check PVR? Also do they access an IUU or blacklist? Which one? When do they use this?	Conform	As communicated by Princes, non PVR sourced tuna may be sourced from three suppliers. Princes provided copies of correspondence with these companies encouraging these vessels to become listed on the PVR.
5	Work only with approved supply partners who ensure Princes' high standards of	We maintain an approved supplier list, linked to SAP. This includes positive vendor approval on SAP. Product quality is	Copy of approved supplier list. Factory approval process. Specifications.	Visibility of approved supplier list, factory approval process and specifications.	DW	Provide approved supplier list. What is the criteria for choosing new suppliers, is	Conform	Princes supplied information on how supplier approval is obtained, and the suppliers themselves are subsequently monitored. Details of these suppliers were shown to be regularly monitored and

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	quality and sourcing are adhered to and who comply with all relevant regional, national and EU legislation	covered by specifications which exist for all suppliers. Quality is also verified by Princes sampling tests. All factories are approved to EU legislation (EU law).				this stated? Have any suppliers been removed from the supplier list recently, and if so why?		updated.
6	Sponsor and fund the creation of an assessment report of the purse seine Indian Ocean skipjack, yellowfin and bigeye fishery and the creation of a Fishery Improvement Action plan, through an independent scientific organisation. Use this report and action plan to instigate a FIP with key Indian Ocean tuna stakeholders	We have the assessment report and action plan. FIP launch meeting held 14th January 2016.	Assessment report. Evidence of effort to form a FIP.	Visibility of assessment report.	RS	List of FIPs that Princes currently or recently involved in.	Conform	Princes is currently involved in an Indian Ocean Tuna FIP with multiple stakeholders. The status of this FIP, its most recent report and the action plan demonstrate continued commitment to the development of the FIP, last updated on the 4th of April 2016.

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7	Ensure that by the end of 2016, when we purchase tuna from purse seine vessels operating in the Indian Ocean, that they are participating in the FIP	End 2016 - Not yet in effect			N/A	N/A	N/A	Not currently applicable. However, the development of the Indian Ocean FIP allows clear access to engage with this fleet. This is due to launch in 2016.
8	Give preference to sourcing from fisheries that are MSC certified or working towards MSC certification	ISSF participation highlights support for the objective to get all tuna fisheries to a standard where they could pass an MSC assessment without conditions. Supported Echebatar through its MSC assessment, albeit it was ultimately unsuccessful. The FIP (point 6) will support an action plan to aim to achieve the fisheries capability of achieving the ability to pass an MSC assessment.	Supply agreement with Echebatar, ISSF participation, FIP action plan.	Visibility of supply agreement with Echebatar, ISSF participation, FIP action plan.	AC	What supply agreements are in place with MSC certified fisheries? Which ones? Provide copies of MSC supplying fisheries and proof of supply agreement.	Conform	Currently commercial arrangements are established with the MSC certified PNA and the Maldives P&L fisheries. Furthermore, the long term aim of the IO FIP is for the fishery to obtain MSC certification and Princes can demonstrate a commitment to sourcing MSC certified tuna or fisheries that are working towards certification.

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9	Only source tuna that complies with the EII international marine mammal protection programme	Princes EII status is available online on the EII website.	Catch certificates, EII website	For PTM this is a condition of our contracts of purchase. Documentation is provided for each consignment of fish delivered to PTM that it corresponds with Dolphin Safe requirements. All third party suppliers must be registered with EII as are the fishing companies through which fish are purchased. Import documentation provided has a statement confirming fish was caught in compliance with the EII regulations. Copies of these documents	DW	How do they determine that supplier vessels are on the EII list? Is this cross checked and how? Do they source tuna from the East Pacific? Is there any other due diligence? i.e., Proof of receipt of goods procedure, does this include checking for EII/dolphin safe?	Conform	Princes requires all tuna suppliers to be approved by EII in order to supply Princes. Princes have clear protocols in place to cross check this status, and it is an explicit written condition of their purchase contracts.

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				can be provided to auditor.				
10	Play an active role in engaging with the wider industry and encouraging a best practice approach	Demonstrated through ISSF participation, FIP engagement and NGO meetings.			RS	Proof of active participation in ISSF / NGO / RFMO meetings and FIP involvement.	Conform	Princes regularly advocate country delegations at RFMO meetings in order to adopt appropriate conservation measures, while Princes could also demonstrate involvement at fisheries conferences and events and regular engagement with NGOs such as MSC, WWF and Greenpeace. Princes supplied the meeting minutes from the Tuna conference in May 2016 in Bangkok, which they attended.
11	Publically report our progress	Demonstrated through Princes public facing Tuna Sourcing and Sustainability Guide.	Evidence of regular updates. Audit plan is reviewed minimum twice annually, January and July.	Copies of updates.	RS	Nothing required. Examine public available information.	Conform	Princes publicly report their sustainability commitments and progress on their website: http://www.princes.co.uk/about-princes/sustainability/tuna-sustainability/ and http://www.princesgroup/our-responsibilities/ . Princes provided us with a tracking list on what was updated when. The audit plan is this exercise Princes has commissioned MRAG to conduct annually.

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								Princes agreed at the last meeting that we need to start discussions around the 2017 audit scope early in the New Year.
12	Be independently audited against this plan annually	Princes auditor brief, MRAG ISSF participating company audit.	ISSF participating company audit result. Princes auditor result.	Copies of audit results.	RS	Evidence partially within MRAG Americas report. Also internal audit plan. When was the last and when is the next?	Conform	MRAG Americas conduct audits of Princes on yearly basis, while internal audits are held every 2 years. Audits against the Princes commitments started this year in July 2016 and as such the next should be carried out during mid-2017.
WE WILL NOT COMMITMENTS								
13	Source any IUU caught tuna	As per ISSF resolution.	Catch certification, legal requirement, ISSF.	This is a resolution of ISSF and is Princes policy. All third party suppliers confirm in writing (twice annually) their agreement not to source from IUU vessels.	RS/DW	Nothing required. Evidence within MRAG Americas report.	Conform	As per the MRAG Americas audit, Princes stipulates in the contracts of purchase that a condition of purchase is that the supplier must be in compliance with all ISSF conservation measures with regular assurances from the supplier sought and received. This includes providing assurances that vessels are not engaged in IUU fishing.

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14	Trade with companies or vessels that have not banned the practice known as shark finning	Anti shark finning policy is an ISSF resolution (12-01.4). No transaction with companies that do not have a public policy prohibiting shark finning. If transactions involve flag states that absolutely prohibit shark finning no policy is required. If flag state allows 5% shark fin retention, the company must have a public policy.	ISSF participating company auditor reviews company procedure for ensuring that all tuna purchases have come from a company that has a public policy prohibiting shark finning. For flag states that do not have an absolute shark finning prohibition, auditor will review all publicly available material to ensure no shark finning has taken place. Traceability exercises by transaction or can code to PVR vessels or proof of compliance verifies the system.	Shark finning statement. Visibility of ISSF participating company audit result.	RS	Nothing required. Evidence within MRAG Americas report.	Conform	As per the MRAG Americas audit, suppliers need to comply with Princes contracts of purchase which includes confirmation of compliance with ISSF measures, which includes prohibition of shark finning and the prohibition of transactions with shark finning vessels.
15	Source tuna caught in the proposed Pacific Commons Marine Reserves areas.	Prohibited as a condition of purchase.	Prohibited as a condition of purchase.	All suppliers have confirmed in writing that they do not source fish for Princes from Pacific Commons. Copies of correspondence can be shared.	AC	Evidence of supplier commitments / responsibilities as per contracts / communications. When was this communicated and how?	Conform	Princes has contacted its suppliers who source fish from the WCPO and have expressly stipulated that fish may not be caught in the "Commons" with the supplier contract. This is reinforced through obtaining supplier assurances that none of the fish sourced has been caught in the "Commons".
16	Trade in any species listed as endangered	Maintain a traded species list and check list against IUCN website	Maintain a traded species list and check list against IUCN website at least annually.	Visibility of list and record of checking.	RS/DW	Supply the current red list / Cites reference.	Conform	Princes checks its tuna supply list, currently 7 stocks, against the IUCN red list. None of the species listed are rated as E or

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	or critically endangered on the IUCN Red List of threatened species	annually.				Explain the procedures (SOPs)		CE by the IUCN. Princes also has demonstrated knowledge of the status of the stocks sourced.
17	Work with suppliers who fail to meet local laws to protect the rights of employees	Wrote to suppliers outlying Princes Ethical Policy which includes the rights of workers. Supplier visits	Ethical Trade Policy issued to all suppliers. All tuna suppliers are SEDEX registered. Princes ethical audit process ongoing.	Visibility of correspondence with suppliers, SEDEX list and Princes completed ethical audits.	DW	List of suppliers. Are these cross checked against SEDEX? What is the criteria for choosing new suppliers, is this stated? Does this include a requirement for SEDEX or any labour certification? Are there examples of due diligence (audits of suppliers against labour / human rights criteria)	Conform	The supplier approval system employed by Princes captures information on supplier registration with Sedex. While this is not a stated requirement, 100% of Princes tuna suppliers are registered with Sedex. Princes can login to the Sedex website and verify details of each supplier. In addition, information regarding the protection of employee's rights is also assessed as part of the Princes supplier QMS inspection which includes criteria on employee training, health controls, and ethical standards.
18	Source tuna that is orange rated on the ISSF status of the stocks report for	ISSF status of the stocks report, Indian ocean FIP	ISSF status of the stock report is checked each time updated.	Princes has instigated one FIP due to the anticipated orange rating of Indian	RS	Provide a list of those tuna stocks that are currently avoided due to their status.	Conform	All tuna stocks sourced by Princes are rated green by ISSF in terms of both biomass and fishing mortality, except for yellowfin tuna which is rated orange, which is involved in the

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	abundance and fishing mortality, unless involved in a FIP			Ocean Yellowfin tuna stock.		If possible provide a historical list (>1 year).		Indian Ocean FIP which Princes is a stakeholder in. Information held by Princes was up to date and reflects the current status of the stocks as reported by ISSF's most recent report.