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# Marine Stewardship Council Integrated Strategic Plan Summary Document

ISP Summary 2012-2017 | April 1, 2012



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## Integrated Strategic Plan 2012–2017 Summary

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*Developed through the collaborative efforts of our governance bodies, staff and advisors, the Marine Stewardship Council (MSC) is pleased to provide this summary of our new Integrated Strategic Plan, outlining MSC's main strategic directions and priorities from 2012 to 2017.*

This new business plan comes at an exciting and important juncture for the MSC. There is a powerful and growing wave of momentum behind the sustainable seafood movement, and with it a unique opportunity to solidify the MSC's certification, ecolabelling and traceability program as the most sought-after mark of sustainability amongst the world's leading fisheries and markets. But building momentum will not by itself guarantee continuing growth in the MSC program and the MSC cannot be complacent. Alternative certification programs and sustainability advisory services are proliferating, and there is still significant work to do to build new markets for MSC-certified seafood and to increase the supply of MSC-certified seafood.

The priorities and targets articulated in this *Integrated Strategic Plan* (ISP) chart the MSC's course over the next five years to achieve our vision – the world's oceans teeming with life, and seafood supplies safeguarded for this and future generations.

### **MSC's mission and recent trajectory**

The MSC's mission is to *use our certification and ecolabel program to contribute to the health of the world's oceans by recognizing and rewarding sustainable fishing practices, influencing the choices people make when buying seafood, and working with our partners to transform the seafood market to a more sustainable level.* To achieve this mission, the MSC works collaboratively with the fishing industry, seafood businesses, governments, the scientific community, environmental groups, and all other interested parties.

The MSC program recognizes and rewards sustainable fishing practices, by assessing fisheries against a standard of sustainability and building markets for those fisheries that are certified as meeting the standard. When any seafood buyer large or small chooses to purchase MSC-certified seafood, certified fisheries are rewarded for their sustainable practices through that market preference. The growth of market demand for sustainable seafood also creates a 'pull' for less well-managed fisheries to



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*Our vision is of the world's oceans teeming with life, and seafood supplies safeguarded for this and future generations.*

Top: Tosakatsuo suisan  
Japan pole and line  
skipjack tuna

improve their environmental performance and so be able to access these new market opportunities. **This is the heart of how the MSC program contributes to promoting positive change in the world's fisheries.**

The world in which we work has changed a great deal since the MSC was launched in 1997. At that time, there was no 'certified-sustainable' seafood and there were few major buyers committed to improving global fisheries. The MSC's first ten years focused on defining the principles of sustainable fisheries, developing detailed fishery and chain of custody standards and criteria, building the assessment tools and rules, creating a universe of certifiers accredited to assess against the MSC standards, and cultivating fishery and market interest in the program.

In the last five years, the MSC has made great strides in turning this strong foundation into a global program, and with the support and active engagement of our many partners, has enjoyed a period of robust growth. The first ISP (2007-2012) set aspirational goals around bringing fisheries into MSC assessment and certification, achieving wide market penetration in Germany and the UK, and laying a foundation for market penetration with North American retailers. Those goals have all been met and exceeded, along with a great deal of additional progress not specified in the first plan.

In collaboration with many partners, the MSC worked at educating buyers, supply chains and consumers in select markets, to build long-term commitments to the concept of sustainable, traceable seafood. The MSC has secured market interest from a significant percentage of retailers and other seafood buyers in Northern Europe and North America, has started to make important progress with the foodservice sector in those regions, and has put down roots into other critical markets including Australia/New Zealand, Japan and Southern Europe. As one indicator of that success, the number of MSC-labeled



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certified-sustainable seafood products grown briskly, and there are nearly 15,000 products bearing the MSC logo, with total sales over \$3 billion per year.

In tandem, the MSC and its partners have translated this major buyer interest in Europe and North America into a rapid uptake of the program by the world's most sustainable fisheries. As of the start of this new plan period, over 11 percent of global fishery landings are now involved in the MSC program (certified or under full assessment), and this number continues to grow, giving the MSC a dominant position relative to other seafood certification programs.

In addition to certifying nearly 150 fisheries, the MSC has rigorously defined "sustainable" in a multi-stakeholder process; helped increase awareness of marine conservation issues in the market and media; contributed to a growing stewardship ethic among the seafood industry; and provided a useful framework for fisheries seeking to benchmark and improve their environmental performance.

## Strategic Challenges and Priorities

The MSC is now in the forefront of a global movement in certification and ecolabelling. As a leading organization in tapping the power of corporate citizenship to promote good stewardship of the globe's wild fisheries, the MSC now must navigate a number of increasingly complex scientific, technical, political, operational and fiscal challenges.

The first ISP was largely focused on proving the overall MSC concept could work, by developing the operational fundamentals of the certification system and building acceptance and uptake of the program in select markets and supply areas. This second ISP has been developed in a world of greater complexity as well as opportunity for the MSC program. This new plan was developed with two core challenges to the MSC program's continued success clearly in view:

**1. Potential slowdown in demand for the MSC program in core markets.** The MSC's success depends on engagement from both the buyers and sellers of seafood. As a voluntary, market-driven program, continued demand for the MSC program is never guaranteed: Fisheries can choose to leave the program, buyers can seek other forms of assurance, and consumer interest can shift.

In the next five years MSC will redouble efforts to maintain and build the value proposition of the MSC program for partners in order to sustain and increase demand in core markets, as this demand is the driver of the program.

**2. Difficulty in establishing the MSC model outside of current regions.** The MSC program has been most successful to date in Europe, North America and Australia/New Zealand, and both the supply and the demand of certified seafood remain heavily concentrated in these areas. MSC has made less progress to date in certifying fisheries outside of these core regions and similarly, has had few breakthroughs in getting other markets interested in sustainable seafood.

Increasing the relevance of the MSC program for fisheries and markets outside of Europe and North America is a major priority for the next decade, and may require adaptations to the MSC program and its tools.

To respond to these core challenges facing the MSC, while also navigating and executing on the exciting array of opportunities that exist to expand the program, the new ISP is built around four high-level strategic priorities:

### Assure the MSC's program credibility and effectiveness

The MSC's value proposition to all of its partners depends on its reputation as the world's most credible and effective fisheries certification and ecolabelling program. The MSC will undertake a number of initiatives to maintain and increase this value proposition.

### Cultivate and expand markets for sustainable seafood

Market demand is the driver in the MSC's theory of change and we will continue to build and support demand in the MSC's core markets while expanding into the most promising new markets that are receptive to the MSC model. Additionally, the MSC will modify its business model to increase overall program uptake and to better succeed in business-to-business environments.

### Grow the supply of sustainable seafood

Market demand currently exceeds the supply of certified-sustainable seafood in many categories and the MSC will continue its work to expand the number and range of certified fisheries. The organization will continue fisheries outreach work in existing regions and expand outreach into new regions and fishery types with the most potential to deliver more certified fisheries into the program.

### Scale and support a global enterprise

While much of this plan focuses externally, the MSC must also address organizational issues related to its growth as an increasingly global institution. This plan sets objectives and outlines actions to attract and retain top quality staff; ensure high quality communications; support the organization with effective information technology; and assure the long-term financial stability needed to deliver on this ISP.

Underlying each of these high level strategic priorities are specific objectives, with detailed work plans, targets, and metrics. In what follows, we present an overview of the main objectives and key targets within each strategic area.

## Assure the MSC's Program Credibility and Effectiveness

The core of the MSC program is the ability to articulate a framework of principles, criteria, and specific performance requirements to define sustainable marine fisheries, and to maintain a credible third-party system that allows accredited certifiers to apply that framework in a consistent and transparent manner. The value proposition of the MSC depends on the extent to which this overall framework and the processes to apply it are seen as credible, effective and efficient by the broad community of stakeholders that are engaged in the MSC's program.

**The primary objective for the MSC in this area is to maintain and strengthen its position as a credible, effective and user-friendly certification system.**

Critical targets include:

- Reduce the time, cost, and complexity of the certification process by reforming the rules and processes associated with certification, while maintaining the robustness of the assessment process and the effectiveness of stakeholder engagement.
- Control the pace of change for fisheries and chain of custody (CoC) certification requirements so as to achieve a balance between maintaining program stability and predictability and maintaining the assessment requirements at a level consistent with best practice, with a strong emphasis on ensuring broad engagement of stakeholders in policy development processes.
- Support the participation of developing world and small-scale fisheries in the program by developing additional scientific methods for use in data-poor situations and effective cost mitigation methods.
- Ensure the MSC has a state of the art CoC system with improved accessibility and efficiency of engagement for all levels of the supply chain which continues to ensure that key risks such as product substitution are controlled, monitored and minimized.
- Establish a formal and comprehensive environmental monitoring and evaluation program to systematically document the impacts of the MSC program
- Improve the quality and consistency of certifications and the assessment process by continuing close engagement with and between ASI, CABs and stakeholders, and by implementing relevant key recommendations from the MSC's Credibility Working Group.
- Reduce areas of ambiguity in the three Principles of the fisheries standard, particularly the performance criteria associated with ecosystem impacts in Principle 2, leading to more consistent and less disputable assessment outcomes.
- Enhance the ability of stakeholders to provide feedback to the MSC by establishing a biennial performance review and survey, a post-certification evaluation, and more active outreach to key stakeholder associations.





## Cultivate and Expand Markets for Sustainable Seafood

Market demand is the driver of the MSC's theory of change and by most indicators, it has been growing rapidly. The number of MSC-certified, labeled products grew from just 200 in 2003 to nearly 15,000 by April 2012, with a corresponding increase in volume. In addition, businesses are increasingly relying on the MSC program to verify the sustainability of their sourcing even in the absence of consumer-facing labeling. This combination of commitments to MSC certified seafood is helping to ensure market access benefits for MSC fisheries.

**The primary market objective over the next five years is to double the overall market share for MSC-certified seafood. That will equate to market share of around 30-40 percent throughout advanced markets in Northern Europe, a quadrupling of current market share in the US and Canada, a growing MSC market presence in Australia/New Zealand, Japan and Southern Europe, and introducing the MSC concept in China and select markets in Asia.**

In the next five years, the main priorities for expanding markets for MSC-certified seafood are as follows:

- Increase retail engagement in core Northern European, North American and Australia/New Zealand markets to achieve market share targets.
- Help drive growth of MSC-certified products through targeted joint-marketing activities in core markets.
- Improve uptake of the program in the foodservice sector and at retail fresh fish counters, by streamlining chain of custody requirements, reducing logo licensing fees, and increasing commercial outreach to these users. Continued growth in these venues will drive improvements in consumer awareness.
- In Southern Europe, Japan and South Africa, the MSC will build on current investments and expand major buyer commitments. By 2017, MSC will seek to have at least a dozen major corporate commitments to the MSC in Southern Europe and Japan.
- Take new steps into Asian markets outside of Japan. The MSC will open an office in China to introduce the MSC concept and to engage to a greater degree with chain of custody certificate holders there. We will also make an initial investment in engaging with retailers in high income markets on the Asian continent and build a platform for a greater expansion after 2015.
- Make changes to the MSC's business model to moderate the costs of the program for partners, implementing a volume price discount and simplifying the costs associated with food service and fresh cases. MSC will also take steps to diversify our revenue base by building on the growth of the business-to-business model use of the MSC program, through a small, broad-based CoC surcharge coupled with associated value offerings for B2B users.

## Grow the Supply of Sustainable Seafood

In the past five years, growth in the number and volume of fisheries in the MSC program has been brisk. At the inception of the last ISP in 2007, about 20 fisheries representing roughly 2 percent of global seafood were in the program. Today, nearly 150 fisheries are certified to the MSC standard, representing some 8 percent of global fisheries landings, with an additional 135 fisheries, or 3 percent, currently under assessment. However, market demand exceeds the supply of certified-sustainable seafood in many categories and the MSC must continue its work to expand the number and range of certified fisheries.

**The primary objective for this plan period is to reach 15 percent of global fisheries landings certified to the MSC standard by 2017, and 20 percent by 2020.**

Since inception, MSC has had great success in working with some of the world's best-managed fisheries to become certified. To ensure these fisheries stay in the program, MSC needs to maintain and improve the efficiency of its systems and the overall value proposition as described above.

In addition to currently certified fisheries, another 5-10% of global landings could potentially meet the MSC standard within five years. Many of these fisheries will face more challenges in achieving certification than the first generation and will need to make improvements in performance before entering MSC assessment.

For MSC to expand the supply of certified seafood over the next five years, the program must reach and engage in diverse fisheries in regions outside of Northern Europe and North America, including many fisheries that will need additional data and environmental performance improvements to meet the MSC standard. Engaging these fisheries will depend on building demand in markets that buy from these fisheries; increasing fishery outreach in the right places; and ensuring fisheries on trajectories of improvement are moving towards MSC certification.

The main targets for the MSC's fishery outreach work are:

- Expand fishery outreach efforts to Russia and select countries in South America, the most promising new geographies for increasing the supply of certified seafood over this decade.
- Establish dedicated, cross-cutting teams focused on increasing the uptake of the MSC program by global tuna and small pelagic fisheries, regardless of geography.
- Establish a fund to increase the accessibility of the MSC program for more of the world's fisheries. An MSC-established fund will support discrete projects and activities that work to overcome key barriers and obstacles that fisheries face in meeting the MSC standard.
- Take various steps to ensure that the growing arena of fishery improvement partnerships (FIPS) continues to develop in ways that build a pipeline towards MSC certification. Ensure that if a 3rd party verification program for FIPs emerges, that it is consistent with and leads to the MSC program.

## Scale Up and Support a Global Enterprise

At the beginning of the first ISP, the MSC had fewer than 20 staff. Today, it is five times that size, and will need to expand further as we execute this plan. Growth, in terms of personnel, operations and geography, carries with it organizational challenges. There are a number of critical functions needed to maintain and improve the efficiency and effectiveness of the enterprise, including the following:

- **Communications** – Effective communications are central to the value proposition of the MSC to its partners. Priorities include continued work to build and protect the reputation of the MSC program, to inform and educate key stakeholders on the environmental and economic benefits of MSC certification, and to differentiate the MSC relative to the growing number of alternative assurance schemes.
- **Central Services** – As the organization expands its geographic footprint, it needs to modernize many central service processes to better support a global staff. Priorities include substantially improving the intranet and all IT systems that support a global team, ensuring top quality management systems for data and information, and creating the conditions that ensure that the MSC continues to attract, develop and maintain a top-rate staff.

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- **Organizational structure** – As MSC expands geographically, the structure and level of autonomy will evolve. Currently, MSC is structurally divided into three large regions (Americas, Europe, and Asia-Pacific). Over this ISP, MSC will evolve into six distinct regions (North America, Northern Europe, Southern Europe, Asia-Pacific, Australia-New Zealand, and Latin America), and will provide increasing autonomy for each of the regions to achieve program goals.
- **Financial stability** – Achieving the priorities contained within this plan will require sufficient and stable resources to operate the organization. The MSC has been successful up to now at securing charitable contributions and increasing the balance of revenues from logo licensing fees. In the next five years, MSC will seek to maintain current levels of philanthropic support while continuing to expand self-generated revenue. The MSC's financial stability will serve to secure the investment in the program made by our partners through their participation, commitments and promotion to customers, employees, shareholders and others.

### Looking forward

The directions and priorities of this strategic plan build heavily off the foundations laid by the organization over the last decade and represent an evolutionary approach. MSC will develop annual plans to guide implementation of the ISP within available resources and to respond as appropriate to new challenges and emerging opportunities, while remaining connected to the central visions presented in this long-term plan. So, while not set in stone, this document shines a spotlight on MSC's path over the next five years and beyond.