

Introduction

Set out below is an explanation of the categories of uses of the MSC ecolabel and charges for those companies wishing to display it to highlight sustainable seafood.



1. Categories of ecolabel use

There are 3 clear categories, which are:

1. **Consumer facing:** examples include retail and independent brand MSC-labelled seafood products, menus in foodservice outlets and 'direct to consumer' websites;
2. **Non consumer facing:** examples include bulk packaging for certified seafood, foodservice caterer price lists and websites; and
3. **Non commercial ecolabel use:** examples include use of the ecolabel by media, charitable and educational organisations, fishery marketing and representative bodies, accredited certifiers and authors of books. Please contact MSCI for more information on this type of use.



The categories for consumer and non consumer facing are for companies selling seafood.

2. Charging for ecolabel use

The level of the Annual Fee payable depends on the level of sales of MSC-labelled product sold by the licensee, based on the tiers set out in the table below.

Tiered Charging System Rates

Sales of MSC-labelled products	Consumer facing (Annual Fee + Volume)	Non-consumer facing
0 USD – 200 000 USD	250 USD + 0.5% of sales	250 USD
200 001 – 500 000 USD	1000 USD + 0.5% of sales	1000 USD
> 500 000 USD	2000 USD + 0.5% of sales	2000 USD

Annual Fee

This is payable at the beginning of each royalty year. For existing licensees, the sales used to determine the Annual Fee are sales for the previous royalty year¹. For new licensees, the sales will be a projection of sales for the royalty year.

At the end of the royalty year, there will be a reconciliation based on the difference in actual sales and past sales/projection of sales. If the difference in sales results in the movement from one tier to another, this will be reflected in a partial refund to the licensee or an additional royalty imposed.

Volume royalty

The volume royalty is calculated on *consumer facing sales only* and licensees will submit sales statements to MSCI for the two six month periods of 1st April to 30th September and 1st October to 31st March. This will be charged at 0.5% on all sales of MSC-labelled consumer facing products. When appropriate, licensees will be asked to set out sales of any non consumer facing products in a separate part of the statement (so that MSCI can keep a record of sales of all MSC-labelled products).

¹ If you expect your sales for this year to fall into a new tier, please contact MSCI.

NOTE:

If a company sells consumer facing and non-consumer facing products, the Annual Fee is calculated on total sales, and the volume royalty charged only on the consumer facing sales.

One ecolabel licence agreement per licensee

Each licensee enters into an ecolabel licence agreement and pays one Annual Fee to cover sales of MSC-labelled products sourced from all MSC certified fisheries

Example charge:

A company that expects to sell USD\$100,000 of consumer facing MSC products would pay an Annual Fee, \$250, at the beginning of the royalty year (April).

Then, at the end of each charging period (Apr-Sept and Oct-Mar), they would calculate their total sales. If they sold \$30,000 of MSC-labelled products from Apr-Sept they would pay 0.5% = \$150. If they sold \$70,000 from Oct-Mar, they would pay an additional \$350.

Further information

Please contact ecolabel@msc.org for further information.