

Marine Stewardship Council

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## Chain of Custody Certification Methodology



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## Responsibility for this Methodology

The MSC Technical Advisory Board is the Committee responsible for this methodology.

The use of this methodology is mandatory and is to be used by all applicant and accredited certification bodies for Chain of Custody (CoC) audit and certification.

This methodology is intended to be a living document and will be reviewed on an ongoing basis.

### Amendments Issued Since Publication

Amd. No	Date	Description Of Amendment
A	August 2000	Version 1
B	March 2002	Version 2 - DRAFT
C	July 2002	Version 3 - DRAFT
D	October 2002	Version 4
E	February 2004	Version 5 - Objections procedure revised. Typographical errors corrected.
F	June 2005	Draft 8 Version 6 – Introduces option for combined audits.
G	October 2005	Draft 9 Version 6.
H	July 2009	Version 6.1 - Replacement of Appendices B, C, G and H, updated table of contents and page numbering. Minor edits to ensure consistency: 5.2.5a updated to refer to Appendix B, 5.6.3 reference corrected (5.6.1) – all other sections remain the same.
I	February 2010	Version 7 - Update of section 1 to 5, revision of Appendices A, amendment of Appendices B (Table 1, Table 5, sections 9.1.3, 9.3, 10 and Annex 1 Table A, B and C and annex 2), C (sections 4.4.4, 5.4.1 and 8.2), D, F and J; addition of Appendix K. (See TAB Directive 026 for a full list of changes)

## Foreword

The MSC Standard, *Principles and Criteria for Sustainable Fisheries*, sets out indicators that a fishery must meet to enable it to claim that fish sourced from it originated from **a well-managed and sustainable source**.

Before the MSC ecolabel can be used on fish products, or any claim about the MSC can be made, verification that the product originated from a fishery certified to the MSC Standard must take place.

The objective of CoC certification is to ensure that fish products bearing the MSC ecolabel and claim come from certified sources. Valid CoC systems provide a credible assurance that traceability is maintained and are an essential component of any product labelling programme. To achieve this, elements of the relevant supply chain will be subject to CoC verification and certification against the MSC Chain of Custody Standard.

With respect to fish catching and processing, CoC management systems are implemented at the key points of transfer commencing with extraction from the sea to receipt on board; delivery to the dock quayside, market, wholesalers, processors, retailers and caterers. The requirement at any point where the fish or fish product is transformed or repacked is to have in place clearly defined and independently verified systems to ensure segregation of certified from non-certified fish and to have an ability to trace back to source, so enabling end consumers to have total confidence in the MSC ecolabel.

Where CoC extends to the point of sale to the end consumer, certification will include wet fish counters, restaurants and other foodservice outlets where certified material might be removed from sealed, identified packaging and therefore be at risk of mixing with non-certified species or loss of traceability. In preparing for any audit a CB will evaluate the risk to traceability. For multi-site or group certification a risk-based 'group' CoC approach is often applicable and allows homogeneous groups of organised individual organisations or a large multi-site company to operate under a single CoC certificate (please see Appendices B and C for details).

The amount and method of verification taking place will vary depending on the perceived risk of loss of traceability through the supply chain.

Certificates are valid for three years, at which point a full re-audit for continued certification will be conducted in accordance with this methodology.

Anyone wishing to comment on this Methodology is encouraged to do so in writing via: [standards@msc.org](mailto:standards@msc.org)

## **MSC Documentation Overview**

This Certification Methodology has three major elements (Tiers 1 to 3) that are designed to provide increasing levels of detail for those that require it. An explanation of these Tiers is provided below.

### **Tier 1**

Overview of the main steps and associated actions/outputs.

### **Tier 2**

Detailed prescription of the mandatory steps to follow.

### **Tier 3**

Additional supporting guidance and advisory documents.

This methodology should be read in conjunction with the subsidiary documents that provide more details in the form of guidance and advice on how to implement the prescribed methodology and the responsibilities of a CB. These supporting documents are:

Mandatory documents – containing mandatory requirements

These are documents for Tiers 1 and 2:

- MSC Chain of Custody Standard;
- MSC Chain of Custody Complaints Procedure;
- MSC Accreditation Manual ;
- TAB Directives; and,
- Policy Advisories

Guidance and advisory documents (Tier 3 docs)

- Guidance on Group certification

MSC has an obligation to advise its appointed Accreditation Body of any new requirements. MSC's Accreditation Body has an obligation to inform CBs of any new requirements. CBs have an obligation to inform themselves and implement relevant new procedures in accordance with MSC instructions.

## 1. SCOPE

This document prescribes the methodology that a CB will undertake in carrying out an audit of an organisation in the supply chain which wishes to make a claim that the fish and/or fish product(s) they are selling is from a well-managed and sustainable source that has been certified to the *MSC Principles and Criteria*, and/or to use the MSC ecolabel on product.

The purposes of this document are:

1. To establish a consistent certification methodology for CoC certification to enable all CBs to operate in a consistent and controlled manner.
2. To provide the transparency that is required of an international standard setting body for it to have credibility with potential stakeholders, including governments, international governmental bodies (e.g. regulatory bodies, fishery managers), CBs, suppliers of fish and fish products, non-governmental organisations and consumers.
3. To provide documentation designed to assure long-term continuity and consistency of the delivery of CoC certification.
4. To serve as a training document for CBs.

The guiding principle in the development of this Certification Methodology has been the need to specify a system that ensures the MSC ecolabel on fish or fish products is a credible assurance that the fish is derived from a well managed and sustainable fishery, as defined by the *MSC Principles and Criteria* assessed in conjunction with the *Fisheries Certification Methodology*.

This document is written for use by the MSC's appointed Accreditation Body when accrediting CBs undertaking audits of organisations against the MSC CoC requirements and is the certification methodology to be used by those bodies.

Any variation from the requirements of this document by a CB shall be an exception. Such variations shall only be permitted by the MSC in writing on a case-by-case basis after the CB has demonstrated to the MSC that the exception meets the intent of this document in some equivalent way and that the requirements of the MSC CoC Standard are not undermined in any way. Any approved variations to this methodology must be documented and retained by the CB.

Once a MSC certified fish or fish product is placed into consumer ready tamper proof packaging the requirement for CoC certification ceases to apply.

The term “**shall**” is used throughout this document to indicate those provisions which are mandatory.

The term “**should**” is used to indicate those provisions that a CB is expected to adopt. Any variation to provisions using the term “**should**” shall only occur where the CB has justified, documented and retained their variation.

## **2. REFERENCES**

MSC Chain of Custody Standard v2

MSC Principles and Criteria for Sustainable Fishing, November 2002

MSC Fisheries Certification Methodology, v6

MSC Accreditation Manual, v5

TAB Directives latest version available

Guidance on MSC Group Certification Requirements, v. 1.0

ISO 9000:2000 Quality Management systems – Fundamentals and Vocabulary

ISO Guide 65: 1996 General requirements for bodies operating product certification systems

ISO 19011: 2003 Guidelines for quality and/or environmental management systems auditing

ISO Guide 2:1996, Standardization and related activities – General Vocabulary

ISO 17021:2006 Conformity assessment – Requirements for bodies audit and certification of management systems

### 3. DEFINITIONS

CB	MSC applicant or accredited Certification Body
Client	Organisation applying for or that has received certification.
CoC	Chain of Custody
CoCCM	Chain of Custody Certification Methodology
CoCStd	Chain of Custody Standard
Day(s)	Working days in the country in which the certification body's operations are based.
First link in the Chain of Custody	Designated the first company (and any subcontractors covered by its CoC certificate if granted) buying products directly from companies listed as part of the unit of certification of a fishery as described on the MSC website for that fishery. The fishery might be MSC-certified or under full MSC assessment.
Handle	Refers to a client having undertaken one or more of the activities in its scope. The MSC defines these as: contract processing, distribution, harvest, packing or repacking, processing, restaurant/take-away to consumer, retail to consumer, storage, trading, transportation, wholesale and others. Refer to Appendix K for the full definition of each activity.
MSC-certified fish	Whole fish or products that are, or are derived from, any aquatic organism harvested in a certified fishery, as defined in the Unit of Certification of a valid Marine Stewardship Council certificate whose traceability is covered up to the point of sale by the scope of a valid MSC fishery or chain of custody certificate.
Potential client	Company which is seeking CoC certification but that has not yet signed a contract with a CB.
Potential scope	Scope of certification that a potential client and/or a client submits to the CB at the time of its application for a CoC certification audit. Clients are not required to have purchased all fish listed in the potential scope at the time of the audit. Depending on the result of the audit, all or part of the potential scope may become the scope of certification.
Preserve	The process designed to protect products from natural spoilage and to allow their long-term storage. These processes include but are not limited to freezing, canning, dehydrating, drying, curing, smoking, sterilising.
Scope category	There are 5 scope categories: 1. Species, 2. Activity, 3. Product form, 4. Product storage and 5. Product presentation. Each scope category is described by the selection of various scope category options.
Scope category option	Option that can be chosen for each scope category. E.g. scope category options for the scope category 'Product Storage' are chilled (including fresh), dry good, frozen, live. See appendix K for the full list of scope category options.
Scope of certification	Defines the client's combinations of fishery (MSC-certified or under-MSC-assessment) and scope categories that are included in the audit by an accredited CB and that have been assessed as conforming to the MSC CoC Standard.
Under-MSC-assessment fish	Whole fish or products that are, or are derived from, any aquatic organism harvested in a fishery, as defined in the Unit of Certification, under full assessment for MSC certification and after the 'target eligibility date' specified on the MSC website by the CB responsible for the assessment.

## 4. CERTIFICATION OPTIONS

### 4.1. Chain of custody certification options

Whichever option is selected by the CB, it is ultimately responsible for assessing whether the client meets the *MSC Chain of Custody Standard*.

Table 1: Options for certification

	Option	Applies to	Individual organisations or group schemes
1	Accredited CoC certification	Any potential client	Both
2	Accredited CoC combined audit	All potential clients already certified to a national /international food safety standard that has been reviewed by the MSC or CB and a gap analysis provided. The list of the MSC reviewed standards can be found on the MSC website on the Certification page.	Both
3	Group certification	Any potential client defined as groups of individual enterprises and multiple site companies ("organisations")	Group, see Appendices B and C
4	Interim Certification	All potential clients that are very low risk and immediate onsite audit is neither practicable nor necessary. CB can award an interim certificate for up to 3 months.	Both - see section 5.11 of this methodology for more details.

#### Accredited CoC certification

Accredited CoC certification is the standard audit/certification option for standalone organisations that fall outside the other three categories.

#### Accredited CoC combined audit

The Accredited CoC combined audit option allows a CB to combine the MSC audit with an audit for an existing certification against a recognised national/international food safety standard. It has been recognised that elements of the *MSC Chain of Custody Standard* are covered in those recognised standards and that the CB may have already audited those elements. Therefore a second audit to satisfy MSC requirements may be unnecessary. In these instances the MSC or the CB should provide a gap analysis for each recognised standard, which identifies the additional requirements of the *MSC Chain of Custody Standard* that are not contained in the recognised standard. CBs may use this gap analysis to create new /revise existing audit documentation to assist in conducting the audit.

## **Group certification**

Where a group<sup>1</sup> is defined as a group entity (single central point of control) and its associated individual sites which collectively apply for certification to the *MSC Chain of Custody Standard* (see Appendix B for Group certification methodology).

## **Interim certification**

The interim certification option is available in cases where it is not practicable to perform a complete on-site audit prior to allowing fish or fish product(s) into the chain of custody. Permission for interim certification may be granted by the MSC (on the basis of a recommendation from the CB) for a short period providing that the risk is low and manageable. Further details are found in Section 5.11 of this methodology.

### **4.2. Chain of custody accreditation**

CBs must be accredited or a recognised applicant for accreditation by the MSC's Accreditation Body to enable them to offer or perform CoC audits and award certificates. Only accredited CBs may award certificates.

Prior to granting accreditation, the MSC's Accreditation Body shall satisfy itself that the CB complies with the requirements of, and demonstrates an understanding of, the:

- MSC Accreditation Manual;
- MSC Chain of Custody Standard; and,
- MSC Chain of Custody Certification Methodology.

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<sup>1</sup> It is a requirement of group certification that there are checks and controls in place to ensure continual conformance of all members of the group. Examples of checks and controls: internal audits, review meetings, contracts, staff training etc. Examples of groups: restaurant chain, retailer, multiple fish counters, multiple outlets, fishing groups/association, fish markets.

## **5. CERTIFICATION PROCESS REQUIREMENTS**

### **5.1. Overview of methodology and associated actions and/or outputs (Tier 1)**

#### 5.1.1. Initial contact: Client - CB - MSC

a) Guiding principles

The aim is to ensure that a potential client receives full information about the MSC, the process of CoC certification, the most appropriate certification option to select and the benefits and responsibilities of having CoC certification thus allowing use of the MSC ecolabel.

b) Required actions (CB)

The CB will make information available to all parties or otherwise assist on request.

c) Required actions (MSC)

The MSC will provide generic information to all parties and will refer clients to a list of CBs.

d) Guidance documents

Guidelines for Chain of Custody Certification Options (under review).

e) Additional Resources

Promotional material available about the MSC certification process available from the MSC, guidance material for potential clients.

#### 5.1.2. Audit and certification decision

a) Guiding principles

The audit process for the applicant for CoC certification shall follow the requirements of this methodology to determine that the applicant's system and operations ensure that they meet the MSC standard and that the MSC ecolabel and claim on fish or fish products is a credible assurance that the fish is derived from a well managed and sustainable fishery.

b) Required actions (CB)

The CB will actively manage the CoC audit / certification process, and on issue of a certificate, shall advise the MSC of this fact.

The CB is responsible for entering the required information regarding the certificate holder on the MSC database.

c) Required actions (MSC)

Maintain the MSC database functionality and ensure direct linkage to the MSC website [www.msc.org](http://www.msc.org).

d) Guidance documents

For the conduct of audits CB auditors should generally follow the requirements in ISO 19011: 2003 Guidelines for quality and/or environmental management systems auditing.

e) Additional Resources

Nil

### 5.1.3. On-site audit and Interim certification

#### a) Guiding principles

Following a successful on-site audit that results in no outstanding major non-conformances the CB may award a CoC certificate to the client.

For accredited combined certification the CB shall ensure that all elements of the *MSC Chain of Custody Standard* are addressed. The CB shall use the MSC gap analysis document where appropriate.

In cases where it is not practicable to perform a complete on-site audit prior to allowing fish or fish product(s) into the chain of custody, permission for interim certification prior to on-site audit may be granted by the MSC (on the basis of a recommendation from the CB) for a short period providing that the risk is low and manageable. To comply with requirements for interim certification see section 5.11.

#### b) Required actions (CB)

The CB shall record a request for interim certification on the MSC database and provide a written justification, result of risk analysis and timetable for full audit for consideration by the MSC. Permission for interim certification may be granted by the MSC.

The CB shall record appropriate details about any newly certified organisation or interim certificates on the MSC database.

#### c) Required actions (MSC)

The MSC shall review all CB submissions of interim certification in a timely manner and make a decision on whether to grant permission. The MSC shall record the decision on the MSC database.

#### d) Guidance documents

Nil

#### e) Additional Resources

Nil

### 5.1.4. Post certification

#### a) Guiding principles

Regular and continued audit of the CoC certified client shall provide continuing confidence that the MSC chain of custody is maintained and that ecolabel on fish or fish products is a credible assurance that the fish is derived from a well managed and sustainable fishery.

The extent and frequency of audits shall be governed by a risk assessment, driven by the past performance of the CoC certified client, the risk of the activity being undertaken and other factors.

#### b) Required actions (CB/client)

The CB shall actively manage the continuing CoC certification process, undertaking regular surveillance activities at a frequency commensurate with the risks, and by completing a full reaudit every three years, and by actively following up any non-conformances identified to ensure that appropriate corrective and preventive action has taken place.

Each client is responsible for informing its CB of any changes to scope, supplier, personnel or process.

The CB is responsible for recording any relevant changes on the MSC database.

c) Required actions (MSC)

None.

d) Guidance documents

For the conduct of audits CB auditors should generally follow the requirements in ISO 19011: 2003 Guidelines for quality and/or environmental management systems auditing.

e) Additional Resources

Nil

## MSC CHAIN OF CUSTODY CERTIFICATION PROCESS

### MANDATORY STEPS TO FOLLOW (TIER 2)

#### 5.2. Initial Client Interest and contract for certification

- 5.2.1. The CB shall ensure that potential clients are provided with all necessary information concerning CoC requirements and MSC Ecolabel Licensing, including the CB's own application form or equivalent. Information provided shall include the "MSC CoC / Ecolabel Use Guidance Pack" (see Appendix G for list of these documents). If potential clients have any further questions concerning ecolabel use these shall be directed to the MSC's Ecolabel Licensing Manager (see Appendix H for contact details).
- 5.2.2. The CB shall check on the MSC database that the potential client:
- a) does not already hold a valid CoC Certificate issued by another CB; and
  - b) has not had its CoC certificate suspended, withdrawn or cancelled (in which case the CB shall not issue a new certificate within six months of the original suspension date, as specified in TAB Dir 016); and
  - c) has not had its CoC certificate withdrawn for a second time (in which case the CB shall not issue a new certificate within two years of the cancellation date as specified in TAB Dir 016).
- 5.2.3. The potential client shall be asked to submit sufficient details about their organisation and their management system / activities which should demonstrate how their operational procedures incorporate CoC requirements.
- 5.2.4. The CB shall confirm with the potential client the 'potential scope' they wish to apply for, in accordance with Appendix K.
- 5.2.5. The CB shall inform the potential client that the listing of 'under-MSC-assessment' products in the potential scope shall be consistent with the following criteria.
- a) The potential client shall have a system to ensure that any product it may wish to sell as under-MSC-assessment or eventually as MSC-certified was caught after the target eligibility date as specified on the MSC website for that fishery. Note that once the fishery becomes certified, the target eligibility date will be replaced with the actual eligibility date. The actual eligibility date may be different from the target eligibility date.
  - b) And the potential client either:
    - i. takes ownership of the fish before it is preserved, or;
    - ii. is the first company that preserves the fish, or;
    - iii. buys product directly from the first company that preserves the fish, or;
    - iv. is the first link in the chain of custody and the fish is first preserved by a company that is part of the unit of certification of the under-MSC-assessment fishery.
- Note that companies complying with iii or iv shall have a system to ensure that all references to the under-MSC-assessment status are removed when the product is sold before the fishery is certified.
- 5.2.6. Potential clients are not required to have identified all the suppliers of the products and are not required to have purchased all of the products listed in the potential scope at the time of the audit.
- 5.2.7. The CB shall discuss the following points concerning potential scope with its client.

- a) The CB shall inform the client of the process of extending the scope of its MSC certificate once issued (see 5.8)
  - b) The CB shall inform the client of the option of including products in the potential scope that it intends to handle in the period running until the next audit.
- 5.2.8. The CB shall review the submission to ensure that all elements of the respective CoC requirements are addressed. The CB shall clarify any issues or areas of concern with the client.
- 5.2.9. If the potential client's management system appears to be viable for the purposes of ensuring traceability of under-MSC-assessment and MSC-certified product and that conformance with the MSC CoC standard is probable, the CB shall recommend that the potential client proceeds with an on-site conformance audit. Any risks to potential successful audit and certification should be highlighted.
- 5.2.10. In addition to accredited CoC certification of a single, stand-alone site that is fully responsible for its operations and processes, there are other options that the CB shall discuss with the potential client, and if appropriate agree with the potential client which option to apply. These include:
- a) Group certification, where a group is defined as a group entity (single central point of control) and its associated individual sites which collectively apply for certification to the *MSC Chain of Custody Standard* (see Appendix B for Group certification methodology). There is a requirement for the CB to carry out some on-site audits in addition to the central control (as detailed in Appendix B<sup>1</sup>);
  - b) Accredited "combined" audit, where a potential client is already certified to a nationally or internationally recognised standard by an MSC Accredited CB. In these instances this will be taken as a substantive indication of conformance with the MSC *CoCStd* and the requirements of the relevant MSC or CB gap analysis may be used to support the audit and certification decision of the CB;
  - c) Interim certification (note that full audit shall be required within 3 months).
- 5.2.11. Potential clients shall be invited to apply for certification under the most appropriate option selected by the CB.
- 5.2.12. Records of discussions and correspondence with potential clients, and the application form (if applicable) shall be kept.
- 5.2.13. The CB shall issue a contract for certification and maintain a record of any agreement.

### **5.3. Audit Planning**

- 5.3.1. Within ten days of receipt of the signed contract from a client, the CB shall record the client as applicant on the MSC database, allot a MSC CoC registration code and shall plan the audit.
- 5.3.2. The CB shall take account of the option selected, management system used by the client and any other certifications that are held (such as food safety, quality, etc) when determining the level of on-site audit required to complete

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<sup>1</sup> It is a requirement of group certification that there are checks and controls in place to ensure continual conformance of all members of the group. Examples of checks and controls: internal audits, review meetings, contracts, staff training etc. Examples of groups: restaurant chain, retailer, multiple fish counters, multiple outlets, fishing groups/association, fish markets.

CoC certification. Evidence of these certifications may be obtained during the initial client interest stage.

- 5.3.3. The CB shall ensure that its on-site audit plan allows sufficient time to verify the effectiveness of the client's management system for the full range of scope options that will be included within the scope of the CoC certificate if it is issued.
- 5.3.4. The CB should synchronise and combine MSC CoC audits with other on-site audits (such as food safety, quality, etc) where possible and appropriate.
- 5.3.5. CBs shall recognise that CoC certificates issued by other MSC accredited CBs, and confirmed by the issuing CB, are adequate evidence that the relevant fishery product is sourced from a fishery that conforms with the *MSC Principles and Criteria for Sustainable Fishing*.
- 5.3.6. In case of a surveillance or recertification audit, the CB shall ask the client to prepare a list of the MSC certified products it has handled since the previous audit.

#### **5.4. On-site audit**

- 5.4.1. The CB's auditor shall generally follow guidance on auditing provided in ISO 19011.
- 5.4.2. The on-site audit is conducted in order to accomplish the following:
  - a) to review the client's management system, including any documented policies and procedures where appropriate, is adequate to meet the MSC CoC Std (Note: the CB may conduct this at the planning stage before the on-site stage);
  - b) to ensure that the client's management system is complied with by the client's staff.
- 5.4.3. For each of the client's activities listed in the potential scope, the CB shall review and collect evidence that the client's management system procedures below, as implemented, meet the requirements of the *MSC CoC Standard*:
  - a) confirming inputs;
  - b) separating and /or demarking MSC-certified and non certified fish inputs and all related processes (receiving, storage, processing, packing, supply);
  - c) secure product labelling;
  - d) identifying certified outputs;
  - e) recording lot or batch numbers on delivery;
  - f) maintaining traceability from final processed and packaged product back to lot or batch for the product's inputs and vice versa.
- 5.4.4. If the client is not handling all the products listed in the potential scope at the time of the audit, the CB shall collect evidence of the system in operation, for one or more sample products similar to these products (for example comparable non MSC-certified fish being processed on the same production line used for MSC-certified products, or similar looking species). The CB shall verify that the system is sufficiently robust to maintain the chain of custody and trace the product when the client does handle under-MSC-assessment or MSC-certified fish.
- 5.4.5. Pertinent CoC records relating to the receipt, processing and supply of the products listed in the potential scope shall be reviewed. These documents shall include, where applicable:
  - a) customs inspection documents;
  - b) verification of species inspection documents;

- c) bills of lading (copies for all immediate links within the transportation system) (if applicable);
- d) processing records sufficient to maintain traceability;
- e) invoices from the client's supplier of certified material;
- f) invoices issued to the client's customers (an exception will be made at the consumer end stage or where the customer does not wish to make any further claims).

5.4.6. The CB auditor shall as a minimum requirement:

- a) review and reconcile pertinent records;
- b) reconcile itemised bills of lading and invoices with receiving documents and/or the actual loads;
- c) establish that appropriate measures are being or could be taken by the client to segregate and/or clearly differentiate MSC-certified or under-MSC-assessment fish product from non-certified fish product;
- d) review physical parameters (e.g. marking of fish containers and established locations of MSC certified or under-MSC-assessment versus non-certified sources);
- e) review administrative parameters (e.g. written protocols for maintaining segregation, employee training manuals, implementation of employee training, etc.);
- f) test the traceability system for a delivered batch and a product ready for sale (MSC-certified batch / product or non MSC-certified similar product) of the CB's choice. The test shall link input to output or vice versa through unique lots or delivery numbers, internal traceability records, purchase records (which identify the supplier(s), the lots or batches of purchase), handling records and supply records. The CB shall conduct a sufficient number of tests to be confident that the system is effective for all the products listed in the potential scope;
- g) test the client's ability to perform a batch reconciliation of inputs and outputs. The CB shall conduct a sufficient number of tests to be confident that the system is effective for all the products listed in the potential scope. For an MSC-certified product (or similar products) ready for sale of the CB's choice, the CB shall verify the quantities, using the following components:
  - i. purchases of MSC certified fish
  - ii. plus opening stocks of 'MSC certified fish' (if applicable)
  - iii. less sales of MSC certified product
  - iv. less remaining stock of MSC-certified product
  - v. less waste and other losses
  - vi. equals closing stocks of MSC certified fish;
- h) review the status of stocks of MSC-certified and under-MSC-assessment products held by the client and confirm whether the stocks are or could be eligible to carry the MSC ecolabel;
- i) obtain confirmation of target eligibility date and capture date if the client has under-MSC-assessment fish listed in its potential scope;
- j) collect the list of suppliers (if known).

5.4.7. In order to include 'under-MSC-assessment' fish in the client's scope, the auditor shall verify the following (in addition to following the requirements in 5.4.1 to 5.4.6).

- a) The client either:
  - i. takes ownership of the fish before it is preserved, or;
  - ii. is the first company that preserves the fish, or;

- iii. buys products directly from the first company that preserves the fish, or;
  - iv. is the first link in the chain of custody and the fish is first preserved by a company that is part of the unit of certification of the under-MSC-assessment fishery.
- b) For each batch of under-MSC-assessment fish purchased, there is evidence that the client applies a system to record:
- i. the name of the supplier and its MSC CoC registration code;
  - ii. the date of capture; and
  - iii. sufficient other details to allow the tracing of those inputs back to their suppliers.
- c) Under-MSC-assessment fish is labelled or is otherwise identified with the supplier's name and the date of capture.
- d) Under-MSC-assessment status is referred to on invoices but not on products ready for sale.
- e) Companies complying with 5.4.7. a) iii or iv have a system to ensure that all references to the under-MSC-assessment status are removed when the product is sold before the fishery is certified.
- 5.4.8. At the conclusion of the on-site audit the CB auditor shall conduct a closing meeting with the client's representative(s). During the closing meeting the CB lead auditor shall:
- a) Ensure that the client understands:
- i. that until its certificate information, including scope, is displayed on the MSC website, they are not certified and cannot make any claims concerning certification;
  - ii. what actions they may have to complete before certification can proceed;
  - iii. any non-conformances and their likely category (subject to approval by the CB's decision making entity);
  - iv. that stocking under-MSC-assessment fish is entirely at its own financial risk and there is no guarantee that the fishery will become certified to the *MSC's Principles and Criteria for Sustainable Fishing*;
  - v. that the actual eligibility date may be different from the target eligibility date and that only fish caught after the actual eligibility date is eligible to be sold as MSC-certified when the fishery is certified;
  - vi. that if the suppliers of the products listed in the scope are not defined at the time of the on-site audit, and whenever the client lists a new supplier, the client shall communicate its suppliers' names and CoC registration code to the CB no later than ten days after receiving its first delivery;
  - vii. that the client shall inform the CB of any significant changes that affect the certification (e.g. transfer ownership, contact detail changes); and,
- b) Ensure that the potential scope and, in the case of a surveillance or recertification audit, the 'MSC Product Handled' Schedule, are complete, correct and agreed.
- 5.4.9. The CB auditor shall prepare a CoC Certification report (see Appendix D for report content requirements).

**5.5. Results and Recommendations** Non-conformances observed during an audit shall be classified as minor or major as follows

- a) Minor non-conformances (conditions for ongoing certification): where the client does not comply with the Standard but those issues do not jeopardise the integrity of the CoC.
  - i. For initial certification, the client may be recommended for certification once an action plan to address the non-conformance has been agreed to by the CB. The action plan must include a brief description of what action is intended to satisfactorily address the non-conformance and an appropriate timeframe to carry this out.
  - ii. Minor non-conformances raised during surveillance audits (post-certification) shall be satisfactorily addressed by the next scheduled audit.
- b) Major non-conformances (pre-conditions for certification): where the integrity of the CoC is jeopardised and certification cannot be granted or maintained.
  - i. For initial certifications, Major non-conformances shall need to be satisfactorily addressed by the client prior to certification being granted and within three months of the date of the audit or a full re-audit shall be required. The CB shall assess the effectiveness of the corrective and/or preventive actions taken before closing out the Major Non-conformance or downgrading it to a Minor non-conformance.
  - ii. Major non-conformances raised after the certification are serious, and the integrity of the CoC certification is at risk. A maximum of one month is to be given to the certified client to satisfactorily address the non-conformance. The CB shall assess the effectiveness of the corrective and/or or preventive actions taken. Should the Major non-conformance not be addressed within the one month maximum timeframe, a suspension or withdrawal of the certificate and a full re-audit may be necessary.
- c) Where objective evidence indicates that there has been a demonstrable breakdown in the chain of custody caused by the client's actions or inactions, and that fish product, that has been or is about to be shipped, which is identified as MSC certified fish or under-MSC-assessment product, is not certified product or not under-MSC-assessment product, immediate action needs to be taken by the CB, and the CoC certification should be suspended until such time that it has been addressed. The MSC shall be notified within 24 hours of this occurrence and further impacts on relevant chains of custody.

5.5.2. If no non-conformances are observed at an audit or when an action plan satisfactorily addresses a non-conformance, the client shall be recommended for certification (or for certification to continue). The CB shall then forward a formal report to the client as described in Appendix D.

**5.6. Certification Awarded**

5.6.1. CBs shall issue a certificate containing the following information:

- a) Company name (name of the company where the audit took place);
- b) Site address (physical site address where the audit took place);
- c) Client's trading address (optional): the CB may add a trading address, if applicable. In this case, the main activity performed at this address shall be noted on the certificate to avoid confusion with the site address;
- d) Name and address of the CB;
- e) MSC CoC certificate registration code;

- f) A sentence to the intent of confirming that the company has complied with the requirements of the MSC CoC Standard (including the version number);
  - g) MSC ecolabel version 2009, in portrait or landscape format (in compliance with MSC I ecolabel license requirements);
  - h) Certificate issue date;
  - i) Date of expiry;
  - j) Name of the issuer;
  - k) Authorising signature;
  - l) CB's accreditation number;
  - m) A statement referring to the MSC website, where the scope of the certification is reported, as the most up-to-date source of information for the certificate and scope;
  - n) Additional comments if needed by the CB.
- 5.6.2. The CB may also report the scope of the certificate on a separate schedule attached to the certificate at the client's request, or if required by the CB's internal procedures. In this case, the schedule shall contain the following information:
- a) Company name (as in 5.6.1 a);
  - b) MSC CoC certificate registration code;
  - c) Certificate issue date;
  - d) Scope schedule issue date;
  - e) The list of MSC-certified products detailing each scope category;
  - f) If the client has been assessed for under-MSC-assessment fish, the scope category "under-MSC-assessment fishery" shall be added to the detailed scope (5.6.2 e)) but without detailing any of the five other scope categories (a separate schedule shall be issued for under-MSC-assessment fish, see 5.6.3);
  - g) A statement to the effect that customers shall refer to the website for the most up-to-date information on the certificate and scope.
- 5.6.3. If under-MSC-assessment fisheries are included in the scope of the certificate, the CB shall report the list of under-MSC-assessment products on a separate schedule attached to the certificate: the 'Under-MSC-assessment' schedule. The schedule shall contain the following information:
- a) Company name (as in 5.6.1 a);
  - b) MSC CoC certificate registration code;
  - c) Certificate issue date;
  - d) Schedule issue date;
  - e) A clear statement written in at least the same font size as the list of products (5.6.3 g below) to the effect that customers shall check with their CB if they are entitled to benefit from the under-MSC-assessment status of products once the fishery becomes certified;
  - f) A clear statement written in at least the same font size as the list of products (5.6.3 g below) to the effect that the products listed on the schedule are not MSC-certified and that the MSC shall not be liable for any costs associated if the fishery does not become certified or if the actual eligibility date does not match the target eligibility date;
  - g) The list of under-MSC-assessment products detailing each scope category. Note that the MSC ecolabel shall not appear on the under-MSC-assessment schedule.
- 5.6.4. The CB shall take the final decision on whether or not the scope of the certificate shall include all the scope categories listed in the potential scope, based on the confidence the CB has in the client's system.

- 5.6.5. The CB shall record the details of the certification of the client (certificate, schedule and audit information, scope including MSC-certified products and under-MSC-assessment products, suppliers) on the MSC database within ten days of the certification decision being taken. The CB shall upload the audit report on the MSC database within ten days of the date of the report.
- 5.6.6. The CB shall then issue the client with a finalised copy of its certificate and the attached schedules.
- 5.6.7. The CB shall inform the client that it can only trade and label the MSC-certified products listed in the scope of its certificate, only once they appear on the MSC website providing the client complies with the Ecolabel Licensing agreement.
- 5.6.8. Upon receipt of client's notification of a new supplier, the CB shall update the MSC database within ten days.
- 5.6.9. In the case of group certification, the group entity shall be issued a certificate under the name of the group that includes the information requirements stipulated in 5.6.1, 5.6.2 and 5.6.3. A list of the group members shall be included on the group certificate or a schedule attached to it. Should the scope of operation differ between different group members, this shall be reflected in the MSC database and attributed to the relevant group members.

#### **5.7. Reclassifying products described previously as 'under-MSC-assessment' in the CoC Scope Schedule**

- 5.7.1. Once the CB has been notified by the MSC that an under-MSC-assessment fishery has been certified, and providing that fish and fish products from the fishery may enter into further chains of custody, the CB shall inform the client that:
  - a) the relevant fishery has been issued with an MSC fishery certificate;
  - b) the under-MSC-assessment products listed in the scope have been reclassified as MSC-certified;
  - c) only fish from the newly certified fishery whose date of capture is after the actual eligibility date may now be traded and labelled as MSC-certified fish, providing it complies with the Ecolabel Licensing agreement.
- 5.7.2. If the optional schedule referred to in 5.6.2 was produced, the CB shall issue an updated scope schedule within twenty days of the announcement.

#### **5.8. Extension to Scope of Certification**

- 5.8.1. If a certified client wishes to extend the scope of its certification the CB shall determine whether the same management system is suitable for the additional locations, product types and/or new species and that conformance with the MSC CoC standard shall be maintained.
- 5.8.2. The CB shall complete a review of all information and decide whether an additional on-site audit is required before the CoC certification can be amended.
- 5.8.3. Should an additional on-site audit not be required, a record of the justification for this shall be made by the CB.
- 5.8.4. The on-site audit shall follow the procedures for an initial audit.
- 5.8.5. The CB shall update the scope of the client on the MSC database and issue a new scope schedule as per 5.6.2 if necessary within ten days of the extension.
- 5.8.6. The CB shall inform the client that it can trade and label the MSC-certified products newly listed in the scope of its certificate only once they appear on

the MSC website, providing the client complies with the Ecolabel Licensing agreement.

## **5.9. Surveillance Audits**

- 5.9.1. The CB shall ensure that each certified operation undergoes regular on-site audits with a frequency appropriate to the risk identified for that certified operation.
- 5.9.2. After the initial certification, the CB shall perform a documented risk analysis to determine the appropriate level of surveillance required. This risk analysis shall be updated after each surveillance audit has been completed, so that the CB can determine the period until the next surveillance. The required method of performing risk analysis to determine surveillance levels is provided in Appendix A.
- 5.9.3. The frequency of surveillance is outlined in Appendix A.
- 5.9.4. In addition to regular audits, the CB shall have a documented system that determines whether irregularly timed short-notice audits and/or to request and examine documentation related to the processed product's CoC (e.g. bills of lading) are required. The system shall take account of information received (such as complaints, notification of changes in personnel, site, or management system procedures, information from the MSC and/or MSC I) and a risk analysis of certified operators to identify those which may require extra surveillance.
- 5.9.5. During the surveillance audit, in addition to all other requirements:
  - a) if the certified operation is using the MSC ecolabel the CB shall check that a valid, signed Ecolabel Licensing agreement is held and that the Ecolabel is being used in accordance with the agreement;
  - b) where the CB finds evidence of incorrect references or claims being made by the certificate holder the CB shall refer the matter with the relevant objective evidence to the MSC I Ecolabel Licensing Manager.
- 5.9.6. The CB shall record the list of each product 'handled' since the previous audit on the MSC Product Handled Schedule. The Schedule shall contain the following information:
  - a) Company name (as in 5.6.1 a);
  - b) MSC CoC certificate registration code;
  - c) Certificate issue date;
  - d) Date of previous onsite audit;
  - e) Audit date;
  - f) Detailed list of products handled since the previous surveillance or recertification audit. The CB shall detail each scope category.
- 5.9.7. The CB shall remove any products that the client has not handled / sold since the previous surveillance audit from the MSC Product Handled Schedule.
- 5.9.8. If no non-conformances are observed at surveillance audit or when an action plan satisfactorily addresses the non-conformances, the client shall be recommended for certification to continue. The CB shall then forward a formal report to the client as described in Appendix D.
- 5.9.9. The CB shall record the details of the audit, update the scope of certification (if necessary) and the MSC Product Handled Schedule (if applicable), and upload the audit report on the MSC database no later than ten days after the date of the report.

## 5.10. Reaudit

- 5.10.1. Certificates shall be valid for three years, at which point a full reaudit is conducted in accordance with the CoCCM.
- 5.10.2. The CB shall review the organisation's MSC Product Handled Schedule to ensure that it is correct and up to date. If a product has not been handled/sold as MSC-certified since the previous surveillance audit it shall be taken off the Schedule.

## 5.11. Interim certification

- 5.11.1. MSC CoC certification is based on the principles that
  - a) Potential clients comply with the MSC CoC Standard; and
  - b) CBs verify this conformance through on-site audit.
- 5.11.2. However, it is recognised that in certain exceptional circumstances the latter may not be immediately practicable and that this should not necessarily prevent the certification process being initiated. 'Interim certification' may be permitted in those **exceptional** circumstances where it can be demonstrated to MSC that on-site audits prior to certificate issue are impractical and the risks to the integrity of the MSC ecolabel are minimal.
- 5.11.3. The MSC shall not be responsible for any costs associated with lapsing of an interim certificate prior to a three year CoC certificate being obtained. The CB shall make this clear to the applicant at the time that the interim certification is sought, so that any decision to apply for interim certification is made by the applicant in full knowledge of the implications should CoC certification not be obtained within the three months time period.
- 5.11.4. The CB shall apply for an interim certification on the MSC database. The CB shall provide the MSC with the following:
  - a) written justification as to why immediate on-site audit is not practicable;
  - b) the results of a risk analysis to demonstrate that the likelihood of CoC failure is minimal (see Appendix E for risk assessment criteria); and
  - c) a full timetable for follow-up action, including the scope and timing of site audit(s) to be held within three months.
- 5.11.5. Only when the MSC Executive is satisfied that:
  - a) the standard certification process, including on-site audit is not practicable;
  - b) that risks are acceptable; and
  - c) on-site audit shall be completed within three monthsshall permission for interim certification be granted.
- 5.11.6. The interim certification shall expire three months after its issue. If the on-site audit is not completed and a CoC certificate issued within three months, the interim certification lapses and any use of the MSC ecolabel or claim of CoC status shall cease immediately.

## APPENDIX A: RISK ANALYSIS TO DETERMINE APPROPRIATE LEVELS OF ONGOING SURVEILLANCE

### Illustration of initial and surveillance frequency throughout the CoC certification

The audits shall be distributed as follows throughout the duration of the CoC certification over three years for each type of surveillance:

			Surveillance Frequency					
	Surveillance Type	Initial Audit	Year 1		Year 2		Year 3	
1.	Enhanced	Onsite	Onsite	Onsite	Onsite	Onsite	Onsite	Re-certification
2.	Standard	Onsite		Onsite		Onsite		Re-certification
3.	Reduced	Onsite		Onsite*				Re-certification
4.	Remote reduced	Onsite		Desktop*				Re-certification

\* refers to 10-18 months

### Factors and Scoring to determine appropriate levels of ongoing surveillance

1. Following initial certification, and after each surveillance audit, certified organisations shall be classified or reclassified by the CB on the basis of a risk analysis into one of four categories for continuing surveillance. These categories are:
  - a) enhanced surveillance; onsite once each 6 months;
  - b) standard surveillance; onsite once each 12 months;
  - c) reduced surveillance; onsite once at 10 -18 months from the date of certification;
  - d) remote reduced surveillance; desktop once at 10 -18 months from the date of certification.
2. The risk analysis shall be carried out using Table 1 below and the surveillance type identified using Table 2. These factors are not an exhaustive list of issues that a CB might take into account while performing a risk analysis, and where appropriate other information should also be considered in the risk analysis.
3. For an organisation to qualify for reduced or remote reduced surveillance, the CB shall consider the score from Table 1 and record its rationale for the decision.
4. A desktop audit is conducted remotely and shall involve the same activities as onsite audits.

**Table 1: Factors and Scoring to Determine Surveillance Frequency**

<b>Risk Factor</b>	<b>Score</b>	<b>Score Given</b>
<b>1. Activity<sup>2</sup> (refer to Appendix K of CoCCM: Extended Definition of Scope)</b>		
Trading (buying and selling) ( Activity 1)	4	
Transport (Activity 2)	4	
Storage ( Activity 3)	4	
Wholesale and/or distribution of whole fresh fish in unsealed containers (Activities 4,5)	8	
Wholesale and/or distribution of prepacked products ( Activities 4,5)	4	
Harvest (Activity 6)	8	
Packing or repacking ( Activity 7)	15	
Processing, contract processing ( Activities 8,9) *	20	
* If there is a risk of handling non-MSC fish due to processing company's geographic location in relation to non-MSC certified fisheries of the same species which is considered:		
high – add:	8	
medium – add:	2	
low – add:	0	
Retailing/food service direct to consumers ( Activities 10,11)	8	
<b>2. Handling of Products</b>		
Company takes ownership of the product and product is processed by one subcontractor*	8	
*For each additional non-certified subcontractor, add:	3	
Company takes ownership of the product and product is repacked by one subcontractor*	6	
*For each additional non-certified subcontractor, add:	2	
Company takes ownership of the product and product is stored and/or transported by one subcontractor*	3	
*For each additional non-certified subcontractor, add:	1	
Company does not take ownership of the products and/or does not use subcontractors	1	
<b>3. Species Handled</b>		
Certified and non-certified same species on site at the same time	8	
Certified and non-certified different species on site at the same time	4	
Only certified species on site	1	
No fish on site	0	
<b>4. Other certifications held by company for the last 12 months</b>		
None	4	
Certified by credible third party CB to a standard requiring traceability (BRC, IFS, SQF 2000, HACCP, ISO9001 etc.)	1	

<sup>2</sup> For Activity under Section 1, in cases where more than once activity is chosen, use the **highest score** only to add the total score.

<b>5. Company's performance at last MSC audit</b>		
One or more major non-conformance found (or certification suspended in the last twelve months)	Enhanced surveillance	
Three or more minor non-conformance found	8	
One or two minor non-conformance found	4	
No major or minor non-conformances found (or initial audit)	0	
<b>6. Information from other audits and regulatory bodies</b>		
Prosecuted for failure to meet regulatory requirements	Enhanced surveillance	
Major non-conformances raised against food safety and/or regulatory requirements within the past 24 months	7	
No prosecutions or major non-conformances raised against food safety and/or regulatory requirements within the past 24 months	0	
<b>7. Number of staff involved in applying label or making label application decisions<sup>3</sup></b>		
More than 11 employees	3	
Between 3-10 employees	2	
Less than 2 employees	1	
No labels are placed on products	0	
<b>8. Country of operation ranking on Transparency International's latest corruption perception index (for latest rankings see <a href="http://www.transparency.org/policy_research/surveys_indices/cpi">http://www.transparency.org/policy_research/surveys_indices/cpi</a>) Please refer to the column referring to the latest year's CPI Score</b>		
Under 3	28	
Between 3 and 6	16	
Above 6	4	

**Table 2: Frequency of surveillance audits**

Score from Table 1	Surveillance Frequency
50 or more	Enhanced Surveillance
30 to 55	Standard Surveillance
16 to 35	Reduced Surveillance
15 or below	Remote Reduced Surveillance

The ranges in Table 2 intentionally overlap. Where this occurs (i.e. a score of 30-35 or 50-55) CBs shall make the decision on which surveillance type to use, and shall record their reasons for the decision.

<sup>3</sup> Applying means physically selecting a label, bag, carton or similar bearing the MSC ecolabel from amongst other labels or packaging materials which do not bear the MSC ecolabel. In the case of a site where the decision regarding packaging made by a supervisor or production line manager, this shall refer to the number of these, rather than the number of workers on the production line.

## **APPENDIX B: REQUIREMENTS FOR CERTIFICATION BODIES PROVIDING CERTIFICATION OF GROUP SCHEMES**

### **Introduction**

1. This document sets out mandatory requirements to be followed by CBs engaged in assessing businesses operating over multiple sites (“group certification”) in accordance with the MSC’s Chain of Custody (CoC) Standard. It has been developed in order to assist both groups of individual enterprises and multiple site companies (“organisations”) achieve certification in an effective and cost efficient manner while providing stakeholders with an appropriate level of assurance of compliance.
2. The principle of group certification is that a central site or coordinating entity (the “group entity”) confirms that all individual sites comply with the MSC Chain of Custody Standard and all other relevant MSC requirements, and that third party auditing takes place only at a sample of sites to verify the functionality of the internal verification system. A group entity may also perform some of the activities on behalf of individual sites.
3. A CB undertakes an audit of the group entity’s activities, concentrating on their competency to determine each site’s conformity with all MSC requirements. To evaluate the level of competency of the group entity, a sample of sites is audited by the CB to check that the conformity assurance provided by the group entity is in fact correct.
4. The objectives of this document are:
  - a) to establish a consistent methodology to enable all CBs to provide certification of groups in a consistent and controlled manner;
  - b) to provide the transparency that is required for certificates issued to have credibility with stakeholders, including governments, international governmental bodies (e.g. regulatory bodies, fishery managers), CBs, the fishing industry and associated supply chains, non-governmental organisations and consumers; and,
  - c) to provide documentation designed to assure long-term continuity and consistency of the delivery of Chain of Custody group certification against the MSC CoC Standard.
5. This document should be read in conjunction with Appendix C, “Requirements for groups wishing to become certified to MSC’s Chain of Custody Standard”. Appendix C sets mandatory requirements for organisations seeking group certification to comply with. These are the minimum acceptable requirements that the MSC requires for groups to meet the MSC Chain of Custody Standard Clause 1.1, which requires an organisation to have a management system which addresses “all the requirements below” – i.e. all the requirements of the standard.

## REQUIREMENTS FOR CERTIFICATION BODIES

### 1. SCOPE

This document prescribes requirements for CBs assessing organisations in the supply chain with more than one site (either owned, franchised or independently owned and coordinated by a central organisation) that wish to be certified against the MSC Chain of Custody Standard.

These are additional to those in the Chain of Custody certification methodology.

### 2. REFERENCES

MSC Chain of Custody Standard V2

MSC Principles and Criteria for Sustainable Fishing, November 2005

MSC Accreditation Manual version 5 August 2005

ISO 9000:2000 Quality Management systems – Fundamentals and Vocabulary

ISO Guide 65: 1996 General requirements for bodies operating product certification systems

ISO 19011: 2002 Guidelines for quality and/or environmental management systems auditing

TAB Directive 016, latest version available

### 3. DEFINITIONS

Term	Definition
CB	A body which is an applicant for accreditation or is accredited to undertake audits against MSC's requirements for CBs by the MSC's appointed accreditation body.
Day(s)	Working days in the country in which the CB's operations are based.
Group	A group entity and its associated individual sites which collectively apply for certification to the MSC Chain of Custody Standard.
Group entity	The central function that manages the group that is applying for and/or that has obtained certification to the MSC Chain of Custody Standard and ensures its compliance with the MSC requirements. It may be any form as defined in 'legal entity' and may employ or contract individuals to carry out the required activities.
Legal entity	Any individual, partnership, proprietorship, corporation, association or other organisation that has, in the eyes of the law, the capacity to make a contract or an agreement and the abilities to assume an obligation and to pay off its debts. A legal entity, under the law, is responsible for its actions and can be sued for damages.
Nonconforming product	Fish or fish products that are claimed to be MSC certified (including, but not limited to, being labelled with the MSC ecolabel) and the certified organisation is unable to <b>positively</b> prove that the product is from a MSC certified source.
Site	An individual location that is part of the group that is applying for and/or that has obtained certification to the MSC Chain of Custody Standard.

## **4. APPLICATION**

### **4.1. Certification Body eligibility to perform group certification**

Prior to accepting an application for group certification, the CB's documented procedures for conducting group certification shall have been assessed by the MSC's accreditation body during a desk review or an on site audit. The MSC's accreditation body may, at the time of initial accreditation desk review, impose conditions on the CB's audit of group certification schemes, which may include (without limitation) a:

- 4.1.1. requirement for the accreditation body to witness the first group audit undertaken;
- 4.1.2. requirement for the accreditation body to review the CB's audit records of the first group certification undertaken;
- 4.1.3. limit on the number of group certifications that may be undertaken; and,
- 4.1.4. limit on the number of sites permitted within a group scheme for that CB.

### **4.2. Applicant eligibility for group certification**

Prior to accepting an application, the potential applicant's eligibility for group certification shall be verified, and specifically that the:

- 4.2.1. proposed group entity is a legal entity with whom a contract can be made;
- 4.2.2. sites all undertake substantially similar activities as defined by MSC Chain of Custody activities<sup>4</sup>; or if they do not, that the group can be satisfactorily stratified for sampling;
- 4.2.3. entire group operation is within one geographic region<sup>5</sup>; or if they are not, that the group can be satisfactorily stratified for sampling;

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<sup>4</sup> See Appendix B, Annex 2. Activity Scope Definitions – a group should ideally be comprised of one of the following activities or sets of activities. If more than one activity or set of activities is covered by the group the group shall be stratified for sampling by the CB (see Appendix B clause 6.1).

Activity	Description
1 to 5	Trading fish (buying and selling), Transportation, Storage, Distribution and Wholesale
6	Harvest
7	Packing or repacking
8	Processing
9	Contract processing
10 and 11	Retail to consumer and Restaurant or take away to consumer
12	Other

- 4.2.4. same written language is used at all sites and can be read by all site managers or, if translations are provided, how document control procedures address the method of ensuring that versions are kept synchronized and consistently implemented;
- 4.2.5. proposed group entity is capable of meeting the test for impartiality in audit and decision making; and,
- 4.2.6. proposed group entity can demonstrate through their application an understanding of group scheme requirements such that it is likely that they will be able to qualify for certification<sup>6</sup>.

### **4.3. Certification contract**

The certification contract between the group entity and the CB shall, in addition to other requirements, include specific undertakings that:

- 4.3.1. the group entity complies with all requirements of Appendix C of this document, and that it agrees to be audited by the CB in accordance with the requirements of Appendix B of this document; and in particular,
- 4.3.2. the group entity warrants that it will advise the CB of all additions, suspensions and withdrawals of sites from the group within specified timeframes.

## **5. AUDIT TIMING AND FREQUENCY**

### **5.1. Audits<sup>7</sup>**

The audit of the group shall not occur until the group entity advises that:

- 5.1.1. all sites put forward for certification have received an internal audit against all MSC requirements and group procedures and have no outstanding critical or major nonconformities<sup>8</sup>; and
- 5.1.2. the group entity has had an internal audit of its quality management system and has no outstanding critical or major nonconformities; and,
- 5.1.3. there has been one management review as per Section 5.9 in Appendix C.

The audit and certification of the group shall occur prior to sites labelling certified product as MSC.

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<sup>5</sup> Geographic region is generally one country, unless there is a history of cooperation across national boundaries, e.g. Benelux countries.

<sup>6</sup> The CB should have confidence that the group entity understands requirements by checking their application for general understanding. For example, is the group entity a legal entity? Is there a register of the sites provided? etc.

<sup>7</sup> ISO 9000:2000 definitions:

**Audits.** A systematic, independent and documented process for obtaining records, statements of fact or other information which are relevant to the audit criteria (a set of policies, procedures or other requirements used as a reference) and are verifiable and evaluating it objectively to determine the extent to which audit criteria are filled

Note: Internal audits, sometimes called first party audits, are conducted by, or on behalf of the organisation, itself for internal purposes and can form the basis for an organisation's self declaration of conformity.

<sup>8</sup> Or have complied with Section 6.3 in Appendix C.

## **5.2. Minimum annual audit frequency**

At a minimum there shall be an annual audit for group certification; the reduced surveillance frequency allowed in Appendix A of the MSC COCCM does not apply to group certification. At each annual audit the group entity and a sample of sites shall be audited.

## **5.3. Scope of audits**

During each year, all activities covered by the scope of the certificate shall be covered in the scope of site audits.

## **5.4. Timing of audits**

To accommodate the provisions of 5.3 above, the annual audit's timing may be advanced or delayed by up to three months.

## **5.5. Re-certification**

Group certificates shall remain valid, subject to satisfactory performance, for a maximum of three years, at which time there shall be a re-certification audit following sample plans for initial audits.

## **5.6. Group entity representation at site audits**

A representative of the group entity shall not be present at the site audits unless the CB specifically requests this.

## **5.7. Subcontractors**

Use of subcontractors by sites is not permitted unless they hold their own CoC Certificate, or are part of the group.

# **6. SAMPLING**

The selection of an appropriately sized sample of sites to be audited (in addition to audit of the group entity) is of paramount importance to determine whether information received from the group entity about site conformity is credible.

## **6.1. Decision if sample stratification is needed**

The group shall be reviewed to make a decision on whether sample stratification is required, and if so the group shall be divided into two or more strata, which shall be sampled at different frequencies. Due to restrictions on group makeup (see 4.2), the need for stratification may be rare, but stratification shall take place where the heterogeneity can be classified into distinct sub-groups according to the categories in Table 1. Stratification shall always take place where manufacturing and/or processing activities occur within a group where all sites do not perform these activities. If stratification is required, the sampling procedure shall be followed for each sub-group independently. Records of the review and consequent decisions shall be kept.

## **6.2. Certification Body decides Sample Table to be used**

Each applicant group (or sub-group as per 6.1 above) shall be allocated to one of three Sample Tables (see Annex 1), by completing the risk assessment in Table 1, and allocating to a Sample Table following guidance in Table 2. Allocate one score per risk factor; if it appears there are two within the same strata, allocate the higher potential score. Applicants may be allocated to a new Sample Table following annual rescoring or following changes in group activity or size.

**Table 1: Sample plan allocation**

	<b>Risk factor</b>	<b>Score</b>	<b>Score given</b>
1	<b>Activity (refer to Annex 2. Activity Scope Definitions)</b>		
	a. Trading (buying and selling) (Activity 1)	4	
	b. Transport (Activity 2)	4	
	c. Storage (Activity 3)	4	
	d. Wholesale and/or distribution of whole fresh fish in unsealed containers (Activities 4,5)	8	
	e. Wholesale and/or distribution of prepacked products (Activities 4,5)	4	
	f. Harvest (Activity 6)	8	
	g. Packing or repacking (Activity 7)	15	
	h. Processing, contract processing, (Activities 8, 9)	20	
	i. Retailing / food service direct to consumers (Activities 10, 11)	4	
2	<b>Ownership</b>		
	a. No common ownership of sites and group entity	12	
	b. Sites are franchisees of the group entity	8	
	c. Sites are owned by the group entity	3	
3	<b>Accredited certifications held</b>		
	a. None	8	
	b. HACCP / ISO 9001 / ISO 22000 / GFSI recognised standard	2	
4	<b>Similar species handled at the same time in the same place</b>		
	a. High - Certified and non certified similar looking species on site at the same time	12	
	b. Medium – Certified and non certified species handled at the same time but look differently (e.g. white and pink flesh)	6	
	c. Low – Only certified species are handled	3	
5	<b>Number of staff involved at largest site in applying label or making label application decisions<sup>9</sup></b>		
	a. More than 11 employees	8	
	b. Between 3-10 employees	4	
	c. Less than 2 employees	2	
6	<b>Country of operation ranking on Transparency International's latest corruption perception index</b> (for latest rankings see <a href="http://www.transparency.org/policy_research/surveys_indices/cpi">http://www.transparency.org/policy_research/surveys_indices/cpi</a> ) Please refer to the column referring to the latest year's CPI Score)		
	a. Under 3	28	
	b. Between 3 and 6	16	
	c. Above 6	4	
7	<b>Seafood Purchasing</b>		
	a. Purchasing from suppliers is managed by a combination of the group entity and each site (central and local purchasing)	12	
	b. Purchasing from suppliers is managed by each site (local purchasing)	9	
	c. Purchasing from suppliers is managed by the group entity (central purchasing)	3	
	<b>Total score</b>		

Note: possible scores range from 21 to 100

<sup>9</sup> Applying means physically selecting a label, bag, carton or similar bearing the MSC ecolabel from amongst other labels or packaging materials which do not bear the MSC ecolabel. In the case of a site where the decision regarding packaging made by a supervisor or production line manager, this shall refer to the number of these, rather than the number of workers on the production line.

**Table 2: Allocation to Sample Table**

<b>Score from Table 1</b>	<b>Sample Table</b>
80 or more	100% of sites audited
55 to 80	A
40 to 60	B
under 45	C

Note: The ranges in Table 2 intentionally overlap. Where this occurs (i.e. a score of 40-45 or 55-60) Certification Bodies shall make the decision on which Sample Table to be used, and shall record their reasons for the decision.

### **6.3. Increase in Sampling Plans**

The initial audit will be performed following the initial audit-sampling plan within the Sample Table selected (see Annex 1). The sample size may be increased at any time by the CB, but if so a record of the justification for this shall be kept. The sample size may not be decreased from that determined by the appropriate sample table.

### **6.4. Allocation to normal, enhanced or reduced sampling plans to determine the number of site of the sampling plan for subsequent audits**

Following the initial audit, a recommendation on whether enhanced or reduced sampling plans are appropriate, following the criteria for use of enhanced, reduced or normal sample plans set out in Table 3, shall be made by the audit team. This recommendation shall be reviewed and if appropriate approved by the CB's decision maker. Certification bodies should note that the use of the reduced sampling plan must be justified by performance in the previous audit. This will determine the number of sites to be audited at the subsequent audits.

**Table 3: Selection of enhanced, reduced or normal sampling plans**

<b>Area</b>	<b>Reduced Sample plan</b>	<b>Normal sample plan</b>	<b>Enhanced sample plan</b>
<b>Assessment by CB</b>	No Major non-conformances with MSC Chain of Custody requirements demonstrated at last audit.  Internal audit and internal control system operating well, identifying issues and applying appropriate corrective and preventive action		One critical or more than three Major non-conformances with MSC Chain of Custody requirements demonstrated at last audit.  Internal audits or internal control system not operational. Corrective & preventive actions are inappropriate.
<b>Assessment of regulatory environment</b>	Food safety legislation requires HACCP based food safety programs. Evidence of regular independent evaluation.		
<b>Information from other audit and regulatory bodies</b>			Major non-conformances raised against food safety and/or regulatory requirements within the past 24 months.  Prosecution for failure to meet regulatory requirements
<b>Other certifications held</b>			Certification suspended or withdrawn in last 12 months.

### **6.5. Sample selection**

The audit team shall select the sample of sites to be audited following the hierarchy set out in Table 4. The group entity shall not be informed of the sample of sites selected until as close to the audit date as practicable, and in all cases not more than 20 days prior to commencing the audit.

**Table 4: Sample selection hierarchy**

<b>Sample Selection Hierarchy</b>	
<i>Criterion 1</i>	Site determined for sample by MSC or its accreditation body
<i>Criterion 2</i>	Site is part of any kind of internal or external investigation
<i>Criterion 3</i>	Logistical considerations: combination of trips, availability of auditors
<i>Criterion 4</i>	Where the sampling table dictates that four or more sites shall be audited, a minimum of 25% of the samples rounded up to the nearest whole number shall be selected at random.

Notes

1. The CB shall select sites from criterion 1 before criterion 2, from criterion 2 before criterion 3 and so on.
2. Criterion 3 refers to sites which may be close to sites selected under Criteria 1 and 2 or close to sites of other clients of the CB.

**7. PERSONNEL**

**7.1. Certification Auditors**

Auditors who are qualified to perform certification audits for individual chain of custody certificates are able to perform site audits, providing they are within their approved scope of audit. Auditors who audit the group entity's operations shall be further qualified as follows:

- 7.1.1. they shall have a minimum of 50 days auditing experience as a lead auditor for management system related standards (i.e. those covered by ISO 17021 and ISO Guide 65 product standards which have a high degree of reliance upon management systems that ensure product conformity); and,
- 7.1.2. they shall be approved to undertake group entity audits by senior management of the CB<sup>10</sup>.

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<sup>10</sup> This ensures that the CB's senior management approve that auditors are auditing group certificates. MSC wishes to ensure that top management, recognising the extra complexity of group entity audits and the level of judgment about competency required of auditors, will use appropriate judgment in approving auditors.

## **8. SANCTIONS**

### **8.1. Grading of nonconformities found on sites**

Nonconformities found during site audits shall be raised against the group entity, and shall be referenced to the site at which they were found. The auditor who raised the nonconformities shall analyse and grade them into one of three categories:

- a) Site Critical<sup>11</sup> – where product is found which is labelled or has been sold as MSC certified but is shown not to be MSC certified;
- b) Site Major – where there is a system breakdown which could result in non MSC certified being sold as MSC certified products; and,
- c) Site Minor – where there is a system breakdown which is unlikely to result in non MSC certified product being sold as MSC certified product.

Where nonconformities are identified by CBs during site audits, a further nonconformity (with the same grading) shall be raised against the group entity's internal control system (Appendix C § 5), and where there has been a failure to detect the nonconformity during annual audits, against the group entity's verification system (Appendix C § 6).

### **8.2. Grading of nonconformities found against the group entity**

The auditor who raised the nonconformities shall analyse and grade them into one of three categories.

#### **8.2.1. Entity Critical – where:**

- a) there is a complete breakdown of the internal control system or of verification activities such that the group entity's assurances of site conformity with MSC requirements cannot reasonably be relied upon;
- b) the number of sites where one or more Site Major conformities are raised meets or exceeds the reject number shown in Table 5; or
- c) the group entity has not followed the sanctions procedures.

#### **8.2.2. Entity Major – where there is a breakdown of activities required by one clause of the group entity's internal control system or verification activities.**

#### **8.2.3. Entity Minor – where there is a partial lapse or breakdown of activities required by one clause of the internal control system or of verification activities undertaken by the group entity.**

Where more than four Entity Major nonconformities are raised during any one audit on the group entity's internal control system and verification requirements, an Entity Critical nonconformity stating that the group entity's assurances of site conformity with MSC requirements cannot reasonably be relied upon shall be raised.

### **8.3. Action if number of sites with Site Major non conformities raised is high**

Where the number of sites at which there are one or more Site Major non conformities exceeds the reject numbers shown in Table 5 an Entity Critical nonconformity shall be raised (8.2.1 b.).

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<sup>11</sup> For clarity this document refers to "Site" and "Entity" non conformities to differentiate between nonconformities raised against sites and the group entities. Certification bodies are free to use their own terminology.

**Table 5: Reject number of sites**

<b>Number of sites sampled by the CB</b>	<b>Reject number – one or more Site Major non conformities are found at this or a greater number of sites</b>
1 - 5	2
6-10	3
11-15	4
16-20	5
21-25	6
26-30	7
31-40	8
41-50	10
51-60	12
61-70	14
71-80	16
80+	19

Source: adapted from ISO 2859

Where a stratified sample is audited (i.e. two or more groups of sites are individually sampled), the number of sites with nonconformities from each sub sample shall be added together, and the total number of nonconformities shall be used for this clause.

The CB may raise non-conformities over contractual matters but these are not covered in these requirements.

#### **8.4. Actions following individual site nonconformities**

Nonconformities raised on individual sites shall be addressed in the following manner (8.4.1 – 8.4.3) according to their severity.

- 8.4.1. Site Critical nonconformities shall result in the group entity immediately suspending the site from the group. In addition, the group entity shall, within one month, have undertaken action as specified in Appendix C 5.7.2 sections a), b), c), d) and e) and within six months have undertaken actions as specified in Appendix C 5.7.2 section f.
- 8.4.2. Site Major nonconformities shall result in the group entity ensuring they are corrected (following corrective action as specified in Appendix C 5.7.2 sections a), b), c), within one month of their identification and within two months have undertaken actions as specified in Appendix C 5.7.2 sections d) and e), and within six months have undertaken actions as specified in Appendix C 5.7.2 section f. If not corrected within this time frame, the site shall be immediately suspended from the group.
- 8.4.3. Site Minor nonconformities shall result in the group entity ensuring they are corrected (following corrective action as specified in Appendix C 5.7.2) within twelve months of their identification. If not corrected within this time frame, the

nonconformity shall be immediately re-graded as Site Major, and there shall be one month given to correct it.

Timeframes given above may only be varied by the audit team if the site concerned is not handling MSC certified fish during the period indicated.

### **8.5. Actions following group entity nonconformities**

Nonconformities raised on the group entity shall be addressed in the following manner (8.5.1 – 8.5.3) according to their severity.

- 8.5.1. Entity Critical nonconformities shall result in the immediate suspension of the group.
- 8.5.2. Entity Major nonconformities shall result in the group entity correcting them (following corrective action as specified in Appendix C 5.7.2) within one month of their identification. If not corrected within this time frame, the group shall be immediately suspended.
- 8.5.3. Entity Minor nonconformities shall result in the group entity correcting them (following corrective action as specified in Appendix C 5.7.2) within three months of their identification. If not corrected within this time frame, the nonconformity shall be re-graded as Entity Major, and there shall be one month given to correct it.

Timeframes given above may only be varied by the audit team if all sites are not handling MSC certified fish during the period indicated.

### **8.6. Suspension**

Should a certificate be suspended due to the discovery of nonconforming product, the requirements set out in TAB Directive 016 shall be followed.

### **8.7. Withdrawal**

Requirements set out in TAB Directive 016 shall be followed for withdrawal of certification if withdrawal results from the discovery of nonconforming product.

## **9. AUDIT REPORTS AND AUDIT DECISIONS**

### **9.1. Reporting**

Audit reports shall, in addition to all other matters required in chain of custody audit reports, include a:

- 9.1.1. record of the name and full contact details of the group entity responsible for group operations;
- 9.1.2. description of the group structure and relationships; each site shall be issued a sub-code and this information shall be included in reporting to MSC;
- 9.1.3. register of all sites in the group suitable to be used as a schedule to the certificate with name, address details and scope for each site;
- 9.1.4. commentary on the audit team's assessment of the competency and impartiality of the group entity to operate a group certification scheme;
- 9.1.5. commentary on the audit team's perception of the competency of the internal auditors to undertake internal audits as part of a group certification scheme and the reliance that can be placed upon the internal auditors' finding of conformity / non-conformity;

- 9.1.6. comparison of the audit team's findings with the findings made by the group entity, and the reliance that can be placed upon the group entity's findings of conformity / non-conformity;
- 9.1.7. copy of the Sample Table and sampling plan used, with a justification for use; and,
- 9.1.8. proposed schedule for ongoing audits including any sampling involved.

## **9.2. Certification Decisions**

The certification decision maker shall not make a decision on certification or on continued certification until they are satisfied that the:

- 9.2.1. sample table and sampling plan selected was appropriately selected for the group;
- 9.2.2. audit scope for each site audit ensured that all requirements of the MSC Chain of Custody Standard have been audited, either at that site or, if centrally managed, at the group entity;
- 9.2.3. evidence contained in audit reports indicates that the group entity is operating in a competent manner;
- 9.2.4. sites are in conformity with requirements, and that any Major nonconformities have been addressed within the timeframes allowed; and,
- 9.2.5. proposed audit schedule is appropriate.

Relevant data not contained in reports may be sought and reviewed, including but not limited to interviews with the audit team.

## **9.3. Certificates**

- 9.3.1. The CB shall enter all certificate information on the MSC database within ten days of the certification decision being taken. The CB shall then issue the client with a finalised copy of its certificate and the attached schedules (as appropriate). The certificate shall be issued to the group entity under the name of the group.
- 9.3.2. A register of the sites at the time of each audit shall be recorded by the CB on the MSC database and attached as a schedule to the certificate. The register shall include the data contained in section 9.1.3. The scope of the certificate shall be the conjunction of the scope of each site audit. The scope of each site shall be recorded on the MSC database. In addition, a statement shall be included on the group certificate or on a schedule attached to that certificate that reads 'the sites covered by this certificate and their individual scopes can be found on the MSC website'. Any updates shall be maintained on the MSC database.

## **10. ADDING NEW SITES TO THE GROUP<sup>12</sup>**

### **10.1. Approval of new sites where the increase in site numbers is greater than 10% of opening numbers or where the new sites add new activities to the scope of the certificate.**

Prior to more than 10% of the number of sites present at the last certification audit being added to the group in any one year, or prior to adding sites with new activities to the group, the group entity is required to seek CB approval (See Appendix C clause 8.2.2). Approval to add new sites shall be given providing:

- 10.1.1. there is objective evidence (usually in the form of an internal audit report) that the new sites comply with all MSC requirements provided in the group entity's audit reports; and,
- 10.1.2. details required for the Register of Sites have been provided; and,
- 10.1.3. the audit team is confident that the group entity has the required resources to manage the increased workload.

Should any of the tests above not be met, the new sites shall not be added to the group until the group entity has satisfactorily demonstrated how it will address the requirement of concern.

If the CB requires an audit to be performed the relevant Sample Table currently used for the group shall be used to determine the number of new sites to be audited. The group entity shall also be audited to address point 10.1.3 above if the audit team are not confident that the group entity has the required resources to manage the increased workload.

### **10.2. Approval of new sites where the increase in site numbers is up to 10% of opening numbers**

If up to 10% of the number of sites present at the last certification audit is to be added to the group in any one year and if these sites do not add new activities to the scope of the certificate, the group entity is required to notify the CB in writing of this happening. If it believes that it is necessary, the CB may at its discretion require additional audit work as in 10.1 (See Appendix C clause 8.2.1).

### **10.3. Updated certificates and / or schedules to the certificate**

Following changes to the Group's register of sites, the MSC's database shall be updated within ten days of notification of the approval of addition of new sites, or of being advised by the group entity of suspensions or withdrawals. The choice of Sample Table and the risk assessment will be updated and documented.

### **10.4. Advice to MSC**

The CB shall advise MSC of any changes to the certificate or schedule by entering the updates on the MSC database within ten days of them being made.

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<sup>12</sup> This section applies to addition of new geographic locations, not to the extension of scope for one or more sites, e.g. the addition of a fish species that is handled at one or more sites. If this is the case, the CB must be notified and they will follow their procedures for scope extension.

ANNEX 1: SAMPLE TABLES

Table A - High Risk Initial Audit Number of sites		Annual audit Number of sites			
	normal	reduced	normal	enhanced	
1 to 2	all	1 to 2	all	all	all
3 to 4	2	3 to 4	2	2	2
5 to 9	3	5 to 9	2	2	3
10 to 16	4	10 to 16	2	3	4
17 to 25	5	17 to 25	2	3	5
26 to 36	6	26 to 36	2	4	6
37 to 49	7	37 to 49	3	5	7
50 to 64	8	50 to 64	3	5	8
65 to 84	9	65 to 84	3	6	9
85 to 100	10	82 to 100	3	6	9
101 to 121	11	101 to 121	4	7	10
122 to 144	12	122 to 144	4	8	11
145 to 169	13	145 to 169	4	8	12
170 to 196	14	170 to 196	5	9	13
197 to 225	15	197 to 225	5	9	14
226 to 256	16	226 to 256	5	10	15
257 to 289	17	257 to 289	6	11	16
290 to 324	18	290 to 324	6	11	17
325 to 361	19	325 to 361	6	12	18
362 to 400	20	362 to 400	6	12	18
401 to 441	21	400 to 441	7	13	19
442 to 484	22	442 to 484	7	14	20
485 to 529	23	485 to 529	7	14	21
530 to 576	24	530 to 576	8	15	22
577 to 625	25	577 to 625	8	15	23
626 to 676	26	626 to 676	8	16	24
677 to 729	27	677 to 729	9	17	25
730 to 784	28	730 to 784	9	17	26
785 to 841	29	785 to 841	9	18	27
842 to 900	30	842 to 900	9	18	27
901 to 961	31	901 to 961	10	19	28
962 to 1024	32	962 to 1024	10	20	29
Over 1024	Square root rounded up	Over 1024	'Normal' annual sample multiplied by 0.5	<u>Initial</u> sample multiplied by 0.6	'Normal' annual sample multiplied by 1.5

Table B - Medium Risk

Initial Audit

Annual audit

Number of sites normal		Number of sites reduced normal enhanced			
1 to 2	all	1 to 2	all	all	all
3 to 4	2	3 to 4	2	2	2
5 to 9	3	5 to 9	2	2	2
10 to 16	3	10 to 16	2	2	2
17 to 25	4	17 to 25	2	2	3
26 to 36	5	26 to 36	2	3	4
37 to 49	5	37 to 49	2	3	4
50 to 64	6	50 to 64	2	3	4
65 to 84	7	65 to 84	2	3	5
85 to 100	7	82 to 100	2	3	5
101 to 121	8	101 to 121	2	4	6
122 to 144	9	122 to 144	2	4	6
145 to 169	10	145 to 169	3	5	7
170 to 196	10	170 to 196	3	5	7
197 to 225	11	197 to 225	3	5	7
226 to 256	12	226 to 256	3	6	8
257 to 289	12	257 to 289	3	6	8
290 to 324	13	290 to 324	3	6	9
325 to 361	14	325 to 361	3	6	9
362 to 400	14	362 to 400	3	6	9
401 to 441	15	400 to 441	4	7	10
442 to 484	16	442 to 484	4	7	11
485 to 529	17	485 to 529	4	8	11
530 to 576	17	530 to 576	4	8	11
577 to 625	18	577 to 625	4	8	12
626 to 676	19	626 to 676	4	8	12
677 to 729	19	677 to 729	4	8	12
730 to 784	20	730 to 784	5	9	13
785 to 841	21	785 to 841	5	9	14
842 to 900	21	842 to 900	5	9	14
901 to 961	22	901 to 961	5	10	14
962 to 1024	23	962 to 1024	5	10	15
Over 1025	(Square root x .7) rounded up	Over 1024	'Normal' annual sample multiplied by 0.5	Initial sample multiplied by 0.42	'Normal' annual sample multiplied by 1.5

Table C - Low Risk

Initial Audit

Annual audit

Number of sites normal		Number of sites reduced normal enhanced			
1 to 2	all	1 to 2	all	all	all
3 to 4	2	3 to 4	2	2	2
5 to 9	2	5 to 9	2	2	2
10 to 16	2	10 to 16	2	2	2
17 to 25	3	17 to 25	2	2	2
26 to 36	3	26 to 36	2	2	2
37 to 49	4	37 to 49	2	2	2
50 to 64	4	50 to 64	2	2	2
65 to 84	5	65 to 84	2	2	3
85 to 100	5	82 to 100	2	2	3
101 to 121	6	101 to 121	2	2	3
122 to 144	6	122 to 144	2	2	3
145 to 169	7	145 to 169	2	3	4
170 to 196	7	170 to 196	2	3	4
197 to 225	8	197 to 225	2	3	4
226 to 256	8	226 to 256	2	3	4
257 to 289	9	257 to 289	2	3	5
290 to 324	9	290 to 324	2	3	5
325 to 361	10	325 to 361	2	3	5
362 to 400	10	362 to 400	2	3	5
401 to 441	11	400 to 441	2	4	5
442 to 484	11	442 to 484	2	4	5
485 to 529	12	485 to 529	2	4	6
530 to 576	12	530 to 576	2	4	6
577 to 625	13	577 to 625	2	4	6
626 to 676	13	626 to 676	2	4	6
677 to 729	14	677 to 729	3	5	7
730 to 784	14	730 to 784	3	5	7
785 to 841	15	785 to 841	3	5	7
842 to 900	15	842 to 900	3	5	7
901 to 961	16	901 to 961	3	5	8
962 to 1024	16	962 to 1024	3	5	8
Over 1024	Square root multiplied by 0.5, rounded up	Over 1024	'Normal' annual sample multiplied by 0.5	Initial sample multiplied by 0.3	'Normal' annual sample multiplied by 1.5

Sources: ISO 2859, IAF Mandatory requirements for multisite certification

ANNEX 2.

ACTIVITY SCOPE DEFINITIONS

ACTIVITY		DEFINITION
1	Trading fish (buying/selling)	This will likely be in nearly every company's scope, with the exception of contract processors that do not take ownership of the product. In most instances, an additional activity will also be selected for this client, unless they are solely a 'trader'. If they will take possession, they will also need to have 'storage', 'wholesale' or 'distribution' selected.
2	Transportation	Transportation companies are not required to be certified for COC, unless they also take ownership. In some cases, however, using a transport company could increase the risk to such a level that you would require your client to ask a company to be certified - for example a vessel involved in transshipping.
3	Storage	This refers to where product is held in a storage area by a company before processing/distributing/selling it and after processing it. This will also likely be included in many of the clients' scopes as they will be storing fish before processing/distributing/selling it and after processing it.
4	Distribution <sup>13</sup>	Distribution shall be used for companies that receive sealed containers, pallets, etc, that may or may not be broken down into smaller sealed units, and DELIVER them to customers or other members of their group. I.e. they take possession, but not ownership.
5	Wholesale <sup>13</sup>	Wholesale shall be used for companies that receive sealed containers, pallets, etc, that may or may not be broken down into smaller sealed units, and SELL them to customers or other members of their group. I.e. they take ownership and possession.
6	Harvest	This shall be used when the fishing vessels are being certified. If they are processing on board, processing should also be recorded.
7	Packing or repacking	This shall be used when the packaging is changed but the product remains the same. It is assumed that companies processing will also be packing, so it is not necessary to select packing as well as processing. If there is a company that is receiving product from a processing company for the sole reason of packing it into a specific type of pack, they should be selected here.

<sup>13</sup> In Appendix B Table 1 risk factors 1d and 1e, unsealed containers refer to containers of fish that have been prepared for distribution in a non tamper proof way. This is likely to be found at auction or similar.

8	Processing	To include all examples of processing including primary processing, secondary processing, value added processing, fish preparation or any other activity where the product is changed (excluding activities undertaken by '10' or '11' below).
9	Contract processing	This refers to processing as above, but by companies that do not have ownership of the product.
10	Retail to consumer	This includes fresh fish counters at retailers, fish mongers, markets selling direct to consumers, etc where the product will be taken away and prepared before being eaten by a consumer, or when sold in a traditional 'retail' environment.
11	Restaurant / take away to consumer	This includes any foodservice situation fish and chip shops, standard restaurants, quick service restaurants, etc where the product is sold directly to consumers as 'ready to eat', or when sold in a traditional 'restaurant' environment.
12	Other	Must be clearly defined and explained how it does not fit into another category

## **APPENDIX C: REQUIREMENTS FOR GROUPS WISHING TO BECOME CERTIFIED TO MSC'S CHAIN OF CUSTODY STANDARD**

### **Introduction**

1. This document sets out mandatory requirements for the operations of businesses operating over multiple sites that seek certification ("group certification"). It has been developed in order to assist both groups of individual enterprises and multiple site companies ("organisations") achieve certification in an effective and cost efficient manner while providing stakeholders with an appropriate level of assurance of compliance.
2. The basis of group certification is that each location at which MSC certified fish or fish products are handled complies with all MSC's requirements, which are primarily contained in the MSC Chain of Custody Standard. A central site or coordinating entity (the "group entity") may perform some of the activities on behalf of individual sites ("Sites"), and verifies that the activities undertaken at each site comply with the MSC Chain of Custody Standard and all other relevant MSC requirements. To do this the group entity is required to undertake at minimum an annual audit of every site – an audit that may be combined with existing internal audit programs.
3. A CB then undertakes an audit of the group entity's activities, concentrating on their competency to determine each site's conformity with all MSC requirements. To evaluate the level of competency of the group entity, a sample of sites is audited by the CB to check that the assurance of conformity provided by the group entity is in fact correct.
4. When a group entity is a membership organisation, such as an association of small businesses or a cooperative, membership of the organisation does not mean automatic inclusion on the group certificate. An individual or business may choose not to join, or may be removed from, the group certification scheme, but may remain a member of the organisation.
5. The objectives of this document are:
  - a) to define and communicate clear requirements for group entities that wish to achieve certification to the MSC COC Standard;
  - b) to provide the transparency that is required for certificates issued to have credibility with stakeholders, including governments, international governmental bodies (e.g. regulatory bodies, fishery managers), CBs, the fishing industry and associated supply chains, non-governmental organisations and consumers; and,
  - c) to provide documentation designed to assure long-term continuity and consistency of the delivery of Chain of Custody group certification.
6. An organisation's compliance with this document will be audited by a CB following the mandatory requirements to be followed by CBs when performing certification audits of organisations.

## REQUIREMENTS FOR GROUP ENTITIES AND SITES

### 1. SCOPE

This document prescribes the requirements for an organisation in the supply chain with more than one site (either wholly owned, franchised or independently owned and coordinated by a central organisation) that wishes to be certified against the MSC Chain of Custody Standard.

Groups can only be comprised of operators who are legal entities undertaking similar activities<sup>14</sup>, in the same geographic region<sup>15</sup>, with common language<sup>16</sup>.

### 2. REFERENCES

MSC Chain of Custody Standard V2

ISO 19011: 2002 Guidelines for quality and/or environmental management systems auditing

MSC Guidance to application of “Requirements for certification of Group Certification V1”

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<sup>14</sup> See Appendix B, Annex 2. Activity Scope Definitions – a group should ideally be comprised of one of the following activities or sets of activities. If more than one activity or set of activities is covered by the group the group shall be stratified for sampling by the CB (see Appendix B clause 6.1).

Activity	Description
1 to 5	Trading fish (buying/selling), Transportation, Storage, Distribution and Wholesale
6	Harvest
7	Packing or repacking
8	Processing
9	Contract processing
10 and 11	Retail to consumer and Restaurant / take away to consumer
12	Other

<sup>15</sup> Geographic region is generally one country, unless there is a history of cooperation across national boundaries, e.g. Benelux countries.

<sup>16</sup> Same written language is used at all sites and can be read by all site managers or, if translations are provided, how document control procedures address the method of ensuring that versions are kept synchronized and consistently implemented.

### 3. DEFINITIONS

Term	Definition
CB	A body which is an applicant for accreditation or is accredited to undertake audits against MSC's requirements for CBs by the MSC's appointed accreditation body.
Day(s)	Working days in the country in which the CB's operations are based.
Group	A group entity and its associated individual sites which collectively apply for certification to the MSC Chain of Custody Standard.
Group entity	The central function that manages the group that is applying for and/or that has obtained certification to the MSC Chain of Custody Standard and ensures its compliance with the MSC requirements. It may be any form as defined in 'legal entity' and may employ or contract individuals to carry out the required activities.
Legal entity	Any individual, partnership, proprietorship, corporation, association or other organisation that has, in the eyes of the law, the capacity to make a contract or an agreement and the abilities to assume an obligation and to pay off its debts. A legal entity, under the law, is responsible for its actions and can be sued for damages.
MSC representative	The one person who, irrespective of other duties, has the responsibility to ensure the group's conformity with all MSC requirements. Appointed by the group entity.
Nonconforming product	Fish or fish products that are claimed to be MSC certified (including, but not limited to, being labelled with the MSC ecolabel) and the certified organisation is unable to <b>positively</b> prove that the product is from a MSC certified source.
Site	An individual location that is part of the group that is applying for and/or that has obtained certification to the MSC Chain of Custody Standard.

## **4. MANAGEMENT RESPONSIBILITY**

The group entity shall establish, implement and maintain management systems that provide the group entity with an assurance that there are effective internal controls in place over all activities which are required for conformity with the MSC Chain of Custody Standard, Appendix C of these Group Certification requirements and all other relevant MSC requirements.

### **4.1. Policy Manual**

The group entity shall document how it will comply with MSC requirements in a manual<sup>17</sup> containing the following:

- 4.1.1. the group entity's stated commitment to conformity with MSC requirements and with internal rules relating to the operation of the group certification program;
- 4.1.2. a description of the relationship (i.e. wholly owned, franchised, bound by contract) between the group entity and each of the sites;
- 4.1.3. a description of how responsibilities to comply with MSC requirements will be divided between the group entity and individual sites;
- 4.1.4. a description of how MSC and CB requirements are communicated to sites and how changes in requirements are implemented at group entity and site level;
- 4.1.5. a commitment to provide the necessary resources (qualified personnel, financial, legal and physical resources) to undertake the group entity's duties, and a description of how those resources will be provided and funded;
- 4.1.6. an organisational chart or similar of the group entity's organisation showing relevant positions, and their interrelationship;
- 4.1.7. for each relevant position shown in the organisational chart a short description of their key responsibilities and authorities with regard to ensuring conformity with MSC requirements; and,
- 4.1.8. a description of how personnel at all levels undertaking activities related to the MSC program will be trained about the MSC's objectives and requirements.

### **4.2. MSC Representative**

The group entity shall appoint one person who, irrespective of other duties, has the responsibility to ensure the group's conformity with all MSC requirements.

### **4.3. Agreement between group entity and each site**

The group entity shall enter into a written agreement with each site, which will set out as a minimum the following MSC requirements (4.3.1 – 4.3.5).

- 4.3.1. A commitment by the site's manager to comply with MSC requirements and with all group procedures, policies and other requirements regarding

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<sup>17</sup> As with all documents, the policy manual does not have to be created just for the MSC programme. Existing documents can be used to demonstrate compliance.

conformity with MSC requirements, including those relating to use of the MSC ecolabel.

4.3.2. The authority, responsibilities and obligations of each site and of the site's manager with respect to MSC requirements.

4.3.3. That the site agrees to:

- a) being listed as a site in the group's application for MSC Chain of Custody certification;
- b) conform to the terms of the contract between the group entity and its CB, including the release of certain information into the public domain, for example through the MSC's website;
- c) allow the group entity, CB, the MSC's accreditation body and the MSC access for purposes of conformity audits to the site's premises, records and approval to speak to personnel; and,
- d) allow the CB to make irregularly timed short notice audits.

4.3.4. The site accepts the sanctions that will be applied to the site by the group entity in cases of nonconformity.

4.3.5. An agreement regarding sharing of all costs, unless costs are all to be paid by the group entity.

In the case of sites, which are not part of the same legal entity as the group entity, the agreement shall contain the name and / or legal identity of each party, contact name and addresses and be legally binding on the group entity and the site's owner<sup>18</sup>.

#### **4.4. Register of Sites**

The group entity shall maintain a register of sites, which are part of the group. The register shall be in a form that is simple to search, and shall contain, at minimum, the following information:

- 4.4.1. the postal and physical address of each site;
- 4.4.2. the name of each site's key contact person;
- 4.4.3. the telephone, facsimile and email contacts for each site;
- 4.4.4. the scope for each site, if these differ from the Group entity;
- 4.4.5. the current site status within the group (current, suspended or withdrawn); and,
- 4.4.6. the date on which any sites joined the group, and if applicable left the group, with an explanation of the reasons for their leaving.

The Register of Sites shall be kept up to date, no more than 10 days in arrears.

The provisions of Section 8 below and Section 10 of Appendix B apply to the addition of new sites to the group.

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<sup>18</sup> It is recommended that the group entity obtains legal advice regarding the responsibilities and liabilities it is incurring on behalf of all sites.

## **5. INTERNAL CONTROL SYSTEM REQUIREMENTS**

### **5.1. Internal control system**

The group entity shall ensure that an internal control system complying with section 5 is documented and maintained, such that all sites and the group entity comply with all MSC requirements. Responsibilities for action shall be clearly divided between the group entity and each site, as required in 4.1.3.

In addition to meeting the MSC CoC standard requirements the internal control system shall include the elements identified in Sections 5.2 – 5.9.

### **5.2. Purchasing, receiving and storage**

Processes for purchasing and receiving delivery of MSC certified product shall be documented, implemented and maintained, including:

- 5.2.1. the division of responsibility between the group entity and the sites;
- 5.2.2. the purchasing procedures to be used centrally and / or at each site, noting requirement to verify the supplier is MSC certified for correct fish species, activity and product, if any;
- 5.2.3. how product delivered will be verified as meeting the requirements of the MSC Chain of Custody Standard; and,
- 5.2.4. how product will be quarantined or otherwise managed to prevent its use as MSC certified product if the MSC status is not known at time of delivery.

### **5.3. Traceability**

Processes by which MSC certified inputs and outputs are traced back to the immediate supplier, and forwarded to the immediate customer shall be documented, implemented and maintained.

- 5.3.1. If the site is a retail or foodservice site dealing with final consumers forward traceability to each consumer is not required, however total volumes of certified products sold must be recorded to enable an input and output reconciliation (see 6.6).
- 5.3.2. Where product is transformed or repacked, in-process traceability shall be established so that all MSC certified product will be identified and segregated during all handling and storage operations.

### **5.4. Personnel Management**

Processes for personnel management shall be documented, implemented and maintained, including:

- 5.4.1. how staff will be trained about MSC's requirements;
- 5.4.2. how conformity with minimum qualification criteria set in clause 6.4 for internal auditors will be achieved; and,
- 5.4.3. how staff will be informed about ecolabel licensing procedures.

### **5.5. Document Control**

Processes for control of group scheme documentation shall be documented, implemented and maintained, including how:

- 5.5.1. how documents will be uniquely identified with a version number or date;

- 5.5.2. how current copies of documents will be made available at all places where they are required, and how users will be prevented from using obsolete documents;
- 5.5.3. how documents will be reviewed and approved by authorized personnel within the group prior to their issue;
- 5.5.4. how documents will be updated following issue of new MSC, MSC accreditation body or CB requirements;
- 5.5.5. how documents will be periodically reviewed, and if changed are re-approved by authorized personnel prior to their issue;
- 5.5.6. how changes to documents will be identified to readers; and,
- 5.5.7. how, in cases where languages used are different between sites, will translations be provided and how will document control procedures address the method of ensuring that all versions are kept synchronized and consistently implemented.

## **5.6. Control of nonconforming product**

Processes for the control of nonconforming product, including processes for withdrawal and/or recall of product shall be documented, implemented and maintained as set out in Sections 5.6.1 – 5.6.6.

- 5.6.1. Nonconforming product shall be identified, isolated and prevented from being shipped as soon as site management or the group entity becomes aware of its nonconformity.
- 5.6.2. If the nonconforming product is first identified at a site, the MSC Representative (see 4.2) shall be informed within two days and they shall undertake corrective action for all sites (as specified in clause 5.7).
- 5.6.3. A review of the cause and extent of nonconformity shall be undertaken by the group entity, and if there is a risk that non MSC certified product may have been shipped as MSC certified product then:
  - a) a trade withdrawal or trade recall shall be instituted to recall nonconforming product from trade customers; and,
  - b) the CB and MSC shall be notified within one day of the group entity becoming aware of the problem.
- 5.6.4. As an alternative to recall, nonconforming product may be reworked or relabelled so it is not identified as MSC certified. If this solution is proposed, the procedures that will be used to control nonconforming product must be submitted to the CB for their review and approval before reworking or relabeling occurs.
- 5.6.5. The procedures in 5.6.3 and 5.6.4 above shall follow best practice, and shall be tested at least annually with a realistic exercise.
- 5.6.6. Records shall be kept detailing the disposal, rework or relabeling performed on the nonconforming product.

## **5.7. Corrective and Preventive action**

The processes by which corrective and preventive action occur shall be in place in advance of certification.

- 5.7.1. Within two days of an actual or potential nonconformity being identified at any site, the group entity's MSC Representative shall be informed of the fact by that site's management or by the internal auditor. The group entity's staff shall review the nonconformity, and determine if this is a one off problem limited to that site, or if it is a potentially a systematic problem. If a systematic problem the group entity shall commence corrective action processes for all sites. If not systematic, the group entity shall commence corrective action processes for the site.
- 5.7.2. Corrective and preventive action processes shall address all actual or identified potential nonconformity, whether identified at internal or external audit, from complaints or by other means. The process shall include the following steps:
- a) determine the root cause of the problem or potential problem;
  - b) evaluate what changes are required to ensure that the problem cannot re-occur, and to correct all actual or potential nonconformities arising from the problem;
  - c) evaluate if the root cause of the problem identified may have caused any problems at other sites that need to be addressed, and determine what should be done to correct those problems;
  - d) identify and implement changes to policies, procedures, forms, or practices to ensure that the problem is prevented from re-occurring (corrective action) or occurring at all sites (preventive action), and that all other potential issues arising from the root cause are addressed;
  - e) record all actions taken; and,
  - f) verify that the corrective or preventive action has been effective in solving the problem identified.

## **5.8. Records**

The group entity shall define what records shall be created for both group entity and site operations to demonstrate effective control of all processes (including for the group entity the processes for verification of site conformity) and conformity with all MSC requirements, and for each record shall define:

- a) the retention times, which shall be a minimum of three years;
- b) how records are to be stored to ensure they remain in good condition, legible and accessible as required; and,
- c) how electronic records will be backed up.

Secure and backed up electronic records are acceptable. If a signature is required, this can be a password or electronic signature providing it is unique to the person signing.

## **5.9. Management review**

A review of the effectiveness of the internal control process and system in meeting MSC requirements on a minimum annual basis<sup>19</sup> shall be documented, implemented and maintained and shall include:

- 5.9.1. who will be involved in the review;
- 5.9.2. results of all verification activities, both internal and external;

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<sup>19</sup> There shall have been at least one management review prior to certification

- 5.9.3. any internal or external nonconformities raised, and the corrective and preventive actions taken to address them;
- 5.9.4. any complaints relating to the operation of the MSC program; and,
- 5.9.5. how actions will be recorded and followed up on.

## **6. VERIFICATION OF SITE AND INTERNAL CONTROL SYSTEMS COMPLIANCE**

### **6.1. Verification system**

The group entity shall ensure that a system to verify that:

- 6.1.1. all sites comply with MSC's and the group's internal requirements; and,
- 6.1.2. that the group entity complies with MSC's and the group's internal requirements;
- 6.1.3. is established, documented, implemented and maintained.

### **6.2. Internal Audit planning and scheduling**

Internal audits of every site and of the group entity shall take place at minimum once per year (or more often as required by the status and nature of the activity performed on each site). There shall be an annual plan and schedule for internal audits which, where necessary, shall be adjusted to reflect the results of previous internal audits. The internal audit plan and schedule shall include information on each site covering:

- 6.2.1. the proposed date of the next internal audit;
- 6.2.2. the date and results of the last internal audit;
- 6.2.3. the type of internal audit (initial, annual, follow-up, unannounced);
- 6.2.4. the name of the internal auditor who performed the last internal audit;
- 6.2.5. any open nonconformities and the dates by which they must be closed,
- 6.2.6. the site's current status (e.g. current, suspended or withdrawn); and
- 6.2.7. any other details felt important.

Internal audits to satisfy MSC requirements may take place at the same time as other internal audit or verification activities.

### **6.3. Internal audits in advance of initial CB audit**

Prior to the initial certification audit taking place, all sites in the group shall have been internally audited by the group entity, and shall have no outstanding critical or major nonconformities. There shall have been an internal audit of the group entity's systems, and there shall be no outstanding critical or major nonconformities.

The internal audit may have been undertaken for other reasons. Any internal audit, which has been performed within the past 12 months that confirms site conformance with requirements set out, shall be acceptable.

If the audits were not undertaken specifically for MSC:

- 6.3.1. the internal audit plan and schedule shall include information on each site covering the proposed date of the internal audit;
- 6.3.2. the group entity must be able to demonstrate through other audit records (e.g. food safety or quality audits) that all sites in the group can comply with requirements;

- 6.3.3. the group entity must have evidence that each site has acknowledged receipt of information regarding MSC requirements specifically; and
- 6.3.4. the group entity must note that the sites may be audited by the CB auditor and that the group will be rejected if sites with non-conformances exceed the reject number.

#### **6.4. Internal auditor qualification criteria**

Internal auditors shall comply with qualification criteria as follows.

- 6.4.1. All internal auditors shall be able to demonstrate knowledge of the MSC requirements for Chain of Custody, and of the requirements for group certification.
- 6.4.2. Internal auditors of activities performed at site level shall have a minimum of two years experience in fishing industry supply chain activity at the point in the supply chain that the group activities occur (or can justify to their CB why other experience is relevant) and shall be able to demonstrate that they understand audit processes, and undertake internal audits in accordance with Appendix C, Section 6.5.2.

Where more than one auditor is used to conduct internal audits of sites, there shall be at least one internal audit each year where each auditor is “shadowed” by another auditor to provide feedback aimed at ensuring consistency of interpretation of requirements and of decisions. Records of shadow audits shall be kept.

#### **6.5. Internal audit process**

The internal audit process shall be defined by way of procedures, checklists, report formats or similar tools, and shall include:

- 6.5.1. direction on what elements of the internal control system shall be audited at each site;
- 6.5.2. what processes the internal audit itself will follow which shall be in general agreement with the guidance provided by ISO 19011’s guidelines for auditing, that is; audit preparation, an informal opening meeting, collection of evidence of conformity and nonconformity, a closing meeting where audit findings are reported to and accepted by site representatives and a written report;
- 6.5.3. how the internal audit will be reported, with emphasis on reporting of actual nonconformities or areas for system improvement;
- 6.5.4. how nonconformities will be verified as being addressed following corrective action by the site or group entity; and,
- 6.5.5. records of verification shall include evidence of actions taken, and of the effectiveness of those actions in addressing the root cause of the nonconformity.

#### **6.6. Input and output reconciliation**

The group entity shall keep records of a reconciliation of inputs and outputs (by each species) for each site within the group over the previous 12 months at least once each year. The reconciliation for each site shall be in the form:

- 6.6.1. opening stocks of MSC certified fish
- 6.6.2. plus purchases of MSC certified fish

- 6.6.3. less sales of MSC certified fish sold as MSC certified fish
- 6.6.4. less sales of MSC certified fish not sold as MSC certified fish
- 6.6.5. less waste and other losses
- 6.6.6. equals closing stocks of MSC certified fish.

### **6.7. Decision on site conformity**

The decision on whether a site is in conformity with all MSC and group requirements shall be made by a person or a committee who has not been involved in the site audit (a “decision maker”), and shall be based on the objective evidence provided by the site audit and all other evidence that may be available to the decision maker. If the group entity does not have a person that was not involved in the site audit, a committee of some of the site managers may make the decision for each site, extracting themselves from the decision regarding their site as per 6.8 below.

### **6.8. Impartiality**

Impartiality shall be maintained at all stages of verification processes, including a check to ensure that site auditors and decision makers have no significant conflicts of interest<sup>20</sup>. Where a possible significant conflict of interest is identified, the individual or committee member concerned shall recuse<sup>21</sup> herself or himself from the verification activity or decision-making.

## **7. SANCTIONS**

### **7.1. Grading of nonconformities**

The internal auditor who raises nonconformities shall analyse and grade them into one of three categories:

- 7.1.1. Critical – where product is found which is labelled as MSC certified but is shown not to be MSC certified; and
- 7.1.2. Major – where there is a breakdown which could result in non MSC certified being sold as MSC certified products;
- 7.1.3. Minor – where there is a breakdown which is unlikely to result in non MSC certified product being sold as MSC certified product and all other nonconformities.

### **7.2. Timing and corrective actions for site nonconformities**

Nonconformities found in individual sites shall be addressed as set out in Sections 7.2.1 – 7.2.3.

- 7.2.1. Site Critical nonconformities shall result in immediate suspension of the site from the group. In addition, the group entity shall, within 20 days, undertake corrective and preventive action as specified in 5.7.2 to verify that the nonconformity does not pose a risk to operations at other sites.

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<sup>20</sup> Examples of significant conflict of interest include the internal auditor owning the site audited, or the site manager having a close family relationships or similar.

<sup>21</sup> Recuse – declare oneself unqualified to act, to refuse to undertake the activity

- 7.2.2. Site Major nonconformities shall be corrected (following corrective action as specified in 5.7.2) within two months of their identification. If not corrected within this time frame, the nonconformity shall be reclassified as critical and the site shall be immediately suspended from the group.
- 7.2.3. Site Minor nonconformities shall be corrected (following corrective action as specified in 5.7.2) within twelve months of their identification. If not corrected within this time frame, the nonconformity shall be reclassified as major and there shall be two months given to correct it.
- 7.2.4. Timeframes given in 7.2.2 and 7.2.3 above may only be varied if the site at which the nonconformity was raised is not handling MSC certified fish during the extended period.

### **7.3. Timing and corrective actions for group entity nonconformities**

Nonconformities found in the group entity as identified by an internal audit shall be addressed as set out in Sections 7.3.1 – 7.3.4.

- 7.3.1. Critical nonconformities shall result in the group entity immediately instructing all sites to immediately stop packaging and cease making any claim about MSC certification for affected product(s). The group entity shall inform its MSC accredited CB within 24 hours of finding the nonconformity. The CB may prescribe further actions.
- 7.3.2. Major nonconformities shall be corrected within two months of their identification. If not corrected within this time frame, the nonconformity shall be immediately re-graded as Critical.
- 7.3.3. Minor nonconformities shall be corrected within twelve months of their identification. If not corrected within this time frame, the nonconformity shall be immediately re-graded as Major.
- 7.3.4. Timeframes given above may only be varied if the entire group concerned is not handling MSC certified fish during the extended period.

### **7.4. Suspension of individual sites**

Suspension of individual sites shall be for a period of:

- 7.4.1. a minimum of six months if the integrity of the certified supply chain has intentionally and/or systematically been compromised; or,
- 7.4.2. for a period of time sufficient to ensure that the nonconformity and its causes have been satisfactorily addressed if the integrity of the certified supply chain has not systematically and/or intentionally been compromised.

Following these time periods, if the nonconformity has been satisfactorily addressed, suspension may be lifted. During suspension no claim relating to MSC certified product shall be made. The group's CB shall be notified of all suspensions within 10 days.

### **7.5. Withdrawal**

If the reasons for suspension are not addressed within the timeframe allowed in clause 7.4, the site shall be removed from the group, and cannot reapply for entry for a minimum period of 24 months.

## **8. SITES JOINING AND LEAVING THE GROUP AFTER INITIAL CERTIFICATION**

### **8.1. Internal audit required prior to entry of new sites after certification**

Prior to new sites being added to the group, applicant sites shall be internally audited by the group entity, and shall have no outstanding critical or major nonconformities with the requirements of the group and this document.

### **8.2. Approval of the Certification Body**

The CB shall be advised of the intention to add new sites to the group, provided with a copy of audit records for that site, and be notified of all site details as required for the Register of Sites (Clause 4.4).

8.2.1. If the number of sites added to the group since the last CB audit is less than or equal to 10% of the number of sites at the time of that audit, and if the additional sites do not add new activities to the scope of the certificate, sites may be added with no CB activity required, but the group entity shall note that the CB may decide to perform an additional audit.

8.2.2. If the number of sites added to the group since the last CB audit is in excess of 10% of the number of sites at the time of that audit, or if the additional sites add new activities to the scope of the certificate, sites shall not be added to the group without the written consent of the CB, who may be required to perform additional audits prior to granting consent.

### **8.3. New sites added to Register**

Once approval to add new sites to the group has been granted by the decision maker or the CB as appropriate, the new sites shall be added to the group, and their details included in the Register of Sites.

### **8.4. Sites withdrawing for any reason**

Sites who withdraw from the group for whatever reason shall:

8.4.1. be removed from the register of sites;

8.4.2. be required to sign an acknowledgement that they are no longer part of the group, and may not continue to use the MSC ecolabel or trade name; and,

8.4.3. have their names advised to the CB within 10 days of withdrawal.

## **9. ECOLABEL LICENCING REQUIREMENTS**

### **9.1. Responsibility**

The group entity is responsible for ensuring all matters relating to licensing of the use of the MSC ecolabel within the group are managed or coordinated as set out in this section.

9.1.1. If the group entity and all sites are part of the same legal entity and MSC's trademarks are to be used, the group entity shall sign the ecolabel licence on behalf of the group.

9.1.2. If the group entity and sites are not all part of the same legal entity and MSC's trademarks are to be used by individual sites then each site shall sign an ecolabel licence. The group entity shall coordinate their required applications for approval, sales returns and fee payments.

## **9.2. Ecolabel use Procedure**

There shall be a documented procedure setting out how the group as a whole and / or how individual sites may use the ecolabel, including processes for:

- a) communicating the rules for the use of the MSC trademarks to all sites;
- b) applying to Marine Stewardship Council International Ltd (MSCI) for approval to use the ecolabel;
- c) providing required information on sales returns; and,
- d) collection of funds owing to MSCI for royalty payments.

## **9.3. Application for approval to use the ecolabel on products**

All requests from sites and / or the group entity for use of the MSC ecolabel for consumer facing, non consumer facing or menu use (as required by the ecolabel licensing agreement) shall be presented to MSCI by the group entity, who shall also communicate MSCI's decisions to the relevant individual site(s).

## **9.4. Ecolabel license fees**

The group entity is ultimately responsible for collating data covering sales of MSC-labelled products made by each site and providing this information to MSCI.

- 9.4.1. If the group is compliant with 9.1.1 and the group entity and all sites are part of the same legal entity, the group entity will be invoiced for the royalties owed by each site within the group. It is liable for payment of all fees to MSCI.
- 9.4.2. If the group is compliant with 9.1.2 and the group entity and sites are not all part of the same legal entity, each site will be invoiced separately for the royalties owed by the site. The site is liable for payment of all fees to MSCI, and lack of compliance shall lead to notification of the group entity to audit the site and if necessary, issue a nonconformity.

## **9.5. Certificate number**

In accordance with ecolabel licensing rules, each site shall use the certificate number allocated to the group, and the sub-code allocated to it when referring to its certified status.

# **10. RESPONSIBILITY TO THE CERTIFICATION BODY**

## **10.1. Relationship with the CB**

The group entity shall sign the certification contract with the CB, and shall be responsible to the CB for the group's conformity with all MSC requirements, and fulfilment of any conditions raised by the CB. It is responsible to the CB for all payments for certification costs.

## **10.2. Communication**

The group entity shall be responsible for all communications between the group and the CB other than those related to any unannounced CB audit of individual sites.

## APPENDIX D: CHAIN OF CUSTODY CERTIFICATION REPORT

The following format should be used when preparing a CoC report:

Section	Content
Summary	A summary of the report, including a brief description of the scope of the CoC certification.
Conclusion	The final decision of the CB as to whether CoC certification should be granted. This section shall also include any recommendations or conditions and a clear, unambiguous statement as to the certification status of the applicant.
Background to the Report	<p>a) Author(s): The name(s) of the auditor(s).</p> <p>b) Previous Audits (if applicable): Summary of previous certification audits and conclusion, with recommendations or conditions.</p> <p>c) Field Visits: Itinerary with dates. The main items and places inspected. Names and affiliations of people consulted.</p>
Scope	<p>A clear description of the scope of the audit.</p> <p>The version of the MSC CoC Std the client was assessed against.</p>
Risk	A clear description of the points at which certified inputs might be co-mingled with non-certified inputs. The description should identify which are the key points of risk, and include some assessment of the seriousness of these risks.
Description of client's system for controlling CoC.	A clear description of any risks identified in Item 4 and how they are addressed.
Monitoring.	Description of the monitoring system that the CB will use to periodically assess the adequacy of the client's CoC system.
Agreement	Applicant to sign agreement to implement actions and time scales as identified in non-conformance report.
Non-conformance report(s)	Copies of any non-conformance reports.

## APPENDIX E: INTERIM CERTIFICATION

Risk Area	Criteria	Threshold / Consideration	Risk
A. Corporate history	1. Number of years trading	>3 years	Low
		< 3 years	Medium
	2. Has the CB undertaken other audits (MSC or other) for the client?	Yes: with positive conformance	Low
		Yes: with negative conformance	High
No		Medium	
B. Documentation and quality control	1. Company has a management system certified by a credible third party	Yes: (e.g. ISO 9001; ISO 22000, BRC; HACCP, SQF2000)	Low
		No	High
	2. Record keeping	> 3 years	Low
		< 3 years	Medium
C. Personnel and their awareness of the MSC Standard and its requirements	1. Formally nominated manager responsible for MSC CoC certification	Yes	Low
		No	High
	2. MSC CoC standards briefing	Face-to-face	Low
		Remote	Medium
D. Physical/Temporal segregation	1. Use of similar non-certified material	Yes	Must be low risk on D.2
		No	Low
	2. Are production runs of certified and non-certified material either physically segregated or run at different times?	Yes	Low
		No	High
E. Traceability	1. Systems for tracing certified outputs through production batches to individual raw material deliveries	In place and previously certified	Low
		In place (non-certified)	Medium
		Absent	High
	2. Systems for assessing Input: Output conversion ratios for raw material – finished product lines	In place and previously certified	Low
		In place (non-certified)	Medium
		Absent	High
F. Product packaging and identification	1. Products are securely sealed (i.e. vacuum / MAP)	Yes	Low
		No	High
	2. Product labelling systems satisfy MSC CoC Std sections 4 & 5	Yes	Low
		No	Medium

Note: Whether companies supplying certified fish products containing non-certified fish flavouring shall be considered in the risk assessment. In most instances if the CB identifies any high risks either the CB should not apply to the MSC for interim approval or can submit sufficient information that shows how the client has taken action to reduce that risk.

## **APPENDIX F: REQUIREMENTS ON CHAIN OF CUSTODY FOR SUPPLY CHAIN OPERATORS**

### **1. General rule**

- 1.1 As a minimum, Chain of Custody (CoC) certification shall be required if:
- 1.1.1 A company wishes to handle, sell, or make a claim about its MSC-certified products or status **and** that company takes ownership of the goods.
  - 1.1.2 Chain of Custody certification shall no longer be required once products are placed in their consumer ready tamper proof packaging. (See TAB Directive 22: consumer ready tamper proof definition and decision tree).
  - 1.1.3 An ecolabel licence agreement shall be required for use of the MSC ecolabel.

### **2. Specific requirements**

Specific requirements are provided below for some types of operators.

#### **2.1 Vessels**

- 2.1.1 The traceability systems of vessels belonging to the client group of an MSC-certified fishery shall be considered as part of the fishery assessment. Where fish is processed on board or when transshipment occurs, separate CoC certification may be required by the fishery CB.
- 2.1.2 Risks to traceability shall be considered and a recommendation made by the fishery CB based on the CB's risk assessment as per specific MSC fishery requirements.

#### **2.2 Transportation companies**

- 2.2.1 Companies that transport seafood products shall require CoC certification if:
  - a) they take ownership of the goods, unless they transport consumer ready tamper proof products;
  - b) they are involved in repacking or re-labelling activities; or
  - c) they are involved in any activity which leads to the product being processed or transformed.
- 2.2.2 Companies that transport seafood products on behalf of a CoC certified client, but do not take ownership of the goods, shall not require CoC certification.

#### **2.3 Traders and Brokers**

- 2.3.1 Trading companies and brokers that wish to sell MSC products shall be CoC certified if they take ownership of the products.
- 2.3.2 Companies trading seafood products by acting on behalf of a CoC client, but do not take ownership of the goods, shall not require CoC certification.

- 2.3.3 CoC certification shall not be required for traders and brokers if they trade MSC products in their consumer ready tamper proof packaging.

## **2.4 Storage companies**

- 2.4.1 Storage companies, such as cold stores, that hold products in a storage area before processing/distributing/selling it and/or after processing it, shall be CoC certified if they take ownership of the goods, unless they store consumer ready tamper proof products.
- 2.4.2 CoC certification shall not be required if the storage company's activities have been assessed as part of the certification of another CoC client. However, if they are involved in re-packing or re-labelling activities, an onsite audit shall be required and the CB shall keep a list of the CoC certified company's storage subcontractors (see TAB Directive 18: Direction for assessing subcontractors).
- 2.4.3 Storage companies are encouraged to have their own CoC certification even if they do not take ownership of the goods.

## **2.5 Wholesalers and Distributors**

- 2.5.1 CoC certification shall be required for companies such as wholesalers and distributors who buy in large quantities and re-sell in smaller quantities or receive and sell products in sealed containers or pallets.
- 2.5.2 Wholesalers and distributors who sell to consumers as well as businesses (such as club stores) should note that in order for their business customers to sell products as MSC certified, the wholesaler / distributor shall have CoC certification. CoC shall be required for the business customer to make a claim about the MSC-certified status of their products (with the exception of 2.5.4 below).
- 2.5.3 CoC certification shall be required for companies that wish to make a claim about the MSC-certified status of the products they handle.
- 2.5.4 CoC certification shall not be required for wholesalers and distributors if they receive and sell MSC products in their consumer ready tamper proof packaging.

## **2.6 Processors, packers and re-packers**

- 2.6.1 CoC certification shall be required for any company that transforms products and/or packaging if they take ownership of products.
- 2.6.2 Contract processors, who process a product but do not take ownership of it, shall have CoC certification unless they can be included in the scope of their client's CoC certification. If the latter, an on site audit shall be required and a list of all contract processors for that CoC client shall be kept by the CB. (See TAB Directive 18: Direction for assessing subcontractors).
- 2.6.3 Processors, packers and re-packers are encouraged to have their own CoC certification even if they do not take ownership of the goods.

## **2.7 Wholesale Fish Markets**

- 2.7.1 CoC certification shall not be required for wholesale fish markets where buyers and sellers meet. The operators that buy and sell MSC-certified fish within these markets shall require CoC certification.

## **2.8 Physical Fish Auctions**

- 2.8.1 Fish auctions at or near the harbour where fish is landed and where buyers bid for fish may be considered as part of the fishery certification. Each fishery public certification report shall clearly define where fishery certification ends and where Chain of Custody shall start. A risk assessment shall be carried out by the fishery CB and the report shall clearly state whether fish auctions are included in the scope of the fishery certification.

## **2.9 Restaurants and other Food Service Operators**

- 2.9.1 CoC certification shall be required for companies that prepare MSC-certified fish for serving to consumers. This includes any food service situation, standard restaurant or quick service restaurant where the product is sold directly to consumers. This includes companies that receive MSC-certified fish in a pre-packaged format but then subsequently open the packaging for cooking.
- 2.9.2 Companies that received MSC-certified fish in consumer ready tamper proof packaging but then subsequently open the packaging for heating purposes only or for placing on a plate only, shall not require CoC certification.

## **2.10 Retail to consumer**

- 2.10.1 CoC certification shall be required for retailers that purchase and sell MSC-certified fish if they process or transform the product or make changes to the packaging. This includes fresh fish counters at retailers, fish mongers, markets selling direct to consumers, etc.
- 2.10.2 CoC certification shall not be required if they handle MSC-certified fish in its consumer ready tamper proof packaging.

## **3. Ongoing surveillance**

The level of ongoing surveillance for each operator shall be based on the CB's risk assessment using the criteria outlined in Appendix A.

## **APPENDIX G: LIST OF CONTENTS FOR MSC CHAIN OF CUSTODY / ECOLABEL USE GUIDANCE PACK**

At a minimum, these documents shall be sent to new clients.

MSC Chain of Custody Standard – Current Version

Chain of Custody FAQs – latest version available of the MSC website:

<http://www.msc.org/get-certified/supply-chain/chain-of-custody-faqs>

Rules for the Display of the Ecolabel (Consumer Facing or Non-Consumer Facing) – latest version available on the website:

<http://www.msc.org/get-certified/use-the-msc-ecolabel>

Other documents shall be made available by the MSC from time to time, and if required by MSC to be present in the Guidance Pack this shall be issued with an MSC Policy Advisory or Directive.

## **APPENDIX H: CONTACT DETAILS FOR ECOLABEL LICENSING DEPARTMENT**

MSCI Ecolabel Licensing Department  
3rd Floor Mountbarrow House  
6-20 Elizabeth St  
SW1W 9RB  
London  
United Kingdom

Telephone: +44 (0) 20 7811 3300

Fax: +44 (0) 20 7811 3301

Email: [ecolabel@msc.org](mailto:ecolabel@msc.org)

Contact details for Chain of Custody Information

### **General MSC Information**

Marine Stewardship Council  
3rd Floor Mountbarrow House  
6-20 Elizabeth St  
SW1W 9RB  
London

Telephone: +44 (0) 20 7811 3300

Fax: +44 (0) 20 7811 3301

Email: [standards@msc.org](mailto:standards@msc.org)

### **Accreditation Information**

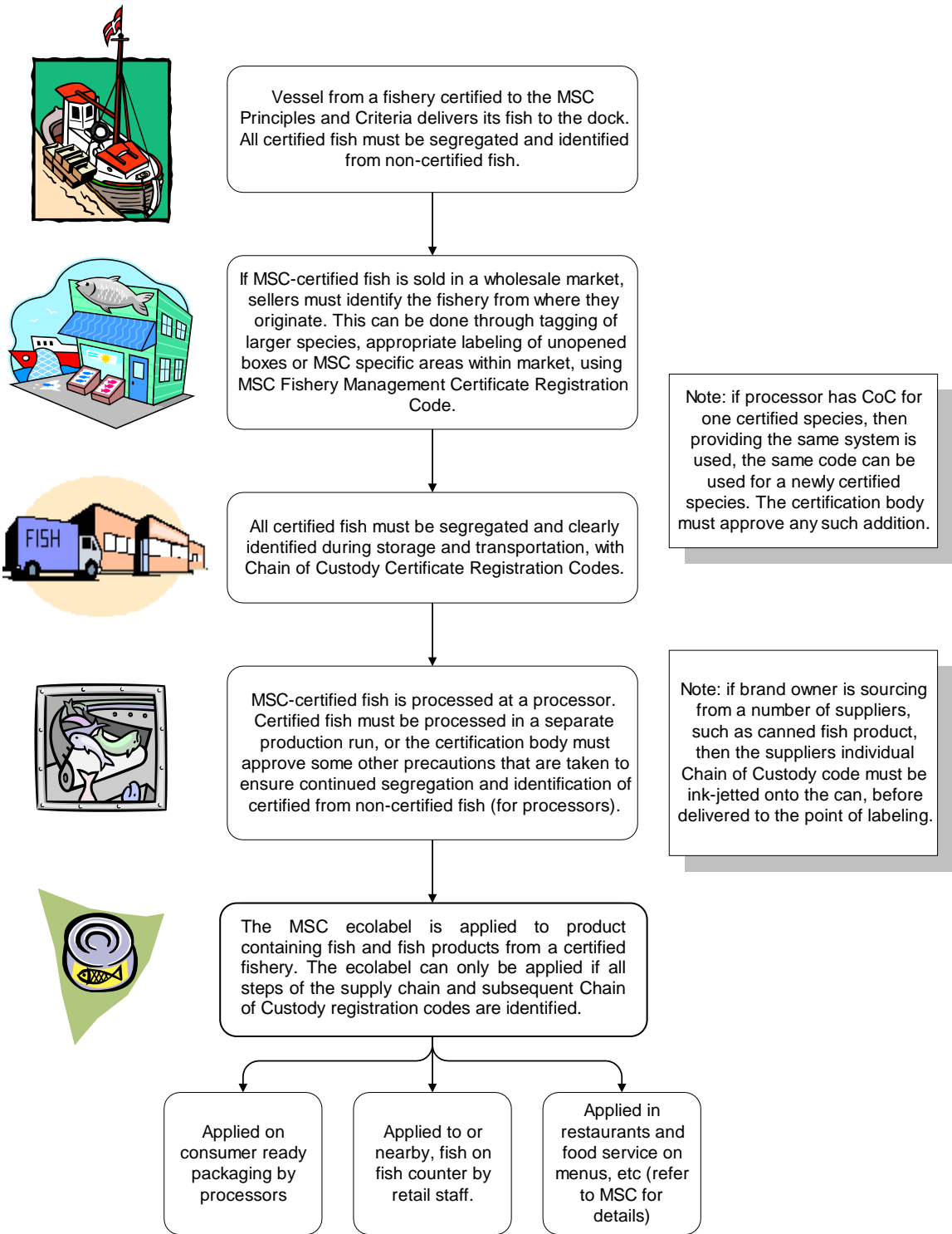
ASI- Accreditation Services International GmbH  
Charles-de-Gaulle-Str. 5  
53113 Bonn  
Germany

Telephone: + 49 (228) 367 66 34

Fax: + 49 (228) 367 66 30

E-mail: [info@accreditation-services.com](mailto:info@accreditation-services.com)

# APPENDIX I: CHAIN OF CUSTODY DIAGRAM



## APPENDIX J: CHAIN OF CUSTODY COMPLAINTS PROCEDURE

**Definition of a complaint:** A formal expression of dissatisfaction with some matter in relation to CoC certification, including an accredited CB, a certified organisation or a fish product bearing the MSC ecolabel.

All CB decisions relating to CoC certification are considered valid until and unless they are deemed not to be valid via the complaint process.

Certification bodies accredited by MSC's appointed accreditation body are required to have policies and procedures for the investigation and resolution of complaints made to them by stakeholders.

Complaints concerning organisations certified by an accredited CB for the CoC of fish or fish products from certified fisheries should be directed to the CB concerned in the first instance.

If dissatisfied with the response of the CB, complaints regarding CoC certification should be forwarded to the MSC's appointed accreditation body in which case all complaints should be addressed to the Managing Director. The contact details for the MSC's appointed accreditation body may be found on its website: [www.msc.org](http://www.msc.org).

All complaints should be made in writing, in English and signed by the complainant.

Certified organisations are listed on the MSC website ([www.msc.org](http://www.msc.org)). If any stakeholder or other interested party believes that a non-certified organisation is claiming to sell fish or fish products as MSC certified or using the MSC ecolabel on fish or fish products without proper authorisation, please contact MSC (ecolabel@msc.org).

## APPENDIX K - EXTENDED DEFINITION OF SCOPE

A client's scope is defined by a combination of:

- a specific fishery (MSC certified or under-MSC-assessment, see 5.2.5)
- with five scope categories.
  1. species;
  2. activity (definitions in Table 1);
  3. product form (list of options found in Table 2);
  4. type of storage (list of options found in Table 2);
  5. presentation (list of options found in Table 2).

Scope shall be recorded per fishery and its species, however each of the other categories can be recorded without association to each other. I.e. one product form may be listed with two different types of storage and four presentations, but it is not necessary to link any of these to each other. Each of these shall be listed per fishery.

If the client's activities, product forms, type of storage or presentation do not fit under one of the listed options the CB shall record 'other' and add further information that describes 'other'.

Fishery name and associated species (Latin name) can be found on the MSC website: <http://www.msc.org/track-a-fishery>.

Table 1. Definition of activities

ACTIVITY		DEFINITION
1	Trading fish (buying/selling)	This will likely be in nearly every company's scope, with the exception of contract processors that do not take ownership of the product. In most instances, an additional activity will also be selected for this client, unless they are solely a 'trader'. If they will take possession, they will also need to have 'storage', 'wholesale' or 'distribution' selected.
2	Transportation	Transportation companies are not required to be certified for COC, unless they also take ownership. In some cases, however, using a transport company could increase the risk to such a level that you would require your client to ask a company to be certified - for example a vessel involved in transshipping.
3	Storage	This refers to where product is held in a storage area by a company before processing/distributing/selling it and after processing it. This will also likely be included in many of the clients' scopes as they will be storing fish before processing/distributing/selling it and after processing it.
4	Distribution	Distribution shall be used for companies that receive sealed containers, pallets, etc, that may or may not be broken down into smaller sealed units, and DELIVER them to customers or other members of their group. I.e. they take possession, but not ownership.

5	Wholesale	Wholesale shall be used for companies that receive sealed containers, pallets, etc, that may or may not be broken down into smaller sealed units, and SELL them to customers or other members of their group. I.e. they take ownership and possession.
6	Harvest	This shall be used when the fishing vessels are being certified. If they are processing on board, processing should also be recorded.
7	Packing or repacking	This shall be used when the packaging is changed but the product remains the same. It is assumed that companies processing will also be packing, so it is not necessary to select packing as well as processing. If there is a company that is receiving product from a processing company for the sole reason of packing it into a specific type of pack, they should be selected here.
8	Processing	To include all examples of processing including primary processing, secondary processing, value added processing, fish preparation or any other activity where the product is changed (excluding activities undertaken by '10' or '11' below).
9	Contract processing	This refers to processing as above, but by companies that do not have ownership of the product.
10	Retail to consumer	This includes fresh fish counters at retailers, fish mongers, markets selling direct to consumers, etc where the product will be taken away and prepared before being eaten by a consumer, or when sold in a traditional 'retail' environment.
11	Restaurant / take away to consumer	This includes any foodservice situation fish and chip shops, standard restaurants, quick service restaurants, etc where the product is sold directly to consumers as 'ready to eat', or when sold in a traditional 'restaurant' environment.
12	Other	Must be clearly defined and explained how it does not fit into another category

Table 2: List of scope options for categories 2 to 5.

ACTIVITY	PRODUCT FORM	TYPE OF STORAGE	PRESENTATION
Contract processing	Extracts	Chilled (including fresh)	Aquaculture feed
Distribution	Fillets	Dry goods	Block
Harvest	Gutted	Frozen	Block Interleaved
Packing or repacking	Headed and gutted	Live	Boxed
Processing	Minced	OTHER:	Cake/cookie
Restaurant / take away to consumer	Oil		Can
Retail to consumer	Portions		Coated
Storage	Roe		Dried
Trading fish (buying/selling)	Steaks Portion		Fermented
Transportation	Whole		Fertilizer
Wholesale	OTHER:		Fresh fish Counter
OTHER:			Hot and cold smoked
			Individually Quick Frozen
			Jar
			Marinade
			Marinade/pickled
			Menu Item
			Oil Capsule
			Pet food
		Pickled	
		Portion	
		Pouch / Vacuum Packed	
		Ready Meal	
		Salted	
		Sauce	
		Snacks	
		Steaks	
		Surimi	
		OTHER:	