Terms of Reference for the MSC Chain of Custody Standard Review

July 2023 – Version 1

This document is publicly available on the MSC website (www.msc.org)

Comments are welcome and appreciated. All feedback should be submitted to standards@msc.org.

Table of Contents

Document history

Version	Release date	Description of amendment	Affected section/page
1.0	28 July 2023	New document	n/a

1. Introduction to the MSC

The Marine Stewardship Council (MSC) was created in 1997 when two global organisations, WWF, and Unilever, came together with the common vision of improving the sustainability of the world's fisheries. Together they founded the MSC – an international non-profit organisation set up to help transform the seafood market to a sustainable basis. Between 1997 and 1999, the MSC consulted over 200 scientists, environmentalists, and stakeholders to establish a worldwide certification system for fisheries using environmentally sustainable practices.

Currently, the MSC runs the only global certification and ecolabelling program for wild-capture fisheries consistent with the ISEAL Standard Setting Code ISEAL Code of Good Practice for Setting Social and Environmental Standards and the United Nations Food and Agricultural Organization Guidelines for the Ecolabelling of Fish and Fishery Products from Marine Capture Fisheries and Appendix 1 (FAO, 2009) that is recognised and benchmarked by the Global Sustainable Seafood Initiative (GSSI, 2017)

The MSC works with fishers, seafood companies, scientists, conservation groups and the public to promote fisheries best practices through its certification program and seafood ecolabel. When any buyer chooses to purchase MSC ecolabelled fish, certified fisheries are rewarded for their sustainable practices through market preference. The MSC and its partners encourage processors, suppliers, retailers, and consumers to give priority to purchasing seafood from MSC certified fisheries and to demonstrate this through use of the MSC ecolabel.

MSC vision and mission

The vision of the MSC is of the world's oceans teeming with life, and seafood supplies safeguarded for this and future generations. The MSC's mission is to use our ecolabel and fishery certification program to contribute to the health of the world's oceans. The MSC does this by recognising and rewarding sustainable fishing practices, influencing the choices people make when buying seafood and working with our partners to transform the seafood market.

2. About this Terms of Reference (ToR) document

This document provides an overview of the process for reviewing and amending MSC's Chain of Custody Standards. It is for the reference of all interested parties. It explains:

1. Background to the Chain of Custody Standard Review
2. Objectives of the Chain of Custody Standard Review
3. Scope of the Chain of Custody Standard Review
4. Stakeholder participation
5. Guiding standard setting principles
6. Process
7. Governance structure, working approach and decision-making procedure
8. Assessment and mitigation of risks
9. Contact information

The Chain of Custody Standard review will follow the ToR in this document. The ToR has been developed following the MSC Standard Setting Procedure version [5] and with guidance from the ISEAL Standard Setting Code version 6.0

3. Background to the MSC Chain of Custody Standard Review

The MSC Chain of Custody Standard is an integral part of the MSC program acting as the backbone that links MSC certified sustainable fisheries and ASC certified responsible farms to products that bear the MSC or ASC label and/or carry a claim. The MSC Chain of Custody Standard is applicable to all supply chain actors who take legal ownership of the fish/fish product along the supply chain.

The MSC Chain of Custody Standard is reviewed regularly to ensure it remains relevant, credible, accessible, robust, and reflects best practices in product integrity, therefore continues to meet the objectives of the MSC program

The MSC Chain of Custody Standard is not required to comply with the ISEAL Code of Good Practice for Setting Social and Environmental Standards. The principles under which the ISEAL code operates reflect good practice for environmental sustainability standards. The MSC therefore intends to use the ISEAL Code to inform the Chain of Custody Review, adopting elements as appropriate to the nature of the standard and the scope of the review.

The MSC Chain of Custody Standard was last significantly updated in 2019[1] and consists of one default version along with Group and Consumer Facing Organisation versions.

The MSC also operates the Chain of Custody Standard for the Aquaculture Stewardship Council.

Certification to the MSC Chain of Custody Standard is voluntary and global in scope.

There are five core principles that every chain of custody certificate holder must meet:

---

[1] See Table 1 on page 4 for chronology of the developments of the MSC Chain of Custody Standard – in May 2023, the MSC Chain of Custody Standards had a small editorial update to remove superseded forced and child labour requirements, incorporation of Supplementary Requirements for the Seaweed CoC Standard clauses, and reference the MSC Labour Eligibility Requirements and ASC CoC Module as normative documents. This Terms of Reference relates to a more substantial review of the MSC Chain of Custody Standards in line with the defined project objectives as per Section 4.

The standard defines requirements under each principle and defines what the management system needs to include: management/ training, reporting changes, control of subcontractors, non-conforming product procedures, as well as other specific elements including those for group management as applicable.

Table 1: Chronology of the developments of the MSC Chain of Custody Standard

Year	Event
2023	Editorial updates to remove superseded forced and child labour requirements, incorporation of Supplementary Requirements for the Seaweed CoC Standard clauses, and reference the MSC Labour Eligibility Requirements and ASC CoC Module as normative documents. MSC Chain of Custody Default Standard v5.1, MSC Chain of Custody Group Standard v2.1 and MSC Chain of Custody CFO Standard v2.1
2019	Major Review resulting in issue of MSC Chain of Custody Default Standard v5, MSC Chain of Custody Group Standard v2 and MSC Chain of Custody CFO Standard v2 Amended references in MSC Chain of Custody Program - Supplementary Requirements for the ASC-MSC Seaweed (Algae) Program v1.1.1
2018	Supplementary Requirements for the ASC-MSC Seaweed (Algae) Program) v1
2015	Major review and additional variants released MSC Chain of Custody Default Standard v4, MSC Chain of Custody Group Standard v1, MSC Chain of Custody Standard CFO v1
2011	Major review of requirements MSC Chain of Custody Standard v3
2010	Copyright and management information insert to MSC Chain of Custody Standard v2.1
2005	Major review of requirements and publication of the MSC Chain of Custody Standard v2
2000	First publication of the MSC Chain of Custody Standard v1

4. Objectives of the MSC Chain of Custody Standard Review:

The MSC periodically reviews its Chain of Custody Standard to ensure it remains relevant, credible, accessible, robust and reflects best practice in assuring product integrity. Reviews may or may not lead to a revision of the Chain of Custody Standard.

In addition to being guided by the MSC's Standard Setting Procedure, the MSC also sets objectives for each Chain of Custody Standard review that reflect organisational priorities (as documented in MSC's Integrated Strategic Plan), issues raised by stakeholders in the period since the last Chain of Custody Standard Review, and emerging issues identified by the MSC as requiring investigation to ensure the standard and Chain of Custody program continue to support the MSC in achieving its vision and mission.

The last substantial Chain of Custody Standards review, and revision was completed in 2019 (minor editorial updates were made in 2023 as outlined in Table 1 above).

For the next Chain of Custody Standards Review, the objectives are to:

1. **Enhance program credibility and legitimacy** by addressing issues from implementation of Chain of Custody Default Standard v5 & v5.1, Chain of Custody Group Standard v2 & v2.1 and Chain of Custody CFO Standard v2 & v2.1.
2. **Empower MSC and ASC and CoC certificate holders** to take action to protect themselves against food fraud and demonstrate compliance with evolving [traceability] legislation.
3. **Improve accessibility to the standard** by researching and understanding barriers, removing unnecessary complexity, addressing areas of ambiguity and contradiction with interdependencies, and clarifying requirements for different supply chain actors
4. **Provide a mechanism to satisfy market calls for scope and eligibility extension and certificate holders desire for efficiencies**, whilst preserving the core principles of the standard.

The following projects are currently identified as components of this review:

1. **CoC Default Standard v5.1, Group Standard v2.1 and CFO Standard v2.1 Implementation Review**

   This project will identify elements of the standard where intent is not clear, or where the original intent has not been met and recommend options to clarify intent or to ensure intent is delivered through the standard review.

2. **Chain of Custody Certification Requirements**

   The Chain of Custody Requirements will be reviewed as part of the Chain of Custody Standard Review project to ensure it accurately reflects any changes and does not impact the ability for the project to meet its objectives.

3. **Chain of Custody Standard Accessibility – all versions**

   This project will involve research to identify the root cause of reported accessibility challenges, and development of options to address the cause whilst maintaining the integrity of the program. It will include:

   - Clarity on which supply chain actors need to be certified.
   - A deep dive into CFO accessibility challenges for the CFO version of the standard.

4. **ASC CoC Module Alignment**

   This project will identify where alignment in intent between ASC and MSC suggests ASC Chain of Custody (CoC) Module, Version 1.1, requirements be incorporated into the next version of the CoC Standard and CoC Certification Requirements.

5. **Fraud Protection Project**

   This project will involve research to identify options that will enable MSC, ASC and CoC certificate holders to better protect themselves from food fraud, including a consideration of the role of VACCP (Vulnerability Assessment and Critical Control Points) and TACCP (Threat Assessment and Critical Control Points) as part of CoC Standard requirements.

6. **The Strategic Role of Remote Auditing**

This project will analyse learnings from remote audit employment during the pandemic and combine with existing MSC CoC risk methodology to recommend the role of remote auditing within the CoC program.

7. **Intersect with MSC certified fisheries, ASC certified farms**

This project will clarify the intersect between the fishery or farm and where Chain of Custody should begin. It will also determine the information that the fishery or farm should share with the first purchaser to demonstrate that the fish is MSC, or ASC certified and therefore eligible to enter the Chain of Custody.

8. **Facilitating Scope and Eligibility Extension whilst delivering efficiencies**

This project will consider the impact of different standard structures, and the value of mutual recognition and stronger relations with selected supply chain standards, to accommodate calls for scope and eligibility extension whilst also delivering efficiencies to certificate holders.

Some issues raised and opportunities identified had already been prioritised and projects to address these commenced as part of a broader Supply Chain Program review.

The MSC Chain of Custody Standard Review is an integral element of a broader review of the MSC Supply Chain Program, which includes supply chain program developments (projects) that sit outside of the scope of the Chain of Custody Standard Review and Terms of Reference.

- **Supply Chain Audit Platform Development (SCAP)**: A digital platform to better support Chain of Custody Audits and the processes behind them.
- **Traceability Enhancement Program (TEP)**: Exploring how the MSC program can further strengthen its traceability credentials, including use of interoperable digital technology.
- **MSC Labour Policy Review**: Development of a separate labour scheme document.
- **ASC CoC Module**

There are interdependencies between the Chain of Custody Standard Review and the MSC Supply Chain program developments which make up the broader review, and these have influenced the phasing, content, and timeline of the CoC Standard Review. The interdependencies have been factored into the process in section 8 of the Terms of Reference.

5. Scope of the Review

The MSC Chain of Custody Standard is applied across the globe.

Changes proposed as a result of this review will principally impact the

- MSC Chain of Custody Standard (Default v5.1, Group v2.1 and CFO v2.1)
- MSC Chain of Custody Certification Requirements v3.2

And may impact components of the following existing MSC and ASC program documents.

- MSC Supply Chain Audit Platform – MSC scheme database and CoC audit reporting platform
- MSC General Certification Requirements v2.6
- MSC/MSCI Vocabulary
- MSC Fishery Certification Process v3.0
- ASC Chain of Custody (CoC) Module, Version 1.1.

6. Stakeholder participation

The review and revision of MSC programme requirements are open, transparent, and stakeholder-led

The MSC's processes for consultation on the Chain of Custody Standard will be informed by the good practise reflected by the ISEAL Standard Setting Code and FAO Eco labelling Guidelines, and will monitor the participation of stakeholders throughout the process to ensure balanced and effective stakeholder participation.

The table below outlines key stakeholder groups identified, outlines why they are considered important and confirms proposed routes to engage them in the CoC Standard review process.

Stakeholder Group	Relevance	Engagement Methods
Aquaculture Stewardship Council	• MSC operate the Chain of Custody Standard for the ASC. • Considerable proportion of joint MSC / ASC CoC Certificate Holders.	• Online consultation • MSC Website • MSC Supply Chain Team liaison via virtual and in-person workshops • TAB observer seat • Tripartite Attendance • Active input into project dedicated to review alignment with ASC Chain of Custody Module, Version 1.1.
Chain of Custody Certificate Holders	• Most directly impacted stakeholder group. • For the standard to be effective it must be able to be met in practice.	• Online consultation • Email subscriber updates • MSC Website • Virtual and in person workshops • Webinars • MSC Outreach engagement • Potential to participate in pilot studies or proof of concept studies, as applicable.
MSC certified fisheries	• Some MSC fisheries have Chain of Custody certification • All MSC fishery certificate holders sell	• Online Consultation • Email subscriber updates • MSC Website • Webinars • MSC outreach engagement

	product to MSC Chain of Custody Certificate Holders.	
Governments and Policy Makers	• Interest in policy measures to tackle food fraud and strengthen traceability along the Supply Chain.	• Online consultation • Email subscriber updates • Website • Workshops • Webinars
Retailers, Food Service and Hospitality	• MSC and ASC certification may be part of sourcing policies	• Online consultation • Website • Webinars • Email subscriber updates • Outreach Engagement
Accreditation Services International	• Interest in a standard that allows audit of CABs audits against the standard.	• Online consultation • TAB observer • Tripartite Attendance • MSC Supply Chain and Assurance Team liaison. • Auditability Review of revised standard.
Conformity Assessment Bodies (CABs)	• Standard structure and content practical to implement and consistent with standard auditing practices.	• Online consultation • Tripartite Attendance • CAB Newsletter • Webinars • Workshops • Potential to participate in pilot or proof of concept studies.
Overlapping Standards and Organisations	• Identify overlaps with existing best practice and standards that address supply chain audit to avoid duplication, align practices and provide learning opportunities. • Interest in existing equivalent clause.	• Workshops • Webinars • Website
NGOs and Alliances interested in the work of the MSC and the direction of the MSC Chain of Custody Standard	• Interested in ensuring standards contribute to delivery of outcomes relevant to their organisations and do not hinder their missions.	• Engagement by MSC staff represented on alliances • Online consultation • Email subscriber updates • Website • Webinars • Workshops

Table 2: Stakeholders identified for engagement as part of the CoC Standard Review process

7. Guiding principles

The MSC use its standards to achieve its mission and vision. Therefore, it is important that both the process of setting standards and standards themselves observe widely recognised credibility principles.

Continuous Improvement – The Chain of Custody Standard will be reviewed periodically and if needed revised. This allows the MSC to incorporate learning from stakeholders' feedback and from the Monitoring & Evaluation (M&E) program. Performance levels will be adjusted over time to reflect widely accepted best practices for product integrity (in line with the MSC Standard Setting Procedure).

Relevance – The Chain of Custody standard is a core element in how the MSC achieves its vision and mission. It provides a best-in-class standard against which supply chain actors can be audited to ensure that product carrying the MSC, or ASC logo has been sourced from a MSC certified fishery or an ASC certified farm. The program is global in scope. The Chain of Custody Standard review will attempt to ensure the Standard remains relevant and focused on the most significant issues to ensure product integrity.

Stakeholder Engagement – The aim of our stakeholder engagement is that the Chain of Custody Standard Review is regarded as credible and legitimate by those with an interest in the MSC program. Multiple stakeholder groups, including members of the MSC's balanced and representative Stakeholder Advisory Council, are proactively engaged throughout the process, from the initial feedback through to the decision-making stages. Final decisions are taken by the MSC Board of Trustees, which includes a variety of stakeholder interest groups.

Transparency – All information on the Chain of Custody Standard review process, except confidential papers and minutes of governance and advisory bodies and other internal meetings, is made publicly available on the MSC websites. The information is kept up to date, including the ToR, synopsis and all public comments, draft version(s) of the Standard, and the final (valid) version of the Standard.

Accessibility – The MSC Chain of Custody Standard requirements are not overly burdensome. The Standard does not create obstacles to trade or exclude small-scale operations from market access and facilitates access to information about meeting the Standard, training to build capacity at the local level and for actors within the supply chain. Tools to support access are developed where accessibility issues are identified. The Standard and guidance documents are translated into different languages as deemed necessary.

Certainty - Decision making will be evidence based and informed by impact assessment.

8. Process for the Chain of Custody Standard Review

The MSC will apply a phased approach to the MSC Chain of Custody Standard review, to optimise efficiencies and availability of relevant resources and stakeholders for a successful project outcome.

One round of Public Consultation is planned. Additional rounds of targeted and public consultation may be scheduled relevant to specific projects within the review. Where this is the case, the ToR will be updated to reflect the latest position and information will be provided on the MSC website.

This ToR will be formally reviewed every 6 months and updated as required to reflect developments and flag any additional opportunities for engagement (for example once the scope of individual projects have been developed) including pilot or proof of concept activities.
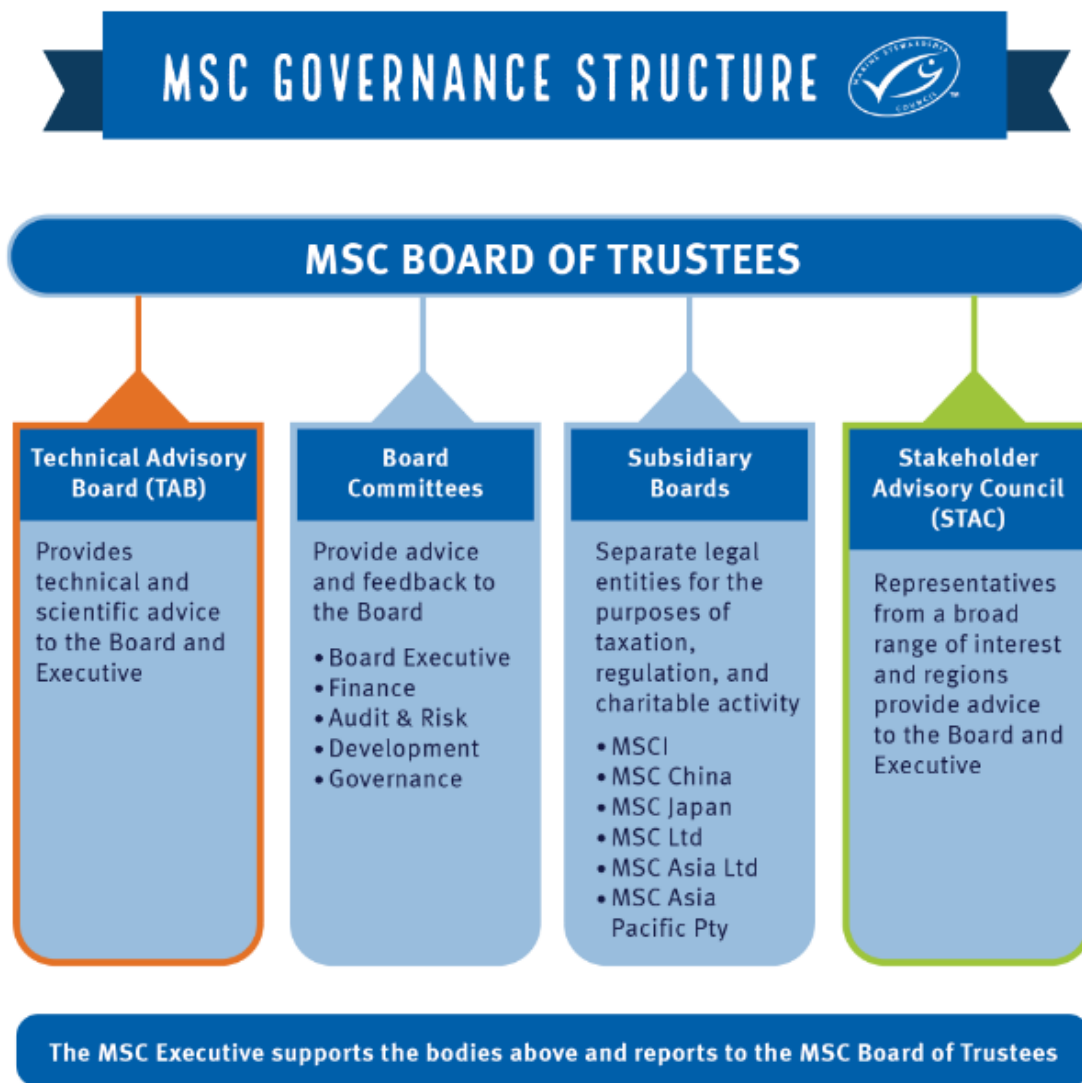
The table below lists key phases for the MSC Chain of Custody Standard Review

Activity	Planned Date	
	Year	Quarter
Public Release of ToR	2023	3rd
ToR Targeted Consultation with other Standard Holders	2023	4th
Chain of Custody Standard Review Research Phase	2023 – 2024	3rd 23 - 2nd 24
Chain of Custody Standard Review Policy Option Development and Testing including targeted consultation and pilots as required	2024	1st -4th
Chain of Custody Draft Standard Public Consultation	2025	1st
Board sign off revised program documents	2025	3rd
Revised Program documents released	2025	3rd - 4th
Revised program documents become effective (6 months post release)	2026	1st - 2nd

9. Governance structure, working approach and decision-making procedure

The MSC is governed by a Board of Trustees. Our Technical Advisory Board and Stakeholder Advisory Council advise the Board. MSC staff carry out the work of the organisation from offices around the world and the MSC Executive reports to the MSC Board of Trustees.

The MSC's governance structure involves a wide range of stakeholders with different views. This allows the MSC to be balanced, and decisions reflect many sectors and interests. The MSC Board of Trustees, Technical Advisory Board and Stakeholder Advisory Council include representatives from industry, environmental groups, and science, and from different geographical regions. These bodies themselves may be supported by further working groups for specific topics.

In addition to our three governance bodies, committees and working groups are set up to address specific regional or topical issues. Their members come from the MSC Board of Trustees, Technical

Advisory Board and Stakeholder Advisory Council, and may include other experts who are invited to advise the MSC.

Reporting requirements

A summary of MSC Board of Trustees discussions arriving at a decision to adopt a standard will be made publicly available.

Decision-making procedure

Formal adoption of a new or revised standard rests with the MSC Board of Trustees following recommendation from the MSC Executive based on feedback and advice from the Technical Advisory Board and the Stakeholder Advisory Council.

Participation

Stakeholders may attend and observe Technical Advisory Board (TAB) and Stakeholder Advisory Council (STAC) meetings with prior approval of the Chair of TAB or STAC. Those interested should contact *tanya.van.niekerk@msc.org* at least one full month prior to the meeting. A maximum of three external observers shall attend each TAB or STAC meeting.

10.   Assessment and mitigation of risks

In random order, the MSC have identified the following risks for the project and the resulting standard and strategies to mitigate those risks:

	Identified risks	Risk mitigation strategy
1	Changes to make the program more accessible result in criticism of MSC and ASC, regarding integrity.	The Standard Review will focus on reducing complexity rather than lowering the bar and the impact of any proposals will have to demonstrate outcomes consistent with or better than those associated with the current standard requirements.
2.	Conflicting timelines and different governance structures for MSC and ASC can result in delay or uncertainty about objectives in collaborative projects.	Close on-going collaboration with ASC on all projects affecting them, and ensuring timelines are understood and objectives are agreed.
3.	Changes to make the program more robust results in reduced accessibility.	Engaging certificate holders and stakeholders throughout the process to understand feasibility and impact of proposed changes.
4.	Interdependency with other projects outside of the scope of this review e.g., Traceability Program may impact timelines and direction of proposed CoC Certification Requirements.	Close liaison with project and program managers of interdependencies, to ensure timelines are understood and aligned.

11. Contact information

Please contact standards@msc.org to submit any comments on this document and/or the MSC Chain of Custody Standard Review