



## Coronavirus Announcement, Derogation

### **Temporary variation statement MSC Chain of Custody Standards allowing extension to implementation and verification of compliance with MSC Third-Party Labour Audit Requirements**

Date 6<sup>th</sup> May 2020

To: Chain of Custody Certificate Holders, MSC Accredited Conformity Assessment Bodies

CC: Assurance Services International, Aquaculture Stewardship Council

In response to the Covid-19 pandemic and in consideration of the welfare of all individuals participating in the MSC certification system, the MSC issued a derogation to allow for scheduling and conducting remote site visits and audits for Fisheries and Chain of Custody certificate holders (Coronavirus Announcement, Derogation issued on 28th February 2020). This was superseded on 27th March 2020 by a derogation relating to the Chain of Custody Certification Requirements and Fishery Certification Process allowing remote audit and extensions to certificates and associated timelines. Since the issue of the 27th March 2020 derogation, we have further considered the impact of measures taken globally to control the spread of Covid-19, on the ability for 3rd party labour audits to be carried for impacted Chain of Custody certificate holders. This derogation is additional to the derogation issued on 27th March 2020 and is applicable to Chain of Custody certificate holders only.

Note: This derogation refers to MSC Chain of Custody Default Standard v5.0 5.7.2; Group v2.0 5.7.2; CFO v.2.0 5.8.2, hereby referred to as the "CoC labour requirements". In addition, the use of 'second audit' and 'third audit' refer to audits against CoC Default v5.0/Group v2.0/CFO v2.0 only. This is to account for Default/Group Standard 5.7.2.1/ CFO 5.8.2.1 that grants an exemption from 5.7.2/5.8.2 at the first audit against the revised versions of the CoC Standard.

This derogation impacts MSC and ASC Chain of Custody certificate holders that have been classified as Standard Risk as per Table 5 and 6 of the MSC Chain of Custody Certification Requirements v3.1 and are thus expected to comply with the CoC labour requirements by the date of their second CoC audit.

**This derogation allows Chain of Custody certificate holders to extend the date by which they must comply with the CoC labour requirements from their second CoC audit (defined above) to 28 March 2021, whichever is later. The derogation will also allow additional mechanisms by which compliance can be verified.**

To ensure consistency in its application across Chain of Custody certificate holders, the MSC will request evidence of compliance from a sample of CoC certificate holders for whom verification would otherwise take place at their third CoC audit. To facilitate the implementation of this derogation, GCR v2.4.1 clause 4.8.6.c (including sub-clauses i. A and B) shall be interpreted to also cover requests for evidence of compliance with the MSC Third-Party Labour

Audit Requirements and any non-conformities resulting from non-compliance with such requests.

**It is important to note that this derogation does not, in any way, supersede existing agreements or buying specifications between certificate holders and their customers to have a 3rd party labour audit.**

The derogation means that Chain of Custody certificate holders, with their second CoC audit (as defined above) between now and 28 March 2021, will have until 28 March 2021 to complete their labour audit. It also means that alternative mechanisms to verify compliance will be used where it is not possible to verify compliance at the second CoC audit.

The conditions of this derogation are as follows:

1. The MSC Chain of Custody certificate holder should confirm with their CAB at their next (i.e. second) audit
  - a. The recognised third-party labour program they intend to use for labour audit compliance. If an MSC Chain of Custody holder is not yet able to provide this information, a reasonable justification needs to be provided to the auditor.
  - b. where possible, the date the audit is scheduled to take place
2. The MSC Chain of Custody certificate holder shall:
  - a. Inform their CAB by 30 March 2021 if they have not completed a labour audit by the new deadline, as per requirements 5.7.3/5.8.3 of the MSC Chain of Custody standard (v5.0 Default, v2.0 Group or v2.0 CFO)
  - b. Provide, on request, details of how they comply with the MSC third party labour audit requirement to their CAB, MSC or designated agents within 5 days of any such request.
3. The MSC Chain of Custody CAB shall:
  - a. Maintain a list of certificate holders where this derogation has been applied, and
  - b. Make this list available for MSC or ASI on request.
  - c. Confirm the derogation, and its conditions, with applicable clients.
  - d. Update the audit checklist with responses to 1a-b.
  - e. Manage non-conformities as per existing requirements



Failure to comply with the conditions laid out in this derogation may lead to non-conformities and/or suspension of a certificate holder.

Certificate holders are expected to continue to conform to all other requirements in the applicable MSC Chain of Custody Standard during the derogation and this will be subject to review at subsequent audits. In addition, the MSC will monitor CAB and certificate holder compliance and, for assurance purposes, will request verification of compliance from a percentage of certificate holders.

Finally, the MSC will provide further guidance to support the implementation of this derogation.

For any questions please contact the MSC Supply Chain Standards ([supplychain@msc.org](mailto:supplychain@msc.org)) team. The MSC will continue to monitor the situation and provide any updates.

Date of Issue: 6 May 2020

End of Validity: 30 March 2021

Sincerely,

A handwritten signature in black ink, appearing to read "R. Currey", followed by a period.

Dr. Rohan Currey

Chief Science and Standards Officer