Chain of Custody Programme

MSC Workshop – Gdansk 30th May 2019
Julia Seewald
The MSC program – where does CoC fit in?

- Internationally recognised
  UNFAO, ISEAL & Global Sustainable Seafood Initiative
- Consistent with International norms
- Assurance of origin from sustainable fishery
- Assurance of traceability
The Chain of Custody programme

Growth of CoC certificates (February 2019)

- The first CoC certificate was first issued in **February 2000**
- **4,500** CoC certificate holders
- **362** certified fisheries
- **100** countries with valid CoC certificate holders
The Chain of Custody programme in Poland

Growth of CoC certificate

- **112** CoC Certificates In total
- **104** Single Site Certificates
- **7** Multisite Certificates
- **1** CFO Certificate
- **0** Group Certificates
Eastern Europe

Number of CoC certificates


Legend: 2018, 2019
Why is Chain of Custody important?

99.6% of the 256 MSC labelled products we tested were correctly labelled

30% of seafood is mislabelled globally, on average

The testing sampled 256 unique products and 13 species of fish, sourced from retailers across 16 countries
Who needs CoC and how does it work?
Who requires CoC?

- In some cases the MSC certified fishery, in any case the first buyer of a certified fishery
- Every company handling certified seafood within the supply chain (own CoC or as subcontractor)
- Every legal owner of certified seafood within the supply chain

... Up to Consumer-Ready-Tamper-Proof-Packaging (CRTPP)

When is CoC not needed?

- Companies buying pre-packed, labelled certified products ultimately sold to end consumer without being opened, re-packed or re-labelled → CRTPP
- Companies that don’t wish to sell product as certified
- Companies that do not take legal ownership of certified product
The MSC and ASC (Aquaculture Stewardship Council) have partnered to share the MSC Chain of Custody Standard. This means companies can have one certification audit that covers both MSC and ASC product.

MSC find a supplier
msc.org/suppliers

Find an accredited certification body
msc.org/cabs

Use MSC Get Certified Guide
msc.org/documents/get-certified

Access
msc.org/suppliers

Chain of custody certification process

Choose a certification body (step 1)

Prepare for the audit (step 2)

Complete the audit (step 3)

Receive certificate and code (step 4)

Use the MSC ecolabel (step 5)
The MSC Chain of Custody program documents

**CoC Standard**

- **Default**
  - Single / multi-site certificate holders

- **Group**
  - Organisations with many sites or Groups of independents

- **Consumer-Facing Organisation**
  - Companies selling directly to final consumers

**Other Requirements**

- CoC Certification Requirements
- General Certification Requirements
- Vocabulary
- Audit Checklists
The Chain of Custody Standard: Five core principles

**Principle 1**
Companies must purchase certified product from a certified supplier.

**Principle 2**
Certified products are clearly identifiable.

**Principle 3**
Certified products are separated from non-certified.

**Principle 4**
Certified products are traceable and volumes are recorded.

**Principle 5**
The company’s management system addresses the requirements of the Chain of Custody Standard.
The new Chain of Custody Standard aims to ensure:

- Certification requirements are effective and consistently applied
- The certification process is more efficient
- Access to the MSC program is improved
- The Standard is aligned with industry trends
How we develop our Standards?

1. Identify areas for improvement
2. Research and develop solutions
3. Consult with stakeholders to gather and consider their feedback
4. Be guided and informed by the MSC Technical Advisory Board and Stakeholder Advisory Council
5. The MSC Board of Trustees makes the final decision on changes
6. Evaluate the changes to make sure they have the intended outcome
When do the changes become effective?

The new CoC Standards were released.

28 March 2019  28 September 2019

The new CoC Standards come into effect six months after their publication.
CoC 2019 release – What has changed?

• New labour requirements for Chain of Custody (CoC) companies
• Default CoC Standard v5.0 – new requirements and guidance to ensure product integrity
• CFO CoC Standard v2.0 – greater oversight on company’s growth and auditing them
• Group CoC Standard v2.0 – improved efficiencies and accessibility
• CoC Certification Requirements v3.0
• General Certification Requirements v2.4
Changes to the Default Standard v5.0
Key CoC Standard changes

1. Verifying products come from certified sources – CoC Standard

**Principle 1**

> Always check certified status of suppliers on msc.org/suppliers or asc-aqua.org.

> Websites more reliable than paper certificates, which may be cancelled, suspended or withdrawn before expiring

**Buying directly from certified fisheries/farms always check:**

- The Public Certification Report on fisheries.msc.org or asc-aqua.org looking for the Traceability section
- Does the fishery/farm need CoC, what is the Unit of Certification?
- When buying directly from an ASC farm, you might check for use of antibiotics
  > ASC prohibits use of antibiotics, product would be non-conforming!
Key CoC Standard changes

2. Correct labelling of species and origin – *CoC Standard Principle 2*

- Origin, catch area or species labelling needs to be aligned with the relevant legislation
- Auditors will check this, and where there is any evidence of mislabelling, this can be raised as a non-conformity
Key CoC Standard changes


• Subcontracted transport companies will need to be able to provide access to records or products on request.

• The time for companies to provide traceability records to the MSC or designated agents reduced to 5 days.

• In addition to MSC, Aquaculture Stewardship Council (ASC) has been clarified as a designated agent.
Key CoC Standard changes

4. Effective system and management – CoC Standard Principle 5

Handling under-assessment product

• Prior written approval from your certification body

• ‘Under-assessment’ products are eligible to be sold as certified only once the fishery or farm is certified

• Only organisations that are part of a fishery client group, or the same legal owner as a farm being audited can handle under-assessment product
Changes to the CoC and General Certification Requirements
CoC CR and GCR Changes

Highest impact changes

- CAB to check license status prior to audit
- CAB to investigate client outside of audit schedule based on MSC evidence. CAB required to respond within 5 days
- Immediate non-conformities after failure to provide traceback records
- Adding a new site within default multisite and suspension for default multisite can be in isolation
New requirements on forced & child labour
New requirements on forced & child labour

**Objective:** Mitigate the risk that certified organisations and their subcontractors use forced or child labour, to provide greater assurance that certified product is not associated with egregious labour violations.

**Requirement:** Organisations must complete a labour audit against a recognised third-party labour audit program, unless they are lower risk according to selected internationally recognised indicators.

**Recognised programs:** amfori BSCI, SA8000, SEDEX SMETA, Consumer Goods Forum’s SSCI-recognised schemes
Impact on Eastern Europe & Poland

- Poland an Eastern European countries currently lower risk
- No labour audits required
- Check if sites or subcontractors fall into Standard Risk country

Source: Global estimates of modern slavery (2016), ILO
Supporting Materials for the new CoC Requirements

Get Certified
Your guide to the ASC Certification process

Chain of Custody Standards

Supporting materials for the new CoC Requirements

About this checklist

The pre-audit checklist allows you to determine how much of the ASC Chain of Custody (CoC) Standard Version 2.0 your organisation currently meets and where you need to make adjustments before the certification audit to meet full compliance. This checklist can also be used when you are handling ASC certified products. Please check that your organisation meets the eligibility criteria for this Standard — the criteria can be found in the purpose of the CoC Detail and in the Get Certified Time Guide in the ASC and ASC Chain of Custody Certification process.

Disclaimer: This checklist is provided as guidance only. Following this checklist does not constitute a fully comprehensive or detailed audit or inspection of your organisation’s Chain of Custody processes. The Chain of Custody Certification Standard is a technical document and this checklist is not intended to replace it. This checklist is provided as a tool to support organisations in self-assessing their compliance with the ASC Chain of Custody Standard. It is not designed to provide legal advice and should not be used as a substitute for professional legal advice. This checklist has been prepared by the ASC Secretariat in accordance with the ASC Chain of Custody Standard. The ASC Secretariat reserves the right to update this checklist at any time and any such changes shall be made available to participants on the ASC website. If you are unsure of any point covered, or wish to provide feedback on how we can improve this tool, please contact the ASC at standards@asc.org

Table 1: The ASC Pre-Audit Checklist

<table>
<thead>
<tr>
<th>Requirement</th>
<th>What to do?</th>
<th>Does your organisation meet the criteria?</th>
<th>Yes</th>
<th>No</th>
<th>What changes need to be made?</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1 Products purchased from certified suppliers</td>
<td>A process to ensure that all products purchased are Chain of Custody certified</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Pre-audit checklist for single and multi-site organisations (Version 2.0)
Questions?
Thank you!
Together we build a responsible, competitive & credible market for sustainable seafood.

For more information, please contact:

supplychain@msc.org