Traceability and Chain of Custody (CoC) options for Improvers’ products

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Introduction

Maintaining the credibility of the certification and ratings approach is vital. Having effective traceability and chain of custody systems in place is an important part of ensuring quality control. Good assurance systems are essential. Currently neither SFP nor SFW deploy traceability solutions. Under this project, ASC reviewed the Marine Stewardship Council’s Chain of Custody (CoC) model to identify key elements that would need to be covered for verification of product origin being improved, how these could be implemented/assessed at non-certified farms (those farms engaged in the improver programme) and discuss the potential challenges of those elements with selected market partners. Improver products are those products that originate from a farm in the improvement process. The ASC Improver Programme requires independent verification of performance improvement at various stages of the project leading up to attainment of final goals, whether those be ASC certification or defined better practices. Identifying those assurances could increase market uptake of aquaculture improvement projects.

As with certified products, traceability for products from origins that are under improvement (‘Improvers products’) is possible under a range of scenarios. There are various considerations that could be categorised under two areas: (1) level of verification and (2) the associated claim.

Level of verification

The options for the level of supply chain verification can be considered in the following spectrum, starting from most thorough/ highest integrity to least thorough/ lower integrity approach.

1. Full MSC/ASC CoC audit

The full traditional CoC requirements could theoretically apply to Improver product supply chains. This process would be the most thorough and provide the highest integrity. This means Improver products would be segregated, identified and traceable throughout the chain, and verified at annual audits by an independent certifier.

2. Reduced CoC requirements/ reduced audit activities

A modified set of CoC requirements could also apply to Improver product supply chains. This process would offer less integrity and could be considered as a ‘light touch’ CoC. Under reduced CoC requirements, certain key requirements and audit verification activities could be selected for Improver products, while other requirements could be simplified or waived. For example, a modified or reduced CoC could focus on identification of products and the underlying management system, with associated documents verified remotely by the certifier. This reduced CoC would still require independent verification.

There are several options available to reducing the traditional CoC audit burden, while still maintaining some assurances of segregation. These include,
• Shorter audits, potentially capturing fewer requirements or clauses, or alignment/acceptance of other standards for specific clauses, where deemed applicable and based on the assurance needs of the system,

• Remote audits that couple some aspects of traditional verification methods with other methods focused on areas of risk may be appropriate. These could include the application of guidance1 on the use of information and communication technology for auditing and assessment, remote document review, applications of satellite imagery to verify aspects that can be reviewed remotely, such as product origin and identification, traceability exercises on selected products and/or input/output reconciliation exercise of a sample batch of product selected at each audit,

• A reduced or modified approach could include a mass balance CoC model, where a product is allowed to be physically mixed based on specific rules, as long as volume of Improver product sold does not exceed Improver product purchased. This option moves to administrative traceability rather than physical segregation; however, it would still require independent verification.

• Reduced audit frequency, maintaining a full or reduced CoC at a lower frequency of audit (e.g., 18-months surveillance as opposed to annual), or

• A combination of the above, that maintains the desired levels of integrity and reduced risks of product mixing.

3. Absence of CoC audit by independent certifier, substituted with data submission for ASC verification

In this option, companies would not need to be CoC certified, but would be required to submit specified data and/or product samples to ASC for verification. This removes the independent certifier requirement, potentially reducing costs, but also with lower integrity than the previous options. This approach is applied through the submission of Key Data Elements to ASC under license agreements; farms submit defined data elements to ASC for full supply chain traceability – the farm owns and submits these data that ASC verifies, with reports available to supply chain actors. As needed, this could be coupled with checks on physical product samples for labelling, species, provenance, residues and other compliance.

Mass balance could also be considered with this option, but verification would be conducted by ASC rather than by an independent certifier.

4. Absence of CoC audit by independent certifier, substituted with internal checks by the company

There may be instances where companies would not need/desire to be CoC certified, and compliance with requirements would require external verification. Similar to the previous option, this approach does provide lower integrity. Under this approach, companies would be required to complete their own internal checks and manage and respond to issues as identified. This requires risk monitoring and management plans, similar to an internal audit or self-assessment approach.

5. Absence of CoC or company assessments, requirements defined without verification

In conditions where there is identified low risk or trust among the supply chain, there may be an option for defining requirements, without any formal or documented verification either internally by the company or externally by ASC or a certifier). This approach offers low integrity and is based on self-declaration/trust.

Under Fishery Improvement Projects, there may be limited to no requirements defined; but whatever traceability requirements are in place are typically handled in a B2B model without independent verification.

1 Such as those developed by the International Accreditation Forum, Inc. (IAF).
6. Total lack of CoC process applied to improver products

This option would not support any claim on traceability.

**Claims**

The levels of possible claims that could be associated with Improver products are directly related to the level of verification as outlined in the above spectrum of options.

Improver products would require a different type of claim than those made from products from environmentally sustainable and socially responsible farms. Though the divergence of the claims will depend on the differentiation from current ASC CoC requirements. If a similar claim were of interest to be applied (e.g., ‘traceable and verified to an Improvers farm origin’), with a reduced level of integrity or assurance, it could undermine the standard ASC claim for certified products. Therefore, it would be critical to adjust the claim as appropriate to the verification option applied, recognizing that it could be more acceptable and legitimate to modify or reduce traceability/CoC requirements for these intermediate products.

In all cases, claims related to Improver products should be accurate and consistent with the ISEAL Sustainability Claims Good Practice Guide.

In consideration of whether an assurance mechanism is appropriate to transitional products, the first consideration is always whether there is a demand. Any demand will incentivize producers to enter the improvement space, but non-certified products in supply chains add risk. In scoping these options, there remain additional relevant considerations that require details consultation with supply chain actors. Some of these include,

- Clarifying whether CoC certification of Improver products are necessary, and what approach, whether full or light touch would be acceptable.
- Defining the value of tracing Improver products, and where that value differs from the value of tracing certified products.
- Defining the acceptable level of risk around traceability and integrity of Improver products.
- Defining what desired and appropriate claims can, and whether they should, be made about on Improver products.
- Consideration of the end goals of Aquaculture Improver Projects, with options to achieve ASC certification or pursue better practices, and how these differentiate to the market, and whether they are distinguishable.
- And the mechanism for verification. Whether existing CoC certified companies could conduct audits of Improvers product as well as certified products, or would the supply chain consist of new companies specifically handling Improvers products, or both scenarios would apply.

Ultimately, the supply chain actors need to decide the level of integrity desired and the level of risk there is willingness to accept. The mechanisms for segregation exist, but Improver products are not certified and their levels of performance at any given time is variable.

That in of itself introduces risks to the system and the potential dilution of the value of verification and the importance of incentivizing sustainable practices.

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