



Addressing seafood sector
risk in financial markets:

SEAFOOD CERTIFICATION & IMPROVEMENT PATHWAYS



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Version 01
dd/mm/yyyy

What are Leading Global Seafood Certifications?

- Credible standards and certification programs provide robust assurances to industry and other stakeholders including financiers, that seafood is being fished or farmed in a responsible way.
- The Marine Stewardship Council (MSC) and the Aquaculture Stewardship Council (ASC) are two of the world's leading standards for fishing and aquaculture. They are global non-profit certification & labeling programs, certified by ISEAL. The standards are certified by third-party verifiers.
- The MSC aims to reverse the decline in global fish stocks by providing a tool to reward best practices and improve the sustainability of fisheries
- The ASC provides environmental and social coverage across an increasingly wide range of species including salmon, shrimp, pangasius and tilapia.
- Shared MSC/ASC Chain of Custody program provides critical transparency and assurance of product being verified as certified





11%

Of global wild-caught fisheries are in a Fishery Improvement Project (FIP)



20%

Of global marine catch is certified to the MSC standard or engaged in the process



51%

Of farmed salmon is now ASC certified

What are fishery and aquaculture improvement projects?

1

FISHERY IMPROVEMENT PROJECTS (FIPs)

- Stepwise approach to improve the environmental and social performance of a fishery toward the MSC standard
- Involves multiple stakeholders across fisheries sector, civil society, government and academia.
- Harnesses the power of the supply chain to incentivize change.
- Two types: Basic and Comprehensive
 - Basic FIPs are a good entry point for fisheries to begin addressing specific environmental challenges
 - Comprehensive FIPs aim to address a wider range of environmental challenges so that a fishery can meet the MSC Fisheries Standard

2

AQUACULTURE IMPROVEMENT PROJECTS (AIPs)

- ASC's Improver Programme (ASC IP) supports farms that want to improve their practices but are not yet ready to achieve certification.
- AIPs are based on a clear framework for improvement and build on foundational elements of the ASC certification programme: credible, transparent, performance driven
- Define timelines, baseline measurements, progress reporting, verification of progress
- Lower costs than certification but still includes third-party implementation and verification
- Creates transparency around performance and progress in a credible way so industry can make informed decisions on sourcing from farms in AIPs.

How do improvement projects work?

COMPANIES, GOVERNMENT, NGOS
AND LOCAL COMMUNITIES WORK
TOGETHER TO DEVELOP FIPS AND
AIPS



Companies,
Government, other
NGOs, Foundations



**Fishery/Farm
pre-assessment**

**Develop
timebound
workplan**

+

**Responsible
parties implement
activities**

+

**Publicly
report
progress**

+

**Improved fishing
practices/
management**



**MSC/ASC
Standard Certification**



**MSC/ASC
conditions met**



**MORE SUSTAINABLE
FISHERIES AND FARMS**

How do seafood certifications and improvement projects help mitigate risks?

1

REPUTATIONAL RISK

- Fisheries or farms that are certified or on their way to being certified through improvement projects are addressing key sustainability issues including:
 - Illegality, labor and social violations
 - Overfishing and impacts on endangered species
 - Habitat degradation and land conversion
 - Negative impacts arising from feed into aquaculture
- They provide a third-party verification of responsible practice
- Provide basic levels of transparency and traceability within supply chains

2

OPERATIONAL RISK

- More responsibly fished or farmed seafood is more likely to be taking care of natural capital and therefore less likely to be subject to stock decline or disease risk for example
- The MSC helps to stabilize fishery yields and reduce supply chain volatility. The ASC helps manage animal welfare and inputs, as well as impacts on the surrounding ecosystem

3

REGULATORY & MARKET RISK

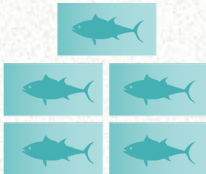
- Seafood importing markets are increasingly demanding more sustainable and traceable supply chains and products.
- MSC and ASC provide assurance to the market of the provenance and sustainability of seafood products
- Provide a chain of custody that creates visibility over the supply chain, making it easier for companies to meet increasingly tight import regulations

How does certification help with traceability and transparency?

MSC FISHERY CERTIFICATION



ASC FARM CERTIFICATION



MSC CHAIN OF CUSTODY CERTIFICATION
SHARED PLATFORM WITH ASC

MSC LABELLED PRODUCTS



ASC LABELLED PRODUCTS

What should financial institutions be asking companies to do?

1

SOURCE SEAFOOD PRODUCTS CERTIFIED TO GLOBAL LEADING STANDARDS

FIs should seek out companies that operate in or source from certified fisheries or farms or are encouraging and supporting suppliers to get certified. FIs should require or encourage companies to commit to certification goals if they are not currently certified.

2

TRANSITION SEAFOOD PRODUCTION THROUGH CREDIBLE, TIME-BOUND FIPs AND AIPs

FIs should seek out and encourage companies to commit to transition to responsible production, by requiring their source fisheries and farms to participate in credible and time-bound Fishery Improvement Projects (FIPs) or Aquaculture Improvement Projects (AIPs) benchmarked to globally leading standards such as the MSC or ASC.

3

SCALE IMPROVEMENT EFFORTS THROUGH INDUSTRY PRE-COMPETITIVE PLATFORMS

FIs should seek out or encourage companies to actively participate in pre-competitive platforms that allow them to pool resources, scale up their sustainability impacts, and drive change more deeply across global seafood supply chains.

Thank you

for more information please visit worldwildlife.org