

Guidance for SEG Standard Components

Versions Issued

Version	Date	Description of Amendment	Approved by:
1.0	16 November 2023	First version following consultation and iteration of several drafts, including with the SEG Standard Revision team	SEG Board

Purpose

This provides guidance and clarification for components in the SEG Standard, Version 7.0. It is a working document to collate all developing guidance in one place.

When agreed, each piece of guidance will be transferred to relevant documents, e.g. the Assurance System which accompanies the SEG standard.

Criterion 1.1: Commitment to Legality

Guidance on major and minor offences (examples only – not comprehensive):

Major offences	Minor offences
<ul style="list-style-type: none"> Trafficking/smuggling (export/import) of European eels Mis-use of the EU legal market: fraudulent restocking, consumption, and farming to illegally export glass eels. Hiding the IUU origin of glass eels Criminal network involvement: Knowingly selling to traders who are to sell to illegal markets / can't show adequate proof that they are selling all their stock to legitimate markets – criminal network / organised crime Fraud / document fraud (e.g., mis-declaration of BL, forged purchase invoice) / money laundering Major Illegal, Unregulated, and Unreported (IUU) fishing offences. E.g., inaccurate reporting by fisher (>5kg glass eels, 50 kg yellow eels) Where the defendant has been or could be subject to a penal sentence, i.e. an actual or suspended prison sentence Or fined €5,000 or more 	<ul style="list-style-type: none"> Illegal, Unregulated and Unreported (IUU) fishing offences Fishing contrary to local regulations, e.g. location, gear, speed etc. Inaccurate minor reporting by fisher (<5kg glass eels, 50 kg yellow eels) All other lesser sentences and sanctions And fines below €5,000

Criterion 1.2: Contribution to Eel Conservation Projects

Guidance: Examples of expected 100% contribution to eel conservation projects

Type of organisation	Contribution to eel projects expected (any one of these)
Processor	<ul style="list-style-type: none"> • ESF payments • 2.5% of gross sales price to eel projects • 1% of in-kind staff time
Eel Farm	<ul style="list-style-type: none"> • ESF payments • 2.5% of gross sales price to eel projects • 1% of in-kind staff time
Glass eel trader	<ul style="list-style-type: none"> • ESF payments • 2.5% of gross sales price to eel projects • 1% of in-kind staff time • Provision of nets / equipment to fishers to meet the SEG standard (to 2.5% gross sales price)
Glass eel fisher	<ul style="list-style-type: none"> • ESF payments (if/when they exist) • 2.5% of gross sales price to eel projects • Donation of 2.5% of eels to local eel restocking projects • € 150 contribution to SEG as a member (similar to MSC / ASC) • 1% of in-kind time • French glass eel fisher contributions to ARA for restocking.
Yellow / Silver eel fisher	<ul style="list-style-type: none"> • ESF payments (if/when they exist) • 2.5% of gross sales price to eel projects • Eels over the Dyke / Trap and transport • € 150 contribution to SEG as a member (similar to MSC / ASC) • 1% of in-kind time • Eel fisher contributions to ARA for restocking.
Yellow eel trader	<ul style="list-style-type: none"> • ESF payments (if/when they exist) • 2.5% of gross sales price to eel projects • € 150 contribution to SEG as a member (similar to MSC / ASC) • 1% of in-kind time
Fishery (eg. OP)	<ul style="list-style-type: none"> • ESF payments (if/when they exist) • 2.5% of gross sales price to eel projects • Donation of 2.5% of eels to local eel restocking projects • € 150 contribution to SEG for their certification (similar to MSC / ASC) • 1% of in-kind staff time
Examples of eel conservation projects:	<ul style="list-style-type: none"> • Eel passes • Habitat improvement • Protection from entrainment or entrapment in hydropower turbines • Restocking • Assisted migration of young eels up; silver eels down • Eel science / research • Donation of eels for restocking • Financial contribution to local ESF • Financial contribution to SEG

Note that this is not urgent for the Version 7.0 of standard, from 20 November 2023, as there is a one year transition to comply – however clients will need to know in 2024 what they are expected to do if they are to be assessed after 20 November 2024.

Criterion 1.5: The risks of reputational damage to SEG are identified and prevented or mitigated

Guidance

Reputation and Trade Risk Assessment and Assurance

As part of managing SEG’s reputational risk and the overall credibility of the SEG Standard, clients, the CAB and assessors require guidance on how to identify high risk situations, to include trade.

Given that the glass eel trade is notorious and trafficking supply chains are global, hidden or disguised and illegal trade is extremely lucrative, the CAB and assessors are instructed to be very cautious. Any high risk situations that could damage the Standard’s reputation should be referred to the SEG Board.

SEG expects the CAB to identify and manage the low and medium risk situations. High Risk situations are so important to the Standard’s credibility and reputation that only the SEG Board can make the required judgement for prevention and mitigation. So, **ultimately: all High Risk situations require referral to the SEG Board.**

SEG is developing procedures for independent review of these, and in the mean time, if there are any appeals the client should use the SEG 015 Complaints procedure.

The importance of this issue and its links to sustainability have been brought into sharp focus by the EU Directive:

https://commission.europa.eu/business-economy-euro/doing-business-eu/corporate-sustainability-due-diligence_en

The SEG Transition arrangements to Version 7.0 of the Standard do not apply when considering the risks to SEG reputation.

The Reputation and Trade Risk Matrix

IDENTIFY	PREVENT	MITIGATE
Due Diligence Checks GENERAL		
<p>Third Party Due Diligence Checks reveal concerns, for example: the organisation or key individual(s):-</p> <ul style="list-style-type: none"> • Exists on any global watch list • Are NOT Credit worthy • Involvement of Government Officials gives rise to any reputational issues such as being linked to government investigations, litigation, financial difficulty, corruption, fraud or other misconduct • Screening names of Boards and key employees and key contacts against any relevant global lists and watch lists such as the UK 	<p>Where these enquiries cause concerns for the CAB and Assessors they should seek to take preventative and mitigation actions. However, and if they trigger the consideration of high reputational risk, then these cases will be referred to SEG Board and SEG Board will consider the prevention and mitigations options including contracting independent external advice from a recognised agency such as Control Risk in the UK.</p>	<p>In high risk situations CAB seeks SEG Board Advice and Decision</p>

<p>and EU Sanctions List (the UK Sanctions List)</p> <ul style="list-style-type: none"> • The third party is owned or controlled by an entity or individual(s) on any of the aforementioned lists (because even if a third party, or controlling organisations, is not on a sanctions list, a close relationship with a sanctioned entity might also present risk); • Business credit report checks on the third party, such as those prepared by credit reporting agencies reveal concerns; • General review of publicly available information on third parties business and reputation reveal concerns. • Check against the EU Corporate Sustainability due diligence directive reveals concerns. 		
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Due Diligence Checks TRADE

<p>End user is non SEG Certified</p> <p>MEDIUM RISK</p>	<p>An Increased risk so additional assurance and preventative measures will be needed. Especially in countries where eel trade irregularities are recent and known (with evidence on that from credible and reputable media sources or in relevant Trafficking Studies from credible/reputable institutions/bodies). Consequently, the CAB must inspect the End user's control systems for effective traceability and follow through trade destinations assessing their risks.</p>	<p>CAB and Assessor to specify after consulting with Enforcement Agencies and SEG Standard System Manager</p>
<p>Destination Country has UK and or EU Govt serious Travel Warning Advice</p> <p>HIGH RISK as inspection in destination country not possible</p>	<p>Where a high security risk is deemed for an individual traveller or visitor to the country, extreme caution is required as additional checks and assurances may be impractical and unsafe for inspectors. This situation has huge potential for SEG Reputation.</p>	<p>CAB seeks SEG Board Advice and Decision</p>
<p>Destination Country has UK and or EU Govt Trade Advice that shows restrictions on General Trade</p> <p>MEDIUM RISK</p>	<p>Where country has general trade restrictions, applied caution is exercised and additional assurance measures are needed. Where UK and EU advice differs then refer to SEG Board. Where travel by UK and EU Customs officials is also not possible, then this is deemed a High Security Risk and therefore triggers HIGH Risk response</p>	<p>Seek SEG Board for Advice and Decision once issue enters into the High Risk category</p>
<p>Eel Management Plan is not Approved by ICES</p>	<p>Where Eel Management Plans are considered weak or don't have ICES approval. The Assessor and CAB refer the EMP to SEG science leader for advice and opinion. Where cross national boundary issues have not been</p>	<p>If SEG Science leader has concerns surrounding the EMP then the CAB seeks SEG Board Advice and Decision</p>

MEDIUM RISK	<p>agreed, this should be a signal too for caution. For previous reference:</p> <p>[Previous Responsible:</p> <ul style="list-style-type: none"> • The donor and recipient countries have Eel Management Plans (EMPs) that are approved by ICES or equivalent. • The donor and recipient countries are implementing those EMPs, with over 50% of actions implemented or in progress. <p>Previous Aspiring:</p> <ul style="list-style-type: none"> • The donor and recipient countries have EMPs that are pending approval by ICES or equivalent • The donor and recipient countries are implementing those EMPs] 	
CITES Compliant	A given - without approval, no trade is possible. With approval, trade is possible and the Risk Matrix is applied.	Apply Risk Matrix as with all trade
<p>Where the CAB's initial lines of enquiry find one or multiple triggers of high risk concern then the issue is referred to the SEG Board; the ultimate body responsible for SEG's Reputation.</p>		