

**MEL Japan Annual Business Report
(Summary Version)
The fiscal Year of 2021
From April 1, 2021 to March 31, 2022**



Marine Eco-Label Japan Council

1. MEL Members

Number of MEL Members by the end of March 2022

Category		End of FY 2020	Plus	Minus	End of FY 2021
General Members	Organization	19	0	0	19
	Private Company	23	0	0	23
	Total	42	3	0	42
Affiliate Members	Organization	1	0	0	1
	Private Company	0	0	0	0
	Total	1	0	0	1
Total		43	0	0	43

2. Structure of MEL Board Members

President	Executive Director	Board Member	Supervisor
1	1	11	2

3. Number of MEL Council Staff

Positions	Secretary General	Director	Manager	Assistant Manager	Staff
Management Department	1	0	2	1	1

4. Main Activities

4-1. Council Management

The ordinary general membership meeting and board meeting were held to pass resolutions on the management policy of the council, standards, and other regulations. In addition, we recruited members to stabilize our financial base and manage our business smoothly.

Meetings	Date	Place
23rd Board Meeting	May 28, 2021	Paper Review
6th General Membership Meeting	Jun. 22, 2021	Japan Fisheries Associations (JFA)
24th Board Meeting	Same as above	Same as above
25th Board Meeting	Nov. 30, 2021	Same as above
26th Board Meeting	Mar. 31, 2022	Same as above

4-2. GSSI Related Matters

On November 20, 2021, GSSI notified the completion of Monitoring of Continued Alignment (MOCA), and the year-long review was completed. The independent experts failed to recommend continued recognition at the preliminary review stage. The MEL Council was asked to improve its ambiguous stock assessment policy, inadequate audit system, and unclear complaints and objection procedure. It was decided to take corrective measures. The stock assessment was changed to a mechanism to examine based on management indicators (target reference point, limit reference point, etc.) set based on scientific information. At the same time, MEL renewed the curriculum of the auditor training program, developed the audit manual, and revised the regulation for objections, complaints and appeals, and the scheme was evaluated for continuous improvement. During the public consultation phase, there were 15 public comments from two organizations that GSSI handled.

In November, GSSI released the contents of its Benchmark Tool Ver. 2.0. Benchmark review will be conducted in three groups of nine schemes from March 2022. MEL is scheduled to start in July 2022, but due to some changes in aquaculture components, the MEL aquaculture standard will also be revised to accommodate them.

Working with SSCI (Sustainable Supply Chain Initiative) under CGF (Consumer Goods Forum), GSSI developed a new benchmark tool for compliance and human rights. In the future, the division of benchmarks may occur, such as obtaining recognition from GSSI for fishery resources and environment and SSCI for legal regulations and social issues.

Meetings	Date	Place
Meeting with GSSI (MOCA, Re-Benchmarking, Individual	April 2021 to March 2022	Online

Meeting, SSCI Workshop, Scheme Owner Meeting, etc.)		
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4-3. Development of Certification Standards

In order to respond to the GSSI MOCA, the policy of stock assessment was clarified. Based on the stock management system to achieve MSY (maxim sustainable yield), the concept of the target reference point (B_{target}), the limit reference point (B_{lim}), and the level of the fishing ban (B_{ban}) was adopted. It was decided that the stock condition below B_{limit} should be regarded as “overfished” and not subject to certification. As a result, certifications of low-level stock conditions such as Sand Lance, Purse Seine fishery, Osaka Bay and Pufferfish, Long Line Fishery, Munakata were suspended or terminated.

To improve the audit system, the Essential of Audit Reporting and the sample model of the audit report (fishery and aquaculture) were prepared. The quality improvement of auditors’ competence, the uniformity of audit judgment and its rationale were made thoroughly in combination with the judgment criteria, requirements, the auditor training system and the peer review system. With regard to the complaint processing system, a global perspective was adopted, and complaints were broken down by situation to clarify their roles and procedures. A mechanism for third-party processing of objections was incorporated.

The regulation for the use of logos was revised. In order to respond to the diversification of the use of certified marine products in retail and dining out, a new rule of "combination and assortment" was added. In addition, in order to respond to the trend of local production for local consumption and the shift to “fisheries diversification,” MEL newly established the rules for handling certified producer’s logo that a producer consisting of the unit of certification can sell its products attached with the logo directly to consumers under the responsibility of the representative of the scope of certification.

Preparation for compound feed certification standard and fish meal and fish oil certification standard development was advanced. Prof. Shuichi Sato of the University of Fukui Prefecture will be newly appointed as a member of Technical Committee. Standard Setting Committee will be formed to design certification standards, related regulations and assessment system.

An opportunity was set up to explain the purpose and exchange opinions with concerned organizations such as the Fish Ranching and Aquaculture Division of the Fisheries Agency, Japan Aqua-Feed Association, Japan Fish Meal Association, the member companies of both associations, and FAMIC (Food and Agricultural Material Inspection Center). Regarding the composition of the Standard Setting Committee, Prof. Toshiro Masumoto of Kochi University and members of the Japan Aqua-Feed Association have been selected.

In order to comply with the GSSI Benchmark Tool Ver. 2.0, we will start revising the aquaculture certification standard. With the aim of effectuation in July 2022, preparations will be made in accordance with various regulations, including the Standard Setting Committee, explanatory meetings for certified entities and stakeholders, public consultation, and approval by the Board of Directors and General Membership Meeting.

Sessions	Date	Place
Technical Committee for Stock Evaluation, and Exchanges and Review Session for Auditor System, Complaints, Objections and Appeals	Apr. to Nov 2021 (as appropriate)	MEL Japan Council, etc.
Exchanges and Review Session for Use of Logo	Oct. 2021 to Nov. 2021	MEL Japan Council, etc.
Feed and FM/FO Standard Development (Fisheries Agency, Feed Manufacturers, Fish Meal Suppliers, FAMIC, etc.)	Apr. 2021 to Mar. 2022 (as appropriate)	MEL Japan Council, etc.
Technical Committee for AMS Revision	Feb. to Mar. 2022	MEL Japan Council, etc.

4-4. Public Relations Activities in Japan and Overseas

4-4-1. Japan

In cooperation with the Japan Fisheries Association, MEL participated in the events such as the Tokyo International Seafood Show (November 8 to 10, 2021), Food Store Solutions Fair in Osaka (December 2 to 3, 2021), and FOODEX JAPAN 2022 in Chiba (March 8 to 11, 2022), introducing MEL concept and activities, promoting certified marine products and presenting certified entities’ initiatives on SDGs.

At the Tokyo International Seafood Show, with the cooperation of Ito-Yokado, a model section of MEL-certified fresh seafood was presented. In addition to the regular item of packed fillet portions, the easy-to-understand image of the fresh seafood section, which displayed assorted sashimi and sushi, meal kits (Yellowtail Shabu-Shabu Hot Pot and Grilled Salmon), and consumer-packed items, was very popular.

MEL Workshop 2022 was held in February. The main theme was "Reflections on MEL's Fifth Anniversary and New Challenges," and we asked Mr. Hideaki Yamaguchi, a former Director General of Fisheries Agency to give a keynote speech. The theme of the panel discussion was "Discuss issues facing the Japanese fishery industry, such as climate change, poor catch, and succession of fish-eating culture, from the perspective of consumers and ordinary persons, as well as the value and role of the marine product eco-label" and a founder and CEO of cooking class operator, a cooking program producer, and a food culture writer were invited as panelists to have lively discussions with participants from the fishery, aquaculture, wholesaler and retail sectors. The workshop was streamed online for the first time and had nearly 600 views.

Other than that, MEL participated in the events: Shiba Park SDGs Village (August 23, 2021), Afu-no-Wa Sustaina-Week (September 17 to 27, 2021), "Choose," "Eat," Sustainability Exhibition (September 18 to October 10, 2021), Nippon Food Shift Program (October 29 to 30, 2021), FISH-1 Grand Prix online (November 1 to 30, 2021), Osaka Science and Technology Museum Christmas Workshop (December 12, 2021) collaborating with Promotion Center for Fish Consumption of Japan Fisheries Association and participated in Minato Biodiversity Panel Exhibition (January 29 to February 17, 2022).

Naoya Kakizoe, President of the MEL Council, participated as a panelist or speaker at the Japan Food Hygiene Association Seminar (June 25, 2021), Dai-Maru-Yu SDGs Act15 (October 4, 2021), and Japan Food Management Forum (February 24, 2022).

4-4-2. Overseas

The MEL Council had planned to participate in COFI 2021 in July and the Seafood Expo North America (Boston, U.S.A.) in September as part of its efforts to promote connection with international organizations and increase overseas recognition, but both were canceled due to

the Covid-19 outbreak.

In November, the ICFA (International Coalition of Fisheries Association) annual meeting was held online, and President Toshiro Shirasu of the Japan Fisheries Association explained the current status of MEL. The president of the Icelandic Fisheries Association congratulated us on the steady growth and spread of certification.

In May, September 2021 and March 2022, the MEL Council held web meetings with CSC (Certified Sustainable Collaborative), the scheme owner of the Alaska RFM Program (Responsible Fishery Management), to explore the possibility of cooperation with overseas schemes and agreed to proceed with the preparation of CoC mutual recognition. The Alaska RFM has already integrated the CoC standard with Iceland RFM, and in the next fiscal year, it will deepen the collaboration including logo management and certification system.

On August 19, the MEL certification system was presented at the JICA (Japan International Cooperation Agency) online workshop hosted by the Marino Forum 21. JICA, OFCF (Overseas Fisheries Cooperation Foundation of Japan) and consulting agencies related to marine environmental assessments and fisheries infrastructure development in developing countries participated.

4-4-3. Newsletter, HP, SNS, etc.

MEL publishes the MEL News monthly to share information with the members, certification entities, board members, and other concerned parties. Certified marine products and promotions have been introduced since April 2021. From this year, we have been strengthening awareness-building activities using SNS. The MEL Council invites contracted Instagrammers, as a MEL ambassador, to events, workshops and others, and disseminates information on its Instagram.

As a project for the fifth anniversary of the MEL council, an executive interview (January 24 issue) by Naoya Kakizoe was published in the Nihon Shokuryo Shinbun (The Japan Food Journal). In conjunction with the food exhibition, MEL will promote awareness of MEL in the food, distribution and restaurant industries, which have a wide range of markets.

Yokohama Honpo Shokudo, a Japanese-style seafood restaurant located in Yokohama, which is the first MEL-certified food service operator, offers menus using MEL-certified marine products, which are very successful. In addition, in cooperation with Yokohama City University, they jointly develop menus to promote fish-eating and feature marine products.

As the SDGs have become widespread and well established in Japan, the MEL Council has received an increasing number of requests from newspapers, publishers, educational institutions, local governments, etc. for the use of the MEL logo and articles introducing MEL, and we are responding to these requests each time.

Meetings	Date	Place
Japan Food Hygiene Association Seminar	Jun. 25, 2021	Nippon Suisan Co. Ltd.
JICA Seminar	Aug. 19, 2021	Online
Shiba Park SDGs Fiesta	Aug. 23, 2021	Shiba Park, Tokyo
Afu-no-Wa Sustaina-Week	Sep. 17 to 27, 2021	Various Locations
“Choose,” “Eat,” Sustainability Exhibition	Sep. 18 to Oct 10, 2021	Itochu Co. Ltd.
“Dai Maru Yu” SDGs Symposium	Oct. 4, 2021	Tokiwa-Bashi Tower, Tokyo
Nippon Food Shift	Oct. 29 to 30, 2021	Roppongi Hills, Tokyo
FISH-1 Grand Prix	Nov. 1 to 30, 2021	Online
Tokyo International Seafood Show	Nov. 8 to 10, 2021	Tokyo Big Site, Tokyo
ICFA (Int’l Coalition of Fisheries Associations)	Nov. 17 to 18, 2021	Online
Food Store Solutions Fair	Dec. 2 to 3, 2021	Intex Osaka Hall
Osaka Science & Tech Museum Seminar	Dec. 12, 2021	Osaka S&T Museum
Minato Biodiversity Panel Exhibition	Jan. 19 to Feb. 17, 2022	Tokyo Port City Takeshiba
MEL Workshop 2022	Feb. 16, 2022	Ishigaki Memorial Hall, Tokyo
Food Management Forum	Feb. 24, 2022	Hotel New Otani, Tokyo
FOODEX JAPAN 2022	Mar. 8 to 11, 2022	Makuhari Messe, Chiba

5. Business Matching Meeting, Workshops and Auditor Training Programs

At the Tokyo International Seafood Show, a booth introducing the MEL certification program and MEL-certified products, and a model shelf for fresh seafood were set up to present various marine products. Azuma-Cho Fishery Cooperative, Yonkyu Co., Ltd., Kanoya City Fishery

Cooperative, Tsuji Suisan Co., Ltd. and Ainan Fishery Cooperative exhibited independently among the certified entities. At Food Store Solutions Fair held in Osaka, the MEL Council aimed to strengthen efforts with retailers in western Japan. At FOODEX JAPAN 2022, MEL aimed to promote certification acquisition for various businesses such as trading companies, restaurants, catering, etc.

Hosted by Japan Fisheries Association, workshops and seminars for acquiring eco-label certification were held in Toyama Prefecture on-site, and Miyagi Prefecture online. In addition, MEL secretariats visited various locations for prefectural fishery cooperative associations, local fisheries cooperatives, fishery organizations and fishery companies directly and held a briefing session to promote MEL certification acquisition.

In order to improve the competence of existing auditors, CPD (Continued Professional Development) training courses were held from July 26 to 27, 2021, November 18 to 19, 2021, and February 21 to 22, 2022. And training course for new applicants was held from October 25 to 27, 2021. The CPD training courses in November and February were held remotely to prevent the spread of Covid-19. (The lecturer and the secretariat were in the organizer’s studio, Kawasaki, Kanagawa.)

Meetings	Date	Place
<ul style="list-style-type: none"> • Business Matching Meeting Tokyo International Seafood Show Food Store Solution Fair FOODEX JAPAN 2022 	<ul style="list-style-type: none"> Nov. 8 to 10, 2021 Dec. 2 to 3, 2021 Mar. 17 to 18, 2022 	<ul style="list-style-type: none"> Tokyo Big Site, Tokyo Intex Osaka, Osaka Makuhari Messe, Chiba
<ul style="list-style-type: none"> • Workshop for Eco-Label Acquisition Shin-Minato City *FC Sendai Suisan Co., Ltd. Hiroshima **PFCA Set Net Fisheries Association Taiyo A&F Co., Ltd. Tokai Denpun Co., Ltd. Toyama-City, Uozu-City and Shin- 	<ul style="list-style-type: none"> Sep. 7, 2021 Oct. 18, 2021 Nov. 4, 2021 Nov. 25, 2021 Dec 9, 2021 Dec. 24, 2021 Jan. 12 to 13, 2022 	<ul style="list-style-type: none"> Online (Tokyo, Shin-Minato) Sendai Suisan, Miyagi Online (Tokyo, Hiroshima) Sankaido Bldg., Tokyo TAFCO, Tokyo MEL Council, Tokyo Toyama-City, Uozu-City and

Minato-City FCs		Shin-Minato-City, Toyama
Hirado-City FC	Jan. 27, 2022	Hirado City, Nagasaki
Osaka PFCA	Feb. 4, 2022	Online (Tokyo, Osaka)
Aeon	Feb. 17, 2022	Online
CGC Group Executive Conference	Feb. 19, 2022	CGC Japan, Tokyo
Miyagi PFCA	Feb. 24, 2022	Online (Tokyo, Miyagi)
Nippon Access Co., Ltd.	Mar. 25, 2022	Nippon Access, Tokyo
• Auditor Training Course	Jul. 26 to 27, 2021	Kawasaki, Kanagawa
(Fishery, Aquaculture and CoC)	Oct. 25 to 27, 2021	Kawasaki, Kanagawa
	Nov. 18 to 19, 2021	Online
	Feb. 21 to 22, 2022	Online

*FC stands for Fishery Cooperative, **PFCA stands for Prefectural Fishery Cooperative Association

6. Others

On March 7, 2022, MEL held a regular meeting with the JAB (Japan Accreditation Board), an accreditation body, and exchanged opinions on scheme's activities, the progress of multiplying certification body, and the development of future feed standards. As part of the management review, regular tripartite liaison meetings were held monthly by the certification bodies of the Fisheries Agency and the MEL Council to exchange views on the scheme's management and various ongoing issues.

The persons in charge of JFRCA (Japan Fisheries Resource and Conservation Association) and MERI (Marine Ecology Research Institute) - under preparation for CB, participated. The Advisory Board was held on July 5, 2021 and we received opinions from various viewpoints such as strengthening MEL's information dissemination capability and GSSI countermeasures.

The Fisheries Agency provides consulting services for applicants who want to obtain certification. The consulting agencies directly manage this program, but the MEL Council supports consultation selection and progress management. Of 54 consultation applications, 33 have already been moved to the actual assessment.

Trademark registration of the MEL logo is underway overseas through specialized agencies. Registration has already been completed in 14 countries, including the United States, the United Kingdom, Australia, and Singapore. Thailand, Brazil, and Cambodia are at the final application stage. On the other hand, Germany, France and Spain have registered only with the mark (not including the name of Marine Eco-Label Japan), but have received objections from one organization. In China, a similar trademark had already been registered, so it could not be registered for fishery products.

Balance Sheet

As of March 31, 2022

(Unit: Japanese Yen)

Items	Beginning	Ending	Changes
I. Assets			
1. Current Assets			
Cash, etc.	13,166,575	17,558,822	△ 4,392,247
Account Receivable	4,883,424	4,690,131	193,293
Provisional Payment	287,314	316,204	△ 28,890
Total of Current Assets	18,337,313	22,565,157	△ 4,227,844
2. Fixed Assets			
(1) Other Fixed Assets			
Deposit	778,565	778,565	0
Long Term Prepaid Expenses	3,558,769	2,724,546	834,223
Total of Fixed Assets	4,337,334	3,503,111	834,223
Total of Assets	22,674,647	26,068,268	△ 3,393,621
II. Liabilities			
Current Liabilities			
Loans Payable	7,000,000	7,500,000	△ 500,000
Accrued Expenses	8,774,184	7,922,958	851,226
Deposit Payable	0	5,841,969	△ 5,841,969
Suspense Receipt	93,871	45,391	48,480
Total of Current Liabilities	15,868,055	21,310,318	△ 5,442,263
Total of Liabilities	15,868,055	21,310,318	△ 5,442,263
III. Net Assets			
Total of Net Assets	6,806,592	4,757,950	2,048,642
Total of Liabilities and Net Assets	22,674,647	26,068,268	△ 3,393,621

Statement of Changes in Net Assets

From April 1, 2021 through March 31, 2022

(unit: Japanese Yen)

Items	Current Year	Previous Year	Changes
I. Change of General Net Assets			
1. Changes of Recurring Revenue			
(1) Recurring Revenue			
Membership Fees Received	13,020,000	12,720,000	300,000
Operation Revenue	6,512,000	5,408,590	1,103,410
Subsidies Received	23,609,996	46,937,320	△ 23,327,324
Other Revenues	88	77	11
Total of Ordinary Revenue	43,142,084	65,065,987	△ 21,923,903
(2) Recurring Expenses			
Operation Expenses	23,609,996	46,937,320	△ 23,327,324
Salaries and Allowances	11,691,500	18,968,910	△ 7,277,410
Conference	625,500	262,200	363,300
Travel and Communication	130,514	127,580	2,934
Supplies and Equipment	164,179	117,043	47,136
Public Relation	776,814		
Rewards	2,281,000	1,834,000	447,000
Consignment	7,881,809	25,581,387	△ 17,699,578
Others	58,680	46,200	12,480
Administration	17,483,446	16,359,613	1,123,833
Salaries and Allowances	7,000,000	4,286,465	2,713,535
Conference	446,172	148,001	298,171
Travel and Communication	2,296,949	2,529,396	△ 232,447
Supplies and Equipment	977,264	1,088,660	△ 111,396
Public Relation	503,900	55,320	
Rewards	0	56,000	△ 56,000
Consignment	1,988,565	4,125,765	△ 2,137,200
Rent	3,611,448	3,180,480	430,968
Others	659,148	889,526	△ 230,378
Total of Recurring Expenses	41,093,442	63,296,933	△ 22,203,491
Change of Recurring Changes before Evalu	2,048,642	1,769,054	279,588
Profit and Loss Evaluation	0	0	0
Net Change for the Current Year	2,048,642	1,769,054	279,588
2. Change of Nonrecurring Revenue			
(1) Nonrecurring Revenue	0	0	0
Total of Nonrecurring Revenue	0	0	0
(2) Nonrecurring Expenses	0	0	0
Total of Nonrecurring Expenses	0	0	0
Change of Nonrecurring for Current Year	0	0	0
Adjustments	0	0	0
Net Change of Nonrecurring for Current Ye	2,048,642	1,769,054	279,588
Beginning Balance of General Net Assets	△ 242,050	△ 2,011,104	1,769,054
Ending Balance of General Net Assets	1,806,592	△ 242,050	2,048,642
II. Changes of Designated Net Assets			
Change of designated Net Assets	5,000,000	5,000,000	0
Beginning Balance of Designated Net Assets	0	0	0
Ending Balance of Designated Net Assets	5,000,000	5,000,000	0
III. Ending Balance of Net Assets	6,806,592	4,757,950	2,048,642