ASC Feed Interpretation Manual

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Setting The Standard for Seafood

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Introduction

This document is intended to be supplementary to the standard and associated assurance documents and provides support to ASC Feed Standard applicants and certified mills in their process of implementing the standard. It has also been developed to help auditors ensure consistency and rigour in the interpretation and application of the ASC Feed Standard and thereby maintain consistency between sites, in combination with the ASC Assurance documentation.

The Interpretation Manual provides explanations, background information and interpretations of the Standard, as well as clarifying the intention of the Standard within the local context. It is not intended to be exhaustive and does not include all matters of interpretation or implementation that may arise, instead, it focuses on known and anticipated difficulties. It may be updated based on the experience and further learnings gained during the implementation of the Standard and associated documents. The Interpretation Manual does not add any new requirements to the Standard, but rather explains the general expectations of mills seeking or maintaining certification to the ASC Feed Standard.

The Interpretation Manual will be updated periodically, based on any changes to ASC Requirements, audit insights and user feedback.

The Interpretation Manual is not a replacement for auditor knowledge, experience and training; it assumes that auditors are qualified professionals and have the necessary experience and knowledge regarding auditing techniques and necessary experience and knowledge regarding the sector/region to be audited.

As noted in the Standard and throughout this document, whenever a question of interpretation arises due to differences between national or local laws and regulation or collective bargaining agreements, and the ASC Feed Standard, users apply the provision that is strictest.

How to use this document

The document has been divided into sections which correspond to Criteria in the Standard. Each section has the following structure:

- Which Feed Standard Criterion does this apply to?
- What is the intent of this Criterion?
- Which RUoC sections need considering? (if applicable)
- How do I interpret the Requirements?
- Auditor considerations (if auditor specific guidance is applicable)
- Useful resources (if applicable)

Although the document has been divided between sections to easily look up a specific Criterion, it is useful and recommended for all users of the Standard to read all sections to fully understand the requirements and expectations for implementation and verification.

Key definitions mentioned in the Standard and RUoC are linked to the ASC Vocabulary Portal, when first cited, so that users can better understand the interpretation of the ASC Requirements.

What do the different coloured boxes mean?

An orange box with a magnifying glass signifies that the Criterion must be included in the feed mill's Supplier Code of Conduct for their ingredient manufacturers (Indicators 2.1.3 and 2.1.4) as well as the ingredient manufacturer's Supplier Code of Conduct for their suppliers (Indicator 2.1.8). The guidance and interpretation of the Criterion is to be followed by the feed mill's ingredient manufacturers, as well as their suppliers, excluding any reporting requirements e.g., Indicator 1.21.2 calculation and reporting of energy consumption.

> 🔍 ***Supplier Code of Conduct:***
> *The Criterion must be included in the feed mill's Supplier Code of Conduct for their ingredient manufacturers (Indicators 2.1.3 and 2.1.4) as well as the ingredient manufacturer's Supplier Code of Conduct for their suppliers (Indicator 2.1.8). The guidance and interpretation of the Criterion is to be followed by the feed mill's ingredient manufacturers, as well as their suppliers.*

A red box with a magnifying glass signifies that the Criterion also applies to the feed mill's ingredient manufacturers (marine-based, plant-based, and other feed stuffs), as well as the primary marine and plant raw material production, as per Criterion 2.2.

Due Diligence:
The guidance outlined below applies equally to all ingredient manufacturers (2.2.5) and primary raw material production (2.2.6). The mill must undertake Due Diligence of its ingredient manufacturers in line with Indicator (2.2.5).

A blue box with a question mark provides further explanation of a key term or an example of how it is applied.

What is freedom of association and collective bargaining?

The right to freedom of association is the right to join a formal or informal group to take collective action towards the employer. Collective bargaining is a voluntary negotiation between employers and organizations of employees to establish the terms and conditions of employment by means of written collective agreements. Typically, such agreements cover wages, working hours and working conditions.

A teal box with a check mark goes beyond ASC expectations and provides further explanation or an example of better practices providing for continual improvement.

What do better practices look like?
The feed mill provides a blank format of the payslip/paystub, detailing/explaining each item, and posts copies at key locations accessible to employees.

The feed mill also develops policies and programmes to improve business planning, thereby avoiding the need for temporary contracts and enhance job security for employees.

It is important to note that not all the Standard Indicators or Certification Requirements for the Unit of Certification (RUoC) need clarifications or further information. Additionally, although the management system requirements are summarised for Criterion 1.2, all users should use a holistic management system approach to implementing all other Indicators and Requirements of the Standard and RUoC as well.

Who is a user of this document?

When we refer to 'all users' throughout this document, this encompasses:

- The feed mill, including key staff responsible for the implementation and continued compliance with ASC Requirements;
- Conformity Assessment Bodies (CABs), including key staff such as auditors, technical reviewers and certification officers;
- Stakeholders providing input into the certification process.

Any user who would like to provide feedback on this Interpretation Manual can contact ASC through standards@asc-aqua.org

Effective Management System

Effective Management System

Which Feed Standard Criterion does this apply to?

Criterion 1.2 - The UoC implements an effective management system to maintain compliance with the ASC Requirements.

What is the intent of this Criterion?

The feed mill has a management system in place, based on an ethical operating and business approach, to continuously implement, verify and demonstrate compliance with all ASC Requirements.

How do I interpret the Requirements?

Why is ASC requiring a management system?

A management system is a systematic approach to quality assurance, leading to a desired outcome or quality level, and ensures action is taken when needed. In other words, a management system plays an active role in working towards and steering compliance. ASC is looking for feed mills to take an active role rather than a passive role to achieve the intent of the ASC Feed Standard. For example, the fact that an issue has not occurred in the past doesn't prevent it from occurring in the future, unless management provisions have been implemented.

A management system is in place (1.2.1) and compliance against ASC Requirements can be demonstrated (1.2.7)

Feed mills are free to choose their own management system as it is important the management system suits the operational complexity it is being designed for. Whatever the structure of the management system, it systematically manages quality risk, for example based on the Hazard Analysis and Critical Control Point (HACCP) principles.

Feed mills need to be set up in a way so that ASC Requirements are complied with. The priority is for the infrastructure and setup of the feed mill to deliver a consistent and non-variable outcome e.g., consistent and non-variable quality, in which case the infrastructure and setup in itself can be evidence demonstrating compliance. For example, a mill situated in an industrial zone might not need additional elements in the management system to work with communities. Or a mill only producing feeds containing MSC certified marine ingredients, might not need additional elements in the management system to manage the Majority Sustainability Level in their sourcing procedures.

Typically, some of the functioning of the feed mill would result in variable outcomes, unless the management system ensures the required outcome is achieved. Such an outcome may be managed through the use of devices or software programs, carrying out mechanised or even fully automised monitoring and triggering action or alarms when needed. An example for such devices could be humidity monitors in warehouses used to prevent the spoiling of ingredients or final feeds, and an example for software programs could be digital quality management systems managing the monitoring and analysis of data, monitoring the completion of corrective action or guiding grievance processes. In such cases, these mechanised or automised devices and software programs themselves, their specifications, readings or outcome reports can serve as evidence to demonstrate management provisions and compliance. Where the functioning of the feed mill, or the use of mechanised devices or software programs, is dependent on human interaction or controls, it is very likely that written procedures are necessary.

In summary, the need for elements in the management system and the types of evidence to demonstrate compliance can vary greatly and take different forms: through infrastructure, the setup of the mill, by making use of mechanised or automised devices or digital software programs, or through documentation (photo evidence, analysis reports, reports from authorities/NGOs, policies, procedures, records, meeting minutes, invoices, delivery notes, labels, contractual agreements).

Policies. A written policy is the WHY, and clarifies the mill's position on key issues and can be beneficial for employees to better understand their rights and duties. It is not necessary to have a policy on every topic in the ASC Feed Standard and it can be useful to develop policies by topic and group similar issues together. Policies are primarily valuable for topics which are not straightforward within the local context; where laws and regulation are poorly developed or enforced, for which the intention needs clarifying as overall awareness is weak, or where there is a history of risk despite implementing preventive measures. Common examples are discrimination or human rights in general. Perhaps an easy way to approach this is that where employees have an inconsistent or incomplete understanding of an issue, a policy is needed. In contrast, where issues are well understood and overall awareness is adequately mature, laws and regulation are well enforced and implemented provisions have a good track record of preventing the issues, written policies do not necessarily add any benefit. Examples of this could be working hours or effluent management.

In order for a policy to be effective, it is operationalized through the implementation of associated procedures.

Procedures. Procedures are the HOW, and specify how to put policies into operation to ensure the outcome/quality level intended. Implemented, they ensure a consistent approach and outcome/quality level.

Records. Reliable record-keeping provides an essential source of information for both internal reviews and external audits. Recording templates have two major benefits: on the one hand they can guide the user through all steps which need performing, on the other hand they preserve accurate information in a set format, which allows subsequent analysis to determine progress over time, identify unwanted issues or possibilities for improvement.

An effective management system includes the maintenance and control of documents, including ensuring only up to date versions of procedures and records are accessed and used. This includes ensuring relevant information, whether in systems, digital or on paper, are retained; for example, information related to the calculation of the Majority Sustainability Level is needed for more than one certification cycle so as to demonstrate required progression over time.

> ? ***When is a management system effective?***
>
> *When the mill remains compliant with all ASC Requirements and any measures implemented are shown to prevent non-conformities, the management system is likely to be effective. In other words, effective implementation of principles 1, 2, 3, 4 and 5 of the ASC Feed Standard depends on the management system. This means that if non- conformities reoccur despite the implementation of corrective actions, or corrective actions do not fulfill the intention, the management system is likely to be ineffective.*

> ? ***What to take care of when using automised / digital devices or software programs?***
>
> *Any such devices are well maintained and calibrated, as needed according to the manufacturer's specification; this requirement is covered generically through this Criterion (management systems) and applies to the entire ASC Feed Standard.*

A feed mill is able to demonstrate compliance with ASC Requirements at any time, to CAB auditors, the ASC and the ASC's accreditation body. Inability to demonstrate compliance, for example through the lack of management provisions or the lack of evidence of compliance, is inadequate and is an indication the management system could be dysfunctional.

Prevention of corruption, extortion, embezzlement or bribery (1.2.2)

? *What is corruption?*

The following explanation of corruption is adapted from Transparency International (https://www.transparency.org/en/what-is-corruption). Corruption is the abuse of entrusted power for private gain. It can happen anywhere and involve anyone, can take many forms, and includes:

- *Government employees taking money or favours in exchange for services.*
- *Politicians misusing public money or granting public jobs or contracts to their friends or families.*
- *Corporations bribing officials to get lucrative deals.*
- *Corruption is widespread and exists across the globe. The operation of all organisations, including feed mills, can have a significant impact on the wider society.*

? *What is extortion?*

Extortion is when someone attempts to obtain money or property by using violence, threats or intimidation.

? *What is embezzlement?*

Embezzlement is when someone has legal access to some assets but uses them in a way that is not intended. For example:

- *An employee in a store has access to the money in a cash register but steals it and uses it for their own personal use.*
- *An accountant has access to the accounts and changes them to hide loss or stolen money.*

? *What is bribery?*

Transparency International defines bribery as the offering, promising, giving, accepting or soliciting of an inducement (money, gifts, loans, fees, rewards etc) for doing something which is illegal, unethical or a breach of trust.

ASC recognises the unintentional dependency of and complexity for organisations and persons within industries or societies where practices of corruption, extortion, embezzlement or bribery are widespread. Therefore, ASC does not require mills to ensure the absence of such practices in the external context, since organisations and person may be drawn into such practices with few options to ensure otherwise. However, ASC expects the mill to prevent actively engaging in such practices within their external context. Within the internal context, ASC goes one step further and expects the mill to adapt its management system, for example by adding the necessary elements (e.g., policies, dismissal terms, SOPs), to ensure acts of corruption, extortion, embezzlement or bribery within their own operation do not occur.

Recognising corruption, extortion, embezzlement or bribery within the feed mill setting:

In a feed mill setting, examples of corruption are:

- The feed mill manager buys feed ingredients from a friend and in return the friend gives 20% of the profits to the feed mill manager. This may go as far as the mill excluding other appropriate suppliers from their system of approved suppliers.
- The loading dock has an unsafe mechanism, but the owner of the dock pays the feed mill manager some cash to not disclose this to the auditors at the next audit.

In a feed mill setting, examples of extortion are:

- Employee A threatens to provide information to the manager which could get Employee B into trouble or fired, unless Employee A is paid a requested amount of money.
- The feed mill owner threatens to hurt the owner of the neighbouring plot of land unless the land owner agrees to give up some of his land so that the feed mill can build an additional warehouse.

In a feed mill setting, examples of embezzlement are:

- The sourcing manager is aware that new batches of a marine ingredient are no longer eligible according to ASC Requirements but registers them as eligible since no other eligible source has been found yet.
- The sourcing manager double books eligible ingredients, once within the mass balance ingredient accounting system and once for a separate private brand.
- The sourcing manager purchases cheaper non-eligible ingredients but registers them as eligible and provides documentation falsely declaring the ingredients as more costly eligible ingredients, as financial sourcing performance increases the sourcing manager's bonus.

In a feed mill setting, examples of bribery are:

- A supplier buys a new car for a feed mill manager, in exchange for the feed mill manager giving the sourcing contract to that supplier.
- The loading dock has an unsafe mechanism, but the owner of the dock pays the feed mill manager some cash to not disclose this to the authorities/auditors at the next audit.
- A feed mill pays cash to customs officials to speed up the passage of their ingredients through the import and export system.
- The sustainability manager offers auditors excessive accommodation and lunches to reduce the audit effort or to turn a blind eye on non-conformities.

Should any incidences of corruption, extortion, embezzlement or bribery be identified by the mill, ASC expects top management to enforce measures and update the management system to prevent recurrence.

System to ensure records are not falsified and information is not misrepresented (1.2.3)

The mill develops and maintains a work culture of trust and improvement. When errors occur, by individuals or by process, these are indications that the management system is in need of additional elements, for example in terms of additional training, additional procedures or clearer recording templates. Operational errors must be used as an opportunity for improvement while understanding that non-reported or misreported errors will turn into bigger issues for the mill in the long run, since monitoring, data analysis and operational adjustments would be based on false information. ASC expects managers in charge to actively develop a suitable work culture, and sees the manager in charge as being responsible should any records nevertheless be found to be falsified or misrepresenting information.

Records are documented information that provide permanent evidence about past events. Records are, therefore, completed and maintained in a way to ensure this information is accurate and preserved. Some processes in support of this, are:

- Records are genuine e.g.; they are completed at the time of the checks (not before or after the event)
- Records also capture and illustrate information when processes go wrong, and are not seen only as tools providing evidence that operations are in line with internal requirements. For example, if the cooling system ceases to work, it is important temperatures above the acceptable range according to internal requirements are recorded so that management can learn from these events. Recording temperatures only within the acceptable range will lead to management not understanding that a back-up temperature regulator might be needed.
- Records are legible e.g., they are completed using a pen, as a pencil loses its visibility over time and can more easily be altered after the event.

- Alterations to records are justified e.g., 'inaccurate' information is neatly striked through noting the reason for the error and initials of the person making the change. Correction fluid is not used as this makes the initial information illegible.
- Records are complete; this may include a form of authorisation through the initials of the supervisor verifying records are complete.
- Paper records are stored to prevent damage through e.g., humidity, and where records are stored electronically, this storage is suitably backed up to prevent loss.

Should any incidences of falsification of records or misrepresentation of information be identified by the mill, the management system is inadequate and ASC expects responsible management to enforce measures and update the management system to correct the incident and prevent recurrence.

Named member of management who is responsible for the implementation of ASC Requirements (1.2.4)

While the entire management system is signed off by the responsible management (Indicator 1.2.1), and typically a separate quality assurance manager will be responsible for the mill's overall management system, a separate member of management, for example the sustainability manager, might be the person specifically identified and responsible for the implementation of ASC Requirements.

The responsibility for the implementation of the ASC Requirements is assigned by responsible management and is embedded in organisational structure documentation in order to ensure clear accountability. The ASC Requirements cover a broad range of different issues and so the person responsible may be one or several persons, depending on their background and knowledge. For example, a single human resources manager may be responsible for all the requirements on labour rights and working conditions, and more specialised knowledge can be brought in for specific topics such as discrimination, to support the human resources manager. In other cases, a separate expert may be needed to manage or carry out certain steps of the Due Diligence process, but nevertheless, the mill's manager in charge remains responsible. The responsibility to seek more specialised knowledge when needed lies with the manager in charge.

Relevant employees have the required competencies to implement the ASC Requirements (1.2.5)

Within a large mill, the management system will include an organizational chart identifying responsibilities and key functions, with job descriptions further defining rights and responsibilities, and mechanisms implemented to regularly review that performance is adequate. In smaller organisations, where most employees may be managers, an organizational chart will also be available but different responsibilities and multiple functions may be covered by a single person. Also, job descriptions, performance reviews and written procedures to achieve consistent outcomes and steer operations (usually for

larger numbers of employees with less oversight), may be superfluous in small operations. In all cases, staff competency is more robust than written procedures to follow. Therefore, also in larger companies, especially in well-developed/structured organisations, it is likely that there is more emphasis on competency than on written procedures. Whatever the management system structure, the mill ensures employees have the knowledge, experience, training (theory and on the job), capacity, and decision-making rights needed to perform according to their function and responsibility. In other words, "relevant employees" and "required competencies" refer to an employee's function and area of responsibility only. For example, a Health and Safety manager is able to carry out and regularly update the Health and Safety risk assessment, and define mitigating measures, but might not have the experience to treat injuries. In contrast, the person responsible for first aid is knowledgeable to take immediate action in the case of injuries, and has access to and an overview of all first aid supplies, but might not have the experience to carry out a Health and Safety risk assessment. In both cases, however, site-specific knowledge and experience is needed, acquired through theoretical training and training on the job.

It is up to the mill to provide adequate theoretical and on-the-job training for employees to be able to work in line with the mill's management system, their function and responsibility.

How can employees gain the required competency?

The feed mill management may implement training programmes based on applicable ASC Requirements for relevant employees, as needed in order for them to have the required competencies in terms of their function and responsibilities. This training expectation is not spelled out within every Criterion of the ASC Feed Standard but is instead covered through the requirement for a management system. i.e., the management system ensures employees receive all relevant training; for example, it is likely that employees handling the sourcing of plant ingredients will need training on internal requirements as a result of ASC Requirements in Criterion 1.2, principle 2, 3, and 5. Competency requirements are further detailed in Annex C of the Feed RUoC for some specific responsibilities.

> ? ***How can employees gain the required competency?***
>
> *The feed mill management may implement training programmes based on applicable ASC Requirements for relevant employees, as needed in order for them to have the required competencies in terms of their function and responsibilities. This training expectation is not spelled out within every Criterion of the ASC Feed Standard but is instead covered through the requirement for a management system. i.e., the management system ensures employees receive all relevant training; for example, it is likely that employees handling the sourcing of plant ingredients will need training on internal requirements as a result of ASC Requirements in Criterion 1.2, Principles 2, 3, and 5. Competency requirements are further detailed in Annex C of the Feed RUoC for some specific responsibilities.*

The mill maintains records of trainings, including "what", "when" and "to whom". Apart from specific training sessions, coaching and training on the job is equally important and is typically planned and captured in job descriptions or training plans, and manifested through procedures, often without additional training records being available.

Monitor compliance against ASC Requirements through annual internal audits (1.2.6)

Typically, management systems will have a short-term mechanism to identify and correct arising issues; however, as a minimum ASC is looking for annual monitoring through internal audits. While some parts of the ASC Requirements may be audited annually there may be other parts of the Standard that may be audited more frequently. For example, risks in a typical mill may be related to overtime hours, risks caused due to hiring contract workers during high season and unavailability of workers, new machinery, change of management personnel that may cause a risk to workers' rights and/or health and safety, human rights risks to migrant workers hired from a country that may result in risks due to inadequate/improper recruitment practices.

Internal auditing provides information on compliance with the mill's internal requirements as well as ASC Requirements.

> ***? Which mill internal requirements are subject to CAB auditing?***
>
> *All sections of the feed mill's internal management system ensuring compliance with ASC metrics, qualitative thresholds or taking action, are subject to CAB review. This also includes Indicators in the ASC Feed Standard which require the feed mill to develop its own procedures, compliance ranges and timelines to meet an ASC intent. Deviation from such procedures is considered a gap despite the details of the procedure not being prescribed by ASC. An example is the ASC requirement for the mill to develop and implement a site-specific Waste Management Plan, and ASC's expectation for the mill to comply with the details of its own internal Waste Management Plan.*

Internal audits verify whether the management system is working correctly and effectively, where action is needed and might also identify possible areas of improvement, depending on the design of the internal audits.

The internal audit process includes at least the following steps:

a. Audit schedule

- The scope of the internal audit includes the mill's compliance with all ASC Requirements, with the mill's own requirements, and whether the mill's management system is effectively implemented.
- An audit schedule is helpful to ensure all areas are audited, especially when auditing takes place at different stages throughout the year.

b. Audit and reporting

- The use of an external auditor can be a good alternative to employing own auditors. Competency requirements for internal auditors are detailed in the RUoC.
- The most common way of completing an internal audit is by viewing operational activities and interviewing staff, reviewing related records during a set time period, and comparing this information with internal requirements such as procedures and training content from the management system and with ASC Requirements. Where the mill is not following internal or ASC Requirements, this is when an internal non-conformity is raised.
- Audit results are documented, indicating what was audited, by whom and when. Reports identify both conformity and non-conformity. Reports could also include objective evidence (i.e., interviews carried out, activities viewed, records/reports/procedures reviewed). Internal audit reports are retained as evidence.

c. Non-conformity root cause analysis

- The reason for a non-conformity can be very straightforward, nevertheless, the assessment of the root cause is important to ensure suitable corrective actions.
- It is also worth exploring if the non-conformity could have affected similar areas.

d. Corrective action developed, assigned to responsible person and implemented.

- Correcting the non-conformity, and where needed developing corrective action to prevent recurrence, as well as identifying timelines for correction/corrective action and the responsible person, is carried out following the internal audit.

Review of the management system (1.2.8)

It is important to note that a management system review is a different process to that described in 1.2.6 (Internal Audit). A management review takes the review to the next level, to assess if the management system itself is sufficient to maintain effective implementation of the ASC Requirements.

The management system review is an opportunity for senior management at the mill to understand if the management system continues to be suitable, adequate, effective and in line with the strategic direction of the mill and longer-term ASC targets.

Typically, the management review is prepared by the responsible person for the management system and is discussed with senior management in a management review meeting. Senior management are managers with the authority to make decisions on company objectives and to provide the necessary resources (either financial or personnel) to achieve these objectives.

The management review includes at least the following topics:

- Progress and effectiveness of changes implemented following the previous management review.
- Financial and personnel resources necessary to maintain the management system.
- Changes in the internal and external context of the mill which may give rise to previously unanticipated issues e.g., key raw material no longer being accessible from a particular region/fishery due to climate change, regional unrest or loss of certification for the raw material.
- Performance review since the previous management review.
- Internal and external audit outcomes.
- Grievances raised.
- Progress towards longer term ASC targets e.g., increase in Majority Sustainability Level every 3 years.

- Progress towards mill commitments e.g., commitment to transition to deforestation-free and conversion-free supply chains for the sourcing of plant ingredients.

The outcome of the management review includes addressing any need for changes and opportunities for improvement, which is documented and communicated to relevant staff for implementation.

Auditing considerations

(1.2.1) Auditors will review management system documentation, which includes policies, procedures, work instructions and records. It is expected that documents will be dated and signed off by an authorised person, according to local document control procedures. The auditor will take some time to review these procedures and then over the course of the audit asses if the company practices reflect what is documented within the procedures.

Management interviews: Management may be asked to explain specific policies and procedures, how the management system is maintained, and any benefits derived from having management systems. Auditors may be mindful that often management systems are implemented by consultants and therefore management does not really understand management systems and their true value in relation to social and environmental issues. While the use of consultants to prepare the mill to meet ASC Requirements is not discouraged, it is important management takes ownership and responsibility of all policies, procedures, work instructions and records that are maintained and implemented.

Employee interviews: The auditor could request the minutes of the last management system review and assess the outcome of the review meetings. What was discussed, what action plans were put in place and were actions taken within agreed timescales. Are appropriate resources being provided?

Interviews with personnel at different stages of the audit could also verify these points.

(1.2.3) In regard to document control and completion of records, the auditor will review records at many different points within the onsite audit and as part of the desk review. Always be aware to check records for signs of falsification.

This includes, but is not limited to, the following records:

- Time and attendance records
- Overtime records
- Payroll records
- Records of end of service settlements
- Health & Safety training records

- Minutes of meetings between workers & management
- Leave records (casual, sick and annual leave)
- Payment of social security to the relevant government department
- Machine maintenance records
- Records of fuel, water and electricity consumption

Employee interviews: Interviews may include discussions about records that are presented during the audit to verify consistency and confirm the authenticity of records by obtaining verbal testimony from interviewed personnel.

The auditor will also be aware during review of Due Diligence processes that records provided to demonstrate an incoming ingredient is from an eligible source, for example the auditor may decide to verify the validity of a certificate by cross referencing it on the standard owner's website or assessing the Due Diligence risk assessment (please also refer to the Due Diligence section for additional information).

(1.2.4) While the implementation of ASC Requirements may be assigned to several members of management, the management may assign at least one member who is both responsible and accountable for the whole implementation of those requirements. It is often noticed that when responsibilities are divided that any one member of management does not take full responsibility for implementation and auditors are often told that responsibility lies with several people without making anyone completely responsible and accountable.

(1.2.5) For example, to meet social requirements the following personnel would need to demonstrate certain competencies:

- Human Resource Manager – manpower planning, development, HR policies & procedures, recruitment process, knowledge of national/regional laws & regulations.
- Health & Safety Officer – knowledge of H&S risks and ways of mitigating them, performing H&S risk assessments, understanding of a root cause analysis, correction and corrective/preventative action.
- Compliance Manager/Officer: understanding of management systems, understanding of roles and responsibilities of personnel involved in implementation of different parts of the standard, management systems knowledge of policies, procedures, work instructions and records, knowledge of internal audits, writing findings, understanding of root cause analysis, correction and corrective/preventive action, sampling and management review.

(1.2.6) The auditor may review how internal audits are conducted, is there a pre-defined schedule that details when audits are to be conducted, does it include all ASC Requirements and are audits conducted as per the schedule.

The auditor will confirm internal audits are conducted by personnel who meet the competency requirements as defined in Annex C of the RUoC and cross-check the training records of individuals conducting internal audits.

Useful resources

The ISO 9001:2015 management system standards as well as a separate document giving advice for small enterprises, provide further useful information on management systems https://www.iso.org/management-system-standards.html

A similar approach is the plan-do-check-act (PDCA) cycle, and more information can be found on the America Society for Quality website https://asq.org/quality-resources/pdca-cycle

Legal Licenses and Permits

Legal Licenses and Permits

Supplier Code of Conduct:
The Criterion must be included in the feed mill's Supplier Code of Conduct for their ingredient manufacturers (Indicator 2.1.3) as well as the ingredient manufacturer's Supplier Code of Conduct for their suppliers (Indicator 2.1.8). The guidance and interpretation of the Criterion is to be followed by the feed mill's ingredient manufacturers, as well as their suppliers.

Due Diligence:
The guidance outlined below applies equally to all ingredient manufacturers. The mill must undertake Due Diligence of its ingredient manufacturers in line with Indicator (2.2.5).

Which Feed Standard Criterion does this apply to?

Criterion 1.1 - The UoC is in possession of all necessary legal licenses and permits.

What is the intent of this Criterion?

The feed mill possesses all required legal licenses and permits.

How do I interpret the Requirements?

It is important that all users have a good understanding of local licensing systems.

Feed mills are responsible for obtaining all necessary documentation for siting, constructing and operating their facilities. Assistance in determining these necessary licenses and permits can be sought from governmental agencies dealing with business and the environment and communities. This documentation, including for those applications in process, will be made available during audit or a selection could be requested by the auditor as part of the pre-audit document review.

Auditing only goes as far as checking compliance with licenses and permits related to activities within the scope of this standard. For example: business/operational licenses, land deeds, leases or concession agreements, construction permits, water use permits, effluent permits and landfill operation permits.

Auditing considerations

(1.1.1) It is important for auditors to have an awareness of all legal licenses and permits that are required based on the nature of the mill's economic activity and location. Licences and legal requirements may include, but not be limited to, the following:

- Business license;
- Factory license;
- Fire safety certificate from the local Civil Defence authority;
- Building fitness certificate;
- Permit or license to store fuel (such as oil and/or gas);
- Licenses or permits to house workers in company provided housing or dormitory;
- Certificate to confirm compliance to environmental laws and regulation.

Besides the above, auditors could verify the mill's compliance to periodic and timely submission of annual, bi-annual, quarterly, or monthly returns to relevant government departments and/or other competent authorities. In some parts of the world, a business license is not issued unless mandatory certificates of building fitness and emergency preparedness for natural disasters (fire, flood and/or earthquake) are obtained. Auditors could also be aware of approximate costs of obtaining all types of licenses & permits, their expiry date/s, the frequency of re-validity and the sequence of obtaining each license and permit. All legal licenses and permits to be reviewed in original and auditors be conscious of attempts made to forge documentation that the mill may produce to demonstrate compliance with local regulations.

Applicable laws

Applicable Laws

Supplier Code of Conduct:
The Criterion must be included in the feed mill's Supplier Code of Conduct for their ingredient manufacturers (Indicator 2.1.4) as well as the ingredient manufacturer's Supplier Code of Conduct for their suppliers (Indicator 2.1.8). The guidance and interpretation of the Criterion is to be followed by the feed mill's ingredient manufacturers, as well as their suppliers.

Due Diligence:
The guidance outlined below applies equally to all ingredient manufacturers. The mill must undertake Due Diligence of its ingredient manufacturers in line with Indicator (2.2.5).

Which Feed Standard Criteria does this apply to?

Criterion 1.3 - The UoC complies with applicable labour laws and regulations.

Criterion 1.17 - The UoC is in compliance with applicable environmental laws and regulations

What is the intent of these Criteria?

The feed mill complies with applicable laws and regulations.

How do I interpret the Requirements?

Compliance with applicable laws and regulations is achieved, regardless of the level of enforcement by local authorities.

? *What is 'effectively enforced'?*

Enforcement can be seen to be effective if all of the following are in place:

- *Laws and regulations are translated into regulatory requirements (e.g., site licence requirements)*
- *Performance against regulatory requirements is monitored by authorities (e.g., regular inspections)*
- *Insufficient performance against regulatory requirements is sanctioned by authorities (e.g., financial or criminal penalties, licence withdrawal)*
- *Facilities lose their licences/permission to operate in the case of major breaches of regulatory requirements.*

? *What are 'applicable laws and regulations'?*

Any type of law or regulation relevant to the scope and intent of the ASC Feed Standard, i.e., there is at least one Indicator related to it.

Compliance with labour and environmental -related laws and regulations (1.3.1 and 1.17.1)

Laws and regulations can be difficult to understand and complexly interlinked. For this reason, it is important that both feed mills and auditors are well versed in laws and regulation and well prepared for their applicability to the local context.

Feed mills can assist the verification process through different ways, for example:

- facilitating inspections by authorities, and have the documented outcome of such inspections available during the ASC audit;
- compiling and maintaining a register for legal labour and environmental compliance which can be used by the ASC auditor. For example, listing:
- relevant applicable laws and regulations, including (for labour related laws and regulations) those within the home country of any migrant employees;
- any ongoing developments in these requirements;
- compliance status, and any future actions needed to remain compliant; and
- any measures needed to correct potential non-conformities.

On occasion it may not be clear how to interpret laws and regulations (for example, if a law/regulation is under review in the courts). In these cases, feed mills present any government-issued guidance that is available, as well as any legal opinions (drafted by a judicial officer, legal expert or court) during the audit.

Employees are familiar with their labour-related rights (1.3.2)

The feed mill regularly communicates labour-related rights, including those specific to the ASC Feed Standard, to employees through various communication channels (e.g., posters or notification on notice boards, or a document issued to workers informing them of ASC Requirements) and training. Employees are able to access further information through HR or other internal/external persons or organisations if required. Employees are also able to use their knowledge of their labour-related rights through feedback channels such as employee surveys, grievance mechanism (see Criterion 1.13) and employee committees (see Criterion 1.8).

Auditing considerations

(1.3.1 & 1.17.1) Auditors may identify the management person assigned to ensure compliance with labour-related and environmental laws and regulations.

For labour related laws, this would usually be someone from Human Resources, assisted by other staff (probably from Administration).

For environmental laws, depending on the size of the mill, this could be a dedicated role or be part of another role for example the Technical Manger or Environmental and Health & Safety Manager.

Auditors can verify how the mill keeps itself updated with changes to legislation, and the system of incorporating any changes in the past into their company policies, procedures and work instructions. The company policy may detail how applicable laws and regulations are to be applied internally.

Changes to labour legislation, regulations and laws should also be reflected in workers' contracts and addendums be added to existing contracts.

Auditors can verify procedures and work instructions to ensure that the interpretation of labour-related laws and regulations are being interpreted correctly. For example, a working month according to labour law may be defined as 26 working days, but the mill could be interpreting this as 30 or 31 days, thereby reducing the day rate for calculating overtime premium or paying for sick leave.

Auditors may also verify the system in use for obtaining most recent legislation. In some countries, this may be done by visiting the relevant government website of the competent authority or direct consultation with the local government authority. For labour laws, Mill management may also use the services of labour law specialists and consultants to obtain information about changes to legislation and interpretation of existing or new legislation.

When possible, auditors may meet during the audit with external consultants/experts /labour law specialists to obtain clarity and interpretation of labour legislation, specifically

in areas that are ambiguous and which may affect workers' rights and the obligations of the mill.

(1.3.2) Auditors may want to read employment contracts between the mill and workers thoroughly to ensure that the applicable labour rights have been included. Mill management may also conduct induction training for new employees, in which case the content of such training and the competency of the person delivering it can be verified.

Employee interviews: Employee testimonies can provide necessary evidence that workers have broad knowledge of labour-related rights and any ASC Requirements on labour-related rights that apply to the mill.

✓ ***What do better practices look like?***

It is good practice to develop and maintain a document for each country where audits are conducted and highlight all ASC Requirements that are not addressed in the national/regional laws and regulations of each country. This will simplify the process of auditing for auditors and provide a focused approach in auditing this Indicator.

Useful resources

The International Labour Organization (ILO) maintains NATLEX (www.ilo.org/dyn/natlex), a database of national labour, social security and related human rights legislation across 196 countries and more than 160 territories and subdivisions. NATLEX is a free source of information for all users.

Forced Labour

Forced Labour

Supplier Code of Conduct:
The Criterion must be included in the feed mill's Supplier Code of Conduct for their ingredient manufacturers (Indicator 2.1.4) as well as the ingredient manufacturer's Supplier Code of Conduct for their suppliers (Indicator 2.1.8). The guidance and interpretation of the Criterion is to be followed by the feed mill's ingredient manufacturers, as well as their suppliers.

Due Diligence:
The guidance outlined below applies equally to all ingredient manufacturers. The mill must undertake Due Diligence of its ingredient manufacturers in line with Indicator (2.2.5) and primary raw material production (2.2.6).

Which Feed Standard Criterion does this apply to?

Criterion 1.4 - The UoC does not engage in – nor support – forced, bonded, compulsory labour or human trafficking.

What is the intent of this Criterion?

The feed mill prevents and does not engage in, or support, forced, bonded, compulsory labour or human trafficking. If any such issues are found the feed mill implements effective remediation measures.

How do I interpret the Requirements?

What is forced labour?

"Forced labour" means forced, bonded, compulsory labour or human trafficking within the context of this guidance.

No engagement or support of forced, bonded and compulsory labour or human trafficking (1.4.1)

The mill does not allow forced, bonded, compulsory labour or human traffic to occur as a result of its activities. “No engagement” means that forced labour does not occur within the mill’s production sites and facilities, as a result of actions taken by recruitment agencies for the mill, or within the mill’s supply chain.

Forced labour can take many forms, including the following:

1. *Work that is exacted from any person under the menace of any penalty.* Penalties do not need to actually take place for forced labour conditions to occur, the threat itself of the penalty or any other type of retaliation, as well as the penalty/retaliation itself, constitutes forced labour. Penalties and other types of retaliation include but are not limited to the following:
   (adapted from ILO Handbook on Forced Labour)

- isolation, restriction of movement, confinement or imprisonment
- physical and sexual violence against employee, family or close associates
- abusive working and living conditions
- excessive overtime
- financial penalties, withholding of wages
- shift to even worse working conditions, removal of rights or privileges
- exclusion from future employment
- deprivation of food, shelter or other necessities
- denunciation to authorities such as police or department of immigration, deportation
- any other type of physical, mental or social harm.

? ***Examples of work under menace of penalty***

- *An employee is forced to work overtime in excess of national legal limits and collective bargaining agreements, under threat of losing his or her job.*
- *When the spouse of a current employee refuses to also work in the mill during a period of high demand and peak production, the family is threatened with eviction from employer-provided housing.*
- *When a migrant worker complains about getting paid a lower wage than a local employee, mill management threatens reporting the incident to the authorities, falsely hinting this may lead to deportation.*

   a. *Work for which the person has not offered himself or herself voluntarily, but has been deceived or coerced for the purpose of exploitation.*

This includes any circumstance where employees:

- are not informed of working conditions prior to or during employment
- are not allowed to terminate employment at any time
- are subject to debt bondage
- have otherwise been deceived or coerced into staying on the job.

Debt bondage can occur when:

- employees incur debts related to employer loans with high interest rates that they cannot repay in a reasonable amount of time,
- employees are forced to pay off recruitment fees, or
- employees are forced to pay high portions of their salaries towards employee-provided accommodation or supplies purchased at an inflated cost at employer-run stores.

? ***Examples of work for which the person has not offered himself or herself voluntarily but has been deceived or coerced.***

- *A person is recruited in one country with the understanding that they will be paid above the legal minimum wage, once they have arrived on site in the workplace in another country, the salary offered for the job is lower.*
- *Upon signing a contract, the employer asks to retain the employee's work permit and legal identity documents and refuses to return the documents when the employee resigns.*
- *The mill withholds the first month's wages for an employee until the end of the contract period, saying they need the employee to remain on the job to guarantee the recruitment costs.*
- *The costs for employer-provided housing, meals and/or items bought at the employer-run store puts the employee into debt over time, creating a situation of debt bondage, where the employee is forced to remain in employment to pay off the debt to the employer.*
- *Recruited employees are charged for the cost of an orientation or ongoing training program. These employees are forced to continue to work for the employer for reduced pay while they pay off loans incurred for the training.*

Compliance with Criterion 1.9 'The UoC contracts employees in a transparent manner' provides essential safeguards to ensure that potential employees have been informed of and not deceived about the conditions under which they will be working, have consented freely to the job, and are not victims of forced labour.

Drivers of risk for forced and bonded labour

How the mill can best assure that no forced labour happens on site will vary depending on the mill's external and internal contexts, or drivers of risk, which can be managed using the steps outlined in the Risk Management Framework Annex.

In general, the risk of forced and bonded labour is higher in areas where there is poverty, low levels of education, and there is a weak rule of law, lack of effectively enforced legal protections for employees, and an economy dependent on cheap labour. Vulnerable populations such as migrants or minorities are especially at risk. Migrants because of language barriers, lack of local connections and fear of deportation; local minorities or marginalized groups because of lack of support from local authorities or the community, or traditional patterns of discrimination. Young, unskilled and illiterate employees may be less aware of their rights than more mature, skilled or better educated employees.

There may be a higher risk of forced labour if there is a lack of oversight into the hiring process. Mills with variable production or demand that leads to peak production periods may be at higher risk when demands for labour rise temporarily and short-term or day labourers are hired under time pressure, family members living onsite are pressured into working, or employees are forced to work excessive overtime. Mills in remote locations or that provide accommodation on site are also at greater risk, as employees might have no way to leave or nowhere to go.

Measures preventing forced labour

Protections outlined in all other 'Labour rights' Criteria in this Standard lower the risk of forced labour in the workplace by addressing underlying drivers. These critical protections include limiting working hours, preventing workplace discrimination, ensuring decent wages, transparency in contracting, worker rights awareness, and maintaining an effective grievance mechanism. Additional measures that can be taken to address the risk of forced labour are included in Better Practices, below.

Working with Recruitment Agencies (1.4.4)

Initial screening and continued monitoring of recruitment agencies are carried out by the mill, or in some cases by subcontracted professionals such as acknowledged NGO licensing programs. Even where the screening and monitoring process is outsourced to subcontracted professionals, the full responsibility for compliance with the ASC Standard remains with the mill. This includes recruitment agency activities directly addressed in the ASC Standard under 1.4.5-7 and 1.6.2-5, as well as any other activity such as age verification and contractual agreements. When recruitment agencies are used for hiring foreign migrant employees, there is a Memorandum of Understanding (MoU) and terms and conditions agreed between both parties (feed mill and recruitment agencies) detailing the conditions under which foreign migrant employees will be hired.

Employees retain possession of legal documents (1.4.5)

Original personal documentation, including documentation needed to resign and travel, and in the case of migrant workers documentation needed to leave the country, remain in the employee's possession. These may include, for example, ID cards, passports, and visas. If a secure storage option for personal documents and valuable possessions is provided, the mill ensures that the employee is using the storage voluntarily, the storage is documented, and employees have free access to their possessions.

No withholding of salary, property or benefits (1.4.6)

Withholding salary, property or benefits of employees by the employer can be used as a measure to pressure an employee to stay in employment and is to be avoided unless legally required*. Benefits include those allowed by law or defined by contract or collective bargaining agreement, including for example paid time off, sick leave, health insurance or private pensions schemes.

*Exceptions to this Indicator include the following, which the employer is allowed to withhold:

- Salary withholdings, as required by the government for money owed to them or elsewhere. For example, part of a salary is sometimes withheld by a government for statutory pensions, health insurance, taxes. Or a government can sometimes require the withholding of salary to pay overdue child-care support costs to another parent or pay overdue taxes.
- Salary deductions, as defined in a contract or collective bargaining agreement, that are agreed by both parties. For example, an agreed voluntary deduction for housing costs could be allowable.
- Bonuses, which are considered optional and additional to the agreed salary and benefits. However, if clearly defined performance targets related to a bonus payment, as defined in a contract have been achieved, then the bonus cannot be withheld.

No recruitment or other fees charged to employees (1.4.7)

Whether hired through a recruitment agency or otherwise, employees are not charged recruitment fees or related fees. There should be explicit written agreement between the mill and the service provider that worker will not be charged any fees towards recruitment at any stage of recruitment, which includes possible charges to workers by sub-agents as a finder's fee or any other charges. Following are a list of recruitment fees and related fees

as determined by the ILO and adapted from their guidance[1] that may be incurred as a result of the recruitment process and that are not to be charged to potential or actual employees:

Recruitment fees

- Payment for services provided by a recruitment agency to match employers with applicants for employment
- Payment for the recruitment of potential employees for the purpose of employing them to perform work for a third party
- Payments required to cover costs of recruitment fees from employees
- Payments to cover costs of recruiting referral and placement services, for example advertising positions or conducting interviews.

Related fees

Related fees are expenses related to recruitment and placement within or across national borders. Costs may apply to both local and international recruitment, although international recruitment may involve more and higher costs. The following fees, when related to the recruitment process and initiated by a recruitment agency or employer, are not paid by the employee or potential employee:

- Medical costs: payments for medical examinations, tests or vaccinations
- Insurance costs: costs to insure the life, health or safety of an employee, including enrolment in migrant welfare funds
- Costs for skills and qualification tests
- Costs for training and orientation: including on-site and pre-departure or post-arrival orientation of new employees
- Travel and lodging costs within the recruitment process, including for training, interviews, consular appointments, relocation, and return or repatriation
- Application and service fees that are required for the recruitment process, including fees for services in preparing, obtaining or legalizing workers' employment contracts, identity documents, passports, visas, background checks, security and exit clearances, banking services, and work and residence permits.

[1] ILO General principles and operational guidelines for fair recruitment and definition of recruitment fees and related costs https://www.ilo.org/global/topics/labour-migration/publications/WCMS_536755/lang--en/index.htm

This list of costs is not exhaustive. Undisclosed costs are also never allowed, such as previously undisclosed cost recovery-fees for expenses after they occur.

Free use of sanitary facilities and water (1.4.8)

Free movement of employees to use sanitary facilities and access water is sometimes guided by health and safety or food safety procedures. For example, the feed mill may need employees to change clothes for food preparation or move to a designated area for health and safety reasons. Where workers have special needs, for example health needs that require frequent food and water, these needs are accommodated.

Employees not kept on site outside of work shifts (1.4.9)

Employers communicate to employees that they are allowed to leave the worksite and allowed to leave their accommodations when living on site, when they are not on their shift. This pertains to employees regardless of the length of the duration of stay on-site. This does not apply where staying on site is part of the work agreement e.g., two-week on a feed barge followed by one-week off.

Reasonable and safe transit (1.4.10)

In order to ensure that the employee is freely able to leave the workplace as per Indicator 1.4.9, the mill provides reasonable transportation for employees to reach nearby communities when there is no public transportation, or there are no easily accessible, available and affordable private transportation options. An example of reasonable transportation to leave the premises would be the provision of a free shuttle at the start and end of each shift to the nearby towns where employees live, in areas where there is no public transport.

The workplace is considered readily accessible without the need for employer-provided transportation, where it is common for employees to have their own transport.

Where the workplace is remote, transportation may only be necessary at the end of an agreed upon time period. For example, where a two-week on-site, one-week off-site duration of stay on-site is agreed, employees are free to leave the site during their two-week period on site when not working, but transportation during that two-week period may not be a necessity.

Freedom to choose accommodation (1.4.11)

The mill may provide housing for employees that meets the terms of 'Employee accommodation (Criterion 1.14). When the mill does provide housing, whether it owns, leases or contracts the dormitories from a service provider, the mill communicates to employees that living in this housing is optional for them, when there are other local options available.

No prison labour (1.4.12)

The mill does not contract prison labour nor does the mill work with agencies that use prison labour. This Indicator applies to any person held involuntarily. This includes but is not limited to unauthorized immigrants, refugees, people awaiting trial or sentence, prisoners, people in drug rehabilitation programs, people held for retraining or held for political reorientation. This Indicator also applies to reintegration programs where work may be voluntary and persons held/prisoners may receive a salary. Although the intention of such programs is to facilitate an inmate's transition back into society, the ASC does not allow such programs under this Standard as it is not in a position to monitor the fairness of such practices and ensure that there is no exploitation of people on a global scale.

Remediation of forced and bonded labour (1.4.2)

Remediation of forced and bonded labour will vary depending on the situation and the needs of the employee in question, but always takes into account the best interest of the employee, respecting their wishes and protecting their privacy. In severe cases where the employee may be in danger, immediate steps are taken to safeguard the employee, including removing them to a safe location. In the medium term, a plan is put in place to provide appropriate remedy to the victim, including but not limited to restoration of original job terms, wage repayment or other compensation, medical or other care as necessary, repatriation or other steps deemed necessary.

See the Remediation Section of this document for full guidance on remediation of forced and bonded labour including timelines and reporting obligations.

Corrective action to prevent reoccurrence (1.4.3)

In the event that forced or bonded labour is found in the workplace, the mill performs an analysis of what went wrong in their system to prevent it, and implements measures to prevent future recurrence. It is recommended that the mill works with local experts on the corrective action, and uses the Risk Management Framework process in Annex 1. See the Remediation Section of this document which provides further detail on corrective action timelines.

What do better practices look like?

The mill has performed a risk assessment of the factors that could lead to forced labour, and when the assessment shows that the mill is at high risk of forced labour, measures are taken to reduce the risk of forced labour at the worksite. Additional measures to reduce the risk of forced labour can include:

- *Paying employees a living wage*
- *Providing literacy and numeracy training*
- *Facilitating access to external worker rights organizations for rights training, and access to external grievance mechanisms*

Auditing considerations

(1.4.1) Auditing this Indicator requires understanding of socio-economic conditions in the country/region and a general understanding of poverty, unemployment and literacy levels. Risks related to forced, bonded and compulsory labour, or human trafficking, get exacerbated when the mill hires workers from labour contractors/ suppliers and recruitment agents or agencies, particularly foreign migrant workers. Auditors need to be conscious of domestic migrants that migrate from another part of the country to the audit site; language and culture can often be different and this creates a certain degree of vulnerability. Auditors may refer to the most recent country report issued by the US State Department for human trafficking - *https://www.state.gov/trafficking-in-persons-report/*. Reading a specific country report about where the audit is being conducted helps in creating a more focused approach and developing investigative questions for both management and workers.

Document review:

- Policies, procedures and records related to the recruitment process reviewed thoroughly to note if potential risks have been addressed.
- The risk assessment may address risks from hiring contractual workers from labour suppliers, recruitment agencies that provide both domestic and foreign migrants.
- Employee contracts reviewed for consistency with policies, procedures and national/regional labour-related regulations. Instances of penalties for breach of contract or misdemeanour can be highlighted and verified for subsequent conformance to requirements or commitments made by the mill.
- Employee contracts verified to check if exit clauses for workers that wish to terminate services are included and are fair and consistent with local labour-related regulations or the company's policies as may be applicable.

- Verify through document review if workers have signed shadow contracts that offer terms and conditions that are sub-par with normally accepted working conditions and/or local regulations.
- National/regional laws and regulations often define the process of recruitment for casual, temporary and contract workers hired through labour suppliers or recruitment agents. Labour suppliers often need to possess business licenses and register with the local government body as a competent labour/manpower supplier. Verification of this may form a part of document review.

Employee interviews: Questions during interviews, both individual and in groups, can focus on:

- hiring practices, including the process of recruitment,
- enquiry if workers present themselves for work voluntarily, and
- possible penalties that may apply to workers if they wish to resign from their jobs.

Additionally, auditors can enquire from casual, temporary, migrant and workers hired through labour/manpower suppliers or recruitment agents/agencies about contracts they signed at the time of recruitment/hiring and those that they signed upon joining work. If workers state that two or more contracts were signed auditors will investigate and obtain copies of all contracts signed by workers and verify for consistency with the mill's policies, national/regional law and acceptable industry practice.

Auditors would want to familiarize themselves with international recruitment practices for hiring migrant workers, the use of multiple recruitment agents, where no single agent/entity is responsible for providing work to the employee. This creates a situation of possible coercion, where workers may be exploited because of their vulnerability and their possible need to obtain employment at any cost.

(1.4.2) Auditors may review documented remediation procedures to verify if all potential risks as provided in the auditing guidance for 1.4.1 above have been addressed. Internal audits, as required by Indicator 1.2.6 could include methods of auditing and detecting possible forced, bonded and compulsory labour, and human trafficking.

Remediation procedures should be worker centric and state definitive action that is to be taken by the mill if instances of forced, bonded or compulsory labour, or human trafficking are detected during routine internal audits or during audits performed by CAB auditors, the ASC scheme owner or the ASC Accreditation Body.

(1.4.3) This indictor is Not Applicable if there are no instances of forced, bonded or compulsory labour, or human trafficking detected. However, in a situation where forced, bonded or compulsory labour, or human trafficking are detected, the mill may perform a root cause analysis to understand causes of such occurrence(s). This is based on the

rationale provided under Criterion 1.2. Immediate correction may include informing workers that have been affected of the action that will be taken to correct matters.

While documented corrective action should be taken to prevent recurrence, it is important to develop corrective action based on a root cause analysis. As part of corrective action to ensure sustainable compliance to the ASC Standard, the mill's policies, procedures and work instructions may require the mill to perform an interim management review to make necessary changes to policies and procedures and possible changes to the internal auditing approach. The mill may also seek professional guidance and advice from external experts on the subject. Such professional guidance or advice may be provided by the government or by current or past employees of the government, NGOs, academia and other interested parties.

Employee interviews: Employees could be asked questions to verify awareness of the mill's policies and procedures and the process that is to be followed if instances of forced, bonded or compulsory labour, or human trafficking are detected.

(1.4.4) Screening of employment/recruitment agencies and manpower/labour suppliers could be part of the recruiting policies and procedures if the mill hires workers through such entities. Verification that labour suppliers and employment and recruitment agencies are registered with the government and have a valid business licence to operate to provide manpower on contractual, short or long-term bases. Auditors can seek to verify the business licences of employment/recruitment agencies in the original, with a specific focus on possible falsification of records and methods of deception as stated in 1.2.3.

Auditors can verify documented contractual arrangements between the mill and the labour supplier/recruitment agency and assess whether the terms and conditions mentioned in the contractual agreement are consistent with national/regional labour-related legislation.

(1.4.5) While verifying documented contractual arrangements between the mill and any agencies involved in recruitment there may be specific mention that the agency should not withhold original documentation like national IDs, original visas, letters of experience or educational degrees/certificates or passports of employees. All personal documents should be in the possession of the workers.

The above also applies to the mill: recruitment policies and procedures and employment contracts should not indicate that workers are required to deposit any personal documents, such as those mentioned in the paragraph above, with the mill under any circumstances. If workers IDs, passports or visas are required for inspection by local authorities then workers may be asked to deposit their personal document/s for the period when inspection/verification will take place and be immediately returned to workers thereafter.

Employee interviews: Auditors should seek specific information from employees if personal documents have been deposited with the recruitment agency(ies) or the mill as a pre-condition to employment.

(1.4.6) Document review: Personnel files should be viewed carefully to note if the mill makes involuntary deductions as stated above and if evidence is available for this. The finance/accounts department(s) can be asked during the audit if there are cases when situations like the above have occurred or are prevalent.

Employee interviews: Interviews can include questions related to amounts that might be deducted from wages and benefits for any reason, such as to pay for loans or payment of fees to recruitment agencies directly or indirectly. Employee interviews should confirm that all deductions that take place are those that are statutory ones and relate to requirements of law, such as social insurance or taxes.

(1.4.7) Auditors possess a thorough understanding of national/regional laws and regulations related to hiring workers through labour suppliers/agents and manpower suppliers for local workers and domestic and foreign migrants.

When the law does not state that charges involved in recruitment are to be paid by the employer, the ASC Standard will apply. Any costs related to recruitment, such as deposits, travel costs, work visas, costs of medical tests before travel and upon arrival at the receiving country, and repatriation costs will be borne by the employer.

Auditors can verify contractual agreements and terms and conditions signed between the mill and recruitment agencies, manpower suppliers and labour contractors.

Employee Interviews: Interviews can focus on questions related to fees they may have paid before they were hired to obtain employment and any deductions being made from their current wages to pay loans or fees that they may have agreed to between them and the agent or the mill at the time of recruitment.

(1.4.8) Freedom of movement is a basic human right. Employees should not be restricted from using toilets and provided access to drinking water at the time of work.

Auditors can seek to verify if rest breaks are given periodically in accordance with the law and if a token/ticket systems exist that allow only a certain number of workers to access sanitary facilities and drink water at a time. This is a common practice adopted by management to enhance productivity especially during high season periods or to meet daily, weekly or monthly production targets. Workers should be provided unhindered access to sanitary facilities and drinking water during their work shifts.

Employee interviews: Interviews can seek to verify how many times employees are allowed to use sanitary facilities and drink water during a work shift. Additionally, auditors

could verify if the number of drinking water points and toilets and urinals (separately for male and female employees) meet the requirements of national/ regional labour law.

(1.4.9) Auditors will need to have an understanding of the challenges faced in production and the availability of workers to complete assigned tasks. They may seek to understand production processes and possible bottlenecks that cause delays in production that might result in workers being asked to stay to complete tasks beyond regular hours with no compensation for extra hours of work. Any time spent working beyond regular hours should meet overtime hour work limits per day and be compensated at the appropriate overtime premium. Furthermore, all such work should be voluntary in nature.

Another situation often faced, is delays caused when transporting workers back to their homes/dormitories after completing of a work shift if transportation is provided to workers as a part of their contractual benefits. Auditors can verify transportation schedules and determine if delays are caused due to late arrival of transportation caused by traffic delays.

Employee interviews: Open ended questions during interviews (individual and group) can focus on understanding production challenges and bottlenecks and any requirements for employees to stay back to complete production tasks and targets, involuntarily and without overtime compensation.

(1.4.10) Auditors could verify employment contracts and gain a thorough understanding of the transportation needs of workers and also the remoteness of the mill's location. Additionally, labour laws and regulations, both national and regional, can be verified to know if employees that live/work in remote areas are to be given to specific provisions because of the remoteness. Labour law often describes what constitutes a remote area and provides a specific distance from a town or city in an urban area. Such laws and regulations will be considered and included in the management's operational policies that may also be included in the employees' terms of employment.

Even if labour law does not specify additional provisions for those that work in remote areas, mills often provide transportation for employees on weekdays after work and at the weekend for grocery shopping and visiting the neighbouring town or city. This may be part of the mill's policy and this can be verified when conducting the document review. The frequency of such mill-sponsored trips can be verified, as well as access to all workers when conducting worker interviews.

In non-remote areas, auditors should be aware of bus routes, their frequency and dependability and their use by employees.

(1.4.11) Employees have the freedom to choose where they stay if the mill is situated in non-remote area. Requiring employees to stay in company operated/provided accommodation may indicate a risk of non-voluntary overtime that workers may be required to do after regular working hours. If workers choose to stay in employer-operated

accommodation at a subsidized cost the cost of accommodation and utilities (like water and electricity) should not be more that what the worker would have to pay if they chose to stay on their own. Workers can be interviewed to determine that they understand their housing situation and are aware of the costs of living in employer-operated accommodation versus other accommodation they might choose to live in.

(1.4.12) While the use of prison labour may be allowed in certain countries under specific provisions of the law, the use of such labour is not permitted in a mill that seeks certification or is certified to the ASC Feed Standard. Auditors may wish to verify the profile of workers being supplied by labour recruiters/brokers and employment agencies and address this specifically during worker interviews. Questions may be asked of workers related to employment history, their skills and competence.

Useful resources

ILO Standards on Forced Labour
https://www.ilo.org/wcmsp5/groups/public/@ed_norm/@declaration/documents/publication/wcms_508317.pdf

ILO Handbook for combating forced labour for employers and businesses
https://www.ilo.org/global/topics/forced-labour/publications/WCMS_101171/lang--en/index.htm

ILO General principles and operational guidelines for fair recruitment and definition of recruitment fees and related costs https://www.ilo.org/global/topics/labour-migration/publications/WCMS_536755/lang--en/index.htm

Child Labour

Child Labour

Supplier Code of Conduct:
The Criterion must be included in the feed mill's Supplier Code of Conduct for their ingredient manufacturers (Indicator 2.1.4) as well as the ingredient manufacturer's Supplier Code of Conduct for their suppliers (Indicator 2.1.8). The guidance and interpretation of the Criterion is to be followed by the feed mill's ingredient manufacturers, as well as their suppliers.

Due Diligence:
The guidance outlined below applies equally to all ingredient manufacturers. The mill must undertake Due Diligence of its ingredient manufacturers in line with Indicator (2.2.5) and primary raw material production (2.2.6).

Which Feed Standard Criterion does this apply to?

Criterion 1.5 - The UoC protects children and young workers.

What is the intent of this Criterion?

The feed mill ensures child labour is prevented. If child labour is found, the feed mill implements effective remediation measures.

How do I interpret the Requirements?

No child labour (1.5.1, 1.5.4, 1.5.5)

The mill does not allow child labour to occur as a result of its activities. Not being engaged in child labour means that child labour does not occur within the mill's production sites and facilities, as a result of actions taken by recruitment agencies for the mill, or within the mill's supply chain.

It can be positive for a child to be introduced to work when the work does not interfere with their schooling, personal development, or health or safety; when they are properly supervised; when they work in acceptable conditions with enough time for rest and recreation.

> ? ***What is child labour?***
>
> *A child is anyone under the age of 18. Child labour is any unacceptable form of work carried out by children and prohibited by ASC, including the following: all children under the age of 13 taking part in any economic activity, all children between the ages of 13-14 years engaged in more than light work as stipulated by national, regional and/or local regulations, and all children under the age of 18 involved in work that is mentally, physically, socially or morally dangerous and harmful to children or interferes with their schooling.*

Young workers

Children above the age of 15 may be employed by the mill as young workers, so long as the work is not hazardous, they are appropriately supervised and trained, they are above the age of mandatory schooling and the national, regional, and/or local law permits children to work. In countries where ILO Minimum Age Convention 138 allows young workers as of the age of 14 years of age, the ASC also permits this, so long as they are above the age of mandatory schooling in their country. Children below the age of mandatory schooling are not allowed to be employed as young workers. For example, if school is mandatory in a country until the age of 16, a 15-year-old child may not be employed as a young worker but only employed for light work.

Children who are allowed to conduct light work

Children above the age of 13 may be employed by the mill for light work when they are appropriately supervised and trained by adults, and the work is non-hazardous. Light work does not interfere with a child's schooling and does not take place during normal school hours; and work is limited to specific time ranges. In countries where ILO Convention 138 allows light work for children as young as 13 years of age, the ASC also permits this.

Children helping out parents at home with daily chores or participating in other activities unrelated to the function of the mill are not covered in the scope of the Standard.

Table 1: Permitted type of work per age group. This table summarises the type of work allowed for each age group. The shaded cells indicate what is prohibited.

Allowed type of work	Hazardous work	Non-hazardous work	Light work
Adult Employee age 18 or older	Allowed	Allowed	Allowed
Young Employee between 15[2]-17 years		Allowed	Allowed
Child engaged in light work between 13[3]-14 years			Allowed
Child under 13 years			

Ensure time for education, rest and play

No child under 18 working at the mill may be deprived educational opportunities (including attending school during school hours or after school activities); forced to leave, drop out, or otherwise depart school early; or forced to combine school attendance with long working hours. In order to ensure this, the mill follows working hour requirements for young workers and light work that are laid out in Indicators 1.11.11-1.11.26.

Verify age of young employees and other children

The mill ensures that the age of young employees and the age of children performing light work are in line with ASC Requirements. This is verified by legal documentation in a robust age identification process. In a robust process the mill requires proof of identity,

[2] ILO Convention 138 allows for 14 years as exception in certain developing countries. ASC follows ILO Convention 138 and equally allows employment from 14 years in these countries.
[3] ILO Convention 138 allows for 12 years as exception in countries that have signed on to the convention with this age, which currently includes only the Dominican Republic. ASC follows ILO Convention 138 and equally allows employment from 12 years in this country.

preferably an official photo ID card such as a national ID or passport, or birth documentation. If there are concerns that the identification may not be authentic, the person recruiting the young worker undertakes additional verification by interviewing the applicant including information on their background (for example about schooling history, family and family members) to make sure that the potential employee is being honest about their age, and the information provided is plausible.

Assess and prevent hazardous work (1.5.6)

The mill ensures that any children working at the mill are only undertaking safe work. Young employees may only perform non-hazardous work. Children may only perform light work, which is non-hazardous. No work may be harmful to the child's health, safety, or morals. Children undertaking hazardous work are considered to be involved in child labour.

Children are more vulnerable to hazardous work conditions for several reasons. They may lack physical maturity and strength, and they need more sleep than adults. They have little experience and their judgement ability is still under development.[4]

When children are present in the mill, the health and safety risk assessment required in Health and Safety Indicator 1.7.1 must address hazards and hazardous work that apply specifically to children. Many national governments have lists of hazardous tasks from which children are not permitted to do that the feed mill needs to abide by.[5]

[4] https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---ipec/documents/publication/wcms_792211.pdf
[5] The Findings on the Worst Forms of Child Labour report updated annually by the United States Department of Labour names specific government regulations as to what constitutes hazardous work for children in 131 countries: https://www.dol.gov/agencies/ilab/resources/reports/child-labor/findings

? *Examples of Potential Hazards for Working Children*

Children are prohibited not only from any work that has been deemed hazardous for adults, but also from work that may not be hazardous for adults but that may be for children, for example:

- *A job that requires long periods of isolation without human contact, which can cause mental harm such as stress, anxiety and depression to a child.*
- *Physical work carrying heavy loads, which can lead to physical injury and permanent damage to a body that is still developing.*

✓ *What do better practices look like?*

Where children are working, the mill produces a list of allowable tasks for children, along with a list of hazardous work that is not permitted for children. This list is shared with all employees.

Encourage schooling (1.5.7)

Ensuring access to education helps prevent child labour. When employees and their families live on site, the mill supports access to schools for employees' children. This may mean, for example, providing a bus service or bicycles to reach school when the nearest school is outside walking distance, or raising awareness among employees about the importance of children attending school.

✓ *What do better practices look like?*

In the case that the mill is located in a remote location and there is no access to school for employees' children living in the area, the mill is encouraged to engage with local authorities to support opening a local school.

Drivers of risk for child labour

How the mill can best assure that no child labour happens on site will vary depending on the mill's external and internal contexts, or drivers of risk, which can be managed using the steps outlined in the Risk Management Framework Annex.

In general, the risk of child labour is higher in areas where families have low incomes, there is limited access to schools and a lack of effectively enforced legal protections for

children. Children of vulnerable groups such as migrants or minorities are especially at risk of child labour, as are children living in unstable regions due to war or political unrest.

Mills that use recruitment agencies may be at a higher risk of child labour because of a lack of oversight into the hiring process. Mills with variable production or demand that leads to peak production periods may be at higher risk of child labour when demands for labour rise temporarily and short-term or day labourers are brought on that are hired under time pressure. Mills that provide family accommodation on site or have children otherwise present on site and mills that employ workers under age 18, especially when hazardous work exists within the facility, are also at greater risk of child labour.

Practices embedded elsewhere in the ASC Standard that protect against child labour include requirements to follow local labour law, clear contracting requirements, awareness raising on employee rights including those of young workers, and human rights, protections against discrimination and a fair and accessible grievance mechanism.

Remediation of child labour (1.5.2)

Any child performing work for the mill that does not meet the conditions outlined in Indicators 1.5.1, 1.5.4, 1.5.5, or the working hour requirements in 1.11, is considered a child labourer and the situation must be remedied.

Remediation of child labour will take different forms depending on the situation and the needs of the child in question, but always takes into account the best interest of the child. When remediating a case of child labour, there are immediate actions that must be taken to safeguard the child, for example removing them from the work situation to a safe location and locating their parents. Then in the medium term, and ideally in consultation with local experts such as NGOs, a plan is developed to protect the child and ensure access to adequate resources to provide long term support for the child and their education. Lastly, the plan itself is enacted and monitored, which can take up to several years.

See the Remediation Section in this document for full guidance on remediation of child and forced and bonded labour including timelines and reporting obligations.

Corrective action to prevent recurrence (1.5.3)

In the event that child labour is found in the workplace, the mill performs an analysis of what went wrong in their system to prevent child labour, and implements measures to prevent future recurrence. It is recommended that the mill works with local experts on the corrective action and uses the Risk Management Framework process in Annex 1. Potential measures to prevent child labour include:

- Robust age verification system prior to employment
- Facilitate children's access to school

- Employee education about child labour and child rights
- Facilitate access to childcare for workers
- Pay workers a living wage
- Promote community awareness on child labour
- Provide literacy and numeracy training for employees
- Birth registration campaign

Auditing considerations

(1.5.1) Auditing child labour requires the auditor to be well prepared with background knowledge of social and cultural dynamics of the country, region and the workplace. This is particularly important when the mill is located in a rural area where enforcement of law and oversight by competent authorities is limited. Thorough knowledge of national and local laws and regulations cannot be overemphasized. Besides knowing national laws/regulations related to minimum age of employment for children (adolescent/young workers), auditors could also verify national laws and requirements for mandatory schooling.

National laws and regulations will define the minimum age of employment. Auditors could review the methodology followed during recruitment and speak to Mill management and staff to understand the robustness of the age verification system. The system should provide a foolproof method of determining age, e.g., by reviewing copies of birth certificates, national ID cards, school leaving certificates and records and asking workers specific questions to determine their age before hiring.

Auditors may verify if the mill has internal mechanisms after employment starts, to verify the age of workers that seem suspiciously young.

Auditors could review the mills methodology or procedure for recruitment and speak to management and workers to understand the robustness of the age verification system. Verification of the system could be conducted by subtly noting the names of staff spoken to during the site tour and verifying their age by requesting copies of birth certificates, national ID cards, school leaving certificates.

(1.5.2) The mill may have a remediation action plan (procedures) in place to be implemented in the event that child labour is discovered by the mill or the CAB. The remediation action plan should include detailed steps that would be taken under all anticipated circumstances and scenarios. The mill may decide to implement remediation as set out in this document however they are not obliged to, so long as the mill can demonstrate effective remediation has taken place and is verified to ensure effectiveness.

Past remediation actions taken in instances where child labour has been identified should be documented. A general practice for auditors would be to ask mill management to

explain the remediation procedures to obtain full understanding of the management's commitment to ownership of documented procedures.

CABs may have internal procedures on action their auditors are to take where cases of child labour/forced labour are found during the audit.

Below is suggested guidance only and CABs would be encouraged to develop their own documented procedures and communicate to their audit teams the action to take if a suspected case of child/forced labour has been found during an audit or during the desk review stage.

The below has been adapted from Rainforest Alliance.

General Points to consider:

- Clarifying responsibilities of the audit team in case a (potential) violation is identified
- Adopting a people-centred safe-guarding approach, placing the safety, welfare and confidentiality of any at-risk person as the primary and paramount factor
- Adapting to local context, legal framework and risks related to the Client (Mill)

When (potential) cases are found during the audit:

- Immediate safeguarding of (potential) victim(s) in case of abusive and dangerous situations, possible coercion and violence by employers or other people
- Establishing trust and obtaining consent of (potential) victim
- Investigating, gathering and securing of information and evidence. The audit team shall consider the likelihood that there are other persons impacted that have not yet been identified and take appropriate steps to identify those.
- Referral. Clarifying, after consent of the victim(s) and if safe to do so, which internal and/or external stakeholders to refer to. Also, in case it was mill management who was inflicting the violation.
- Safety of the audit team: The CAB could include how the audit team can ensure their own safety, see also the Feed CAR Section 13 Audit Methodology where it states, the lead auditor shall cease the audit process in cases when the Client threatens any member of the audit team.
- Reporting of findings: The audit team should record/document and report the issue, maintaining the anonymity and safety of the victim

(1.5.3) Auditors could verify if mill management understands how to conduct a root cause analysis to make effective corrections that would prevent child labour from being employed, should the case arise in future. Auditors may also, when possible, review procedures, if any that exist, showing how corrective action will take place – this should be aligned with the remediation procedure developed by mill management.

(1.5.4) It is important auditors are aware of national laws and regulations that define hazardous work for those that are not adults and are 15 or above. Additionally, laws and regulations related to mandatory schooling are applied.

(1.5.5) It is important auditors are aware of national laws/regulations that define light work for those that are not adults. In the absence of such national laws/regulations the mill may be asked to provide a letter from the competent authority stating what activities may constitute light work. Auditors could verify how the mill and family members of those who are 13 and above impart training. Children should work under the guidance and supervision of the mill and/or a family member of the young worker. Auditors also need to ensure that laws/regulations related to working hours for young workers are complied with.

Auditing Tip – Age verification

In cases where the auditor is interviewing a child or young employee it is important to be able to adapt to a communication style suitable to the young employee's age. Care should be taken to avoid asking direct questions about their age as this may scare them off.

Another means of verification could be to interview other employees to determine whether this is an isolated case.

(1.5.6) Auditors could verify whether the level of risk (low, medium, high) has been assigned in Step 3 of the Risk Management Framework process as outlined in the Feed Standard Annex 7. Any risk that children and young employees might be carrying out hazardous work or work that is not light should be assessed by the mill. Auditors may request a list of tasks which are assigned to all categories of young employees (with examples).

Auditors can review this assessment and refer to it during site tour to ensure the risk assessment reflects actual practices and includes all tasks and associated risks.

(1.5.7) Auditors can gain understanding from the mill about employees' children that live on-site. The mill can provide details (numbers and age) of those that are not yet adults but live on-site with their families. The mill could be asked about local schools that children attend, the distance from the mill operations and any facilities that the mill provides for employees' children to attend school.

Worker interviews may focus on obtaining information about the convenience of sending children to school and any assistance provided by the mill in encouraging children to attend school.

Auditors can also verify national laws/regulations that may be in place that apply to workers in rural areas which relate to school education for children and the employers' obligations related to this, if any.

Useful resources

Supplier Guidance on Preventing, Identifying and Addressing Child Labour, ILO https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---ipec/documents/publication/wcms_792211.pdf

An Introduction on Legally Preventing Hazardous Work for Children https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---ipec/documents/publication/wcms_ipec_pub_30296.pdf

Eliminating Child Labor, Best Practice for Remediation, GoodWeave https://goodweave.org/wp-content/uploads/2021/06/210617-Remediation-GoodWeave-KFC.pdf

Roundtable on Sustainable Palm Oil Guidance on Child Rights for Palm Oil Producer https://rspo.org/news-and-events/announcements/rspo-launch-new-guidances-to-further-strengthen-child-rights-protection

Rainforest Alliance Child Labor Guide https://www.rainforest-alliance.org/resource-item/child-labor-guide-an-introduction/

It is recommended that auditors familiarize themselves with the adverse effect on children and young workers when they are part of a workforce. The following ILO Guidance may be referred to: https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---safework/documents/publication/wcms_625223.pdf

Additionally, The Ethical Trading Initiative has guidance on auditing child labour and this may be used to develop a sound auditing approach: https://www.ethicaltrade.org/sites/default/files/shared_resources/eti_base_code_guidance_-_child_labour_web_0.pdf

Remediation

Remediation

Which Feed Standard Criteria does this apply to?

This guidance applies to remediation of the human rights abuses covered by these Criteria:

Criterion 1.4 - The UoC does not engage in – nor support – forced, bonded, compulsory labour or human trafficking.

Criterion 1.5 - The UoC protects children and young workers.

This guidance can also be followed as a best practice process for the remediation of any other human rights issue, including discrimination, sexual harassment and others, caused by mill operations.

What is the intent of this guidance?

If human rights abuses are identified, the feed mill implements effective remediation measures.

How do I interpret the Requirements?

Child labour, forced labour, sexual harassment, discrimination and other human rights abuses can be discovered through the grievance process, internal monitoring by the mill themselves—for example through documentation reviews or medical checks, or during the third-party audit process. Remediation guidance applies as soon as harm is found.

In many cases, immediate action can be taken to stop the harm from occurring—for example, children found in child labour, or forced or bonded labourers can be removed from the mill quickly. However, effective remediation of these abuses is a complex process that happens over a longer timeline, Due to the complexity of these issues, external expert partners are often involved to provide expert input and support the affected person(s).

This guidance is to be used by mill management as well as by grievance committees as they recommend remedy for human rights abuse claims.

> ? ***What is remediation?***
>
> *When a business identifies that they have caused or contributed to the harm of an individual or a group, remediation can take two forms. The first and preferable is restitution: the act of restoring the individual or group to the state they were in before the harm occurred. Where this is not possible, the person(s) are offered rehabilitation to repair damage caused, financial or non-financial compensation and/or other remedy (for example apology) to address the damage caused. In addition, the mill takes steps to prevent further future re-occurrence of the harm.*

Remediation Process

The process and timeline for remediation is followed regardless of whether the issue is discovered through the grievance process, internally by the mill, or during the third-party audit. Although the remediation plan may be developed and implemented by the grievance committee or an external partner, the mill is always responsible for ensuring that the remediation process is carried out. The best interest of the person is prioritised throughout the remediation process, which includes the following steps:

1. Immediate response and safeguarding (where necessary)
2. Remediation plan development
3. Implementation and monitoring of remediation plan
4. Corrective action to prevent re-occurrence

Remediation Process Timeline

The mill adheres to the following timeline for cases of child labour and forced labour.

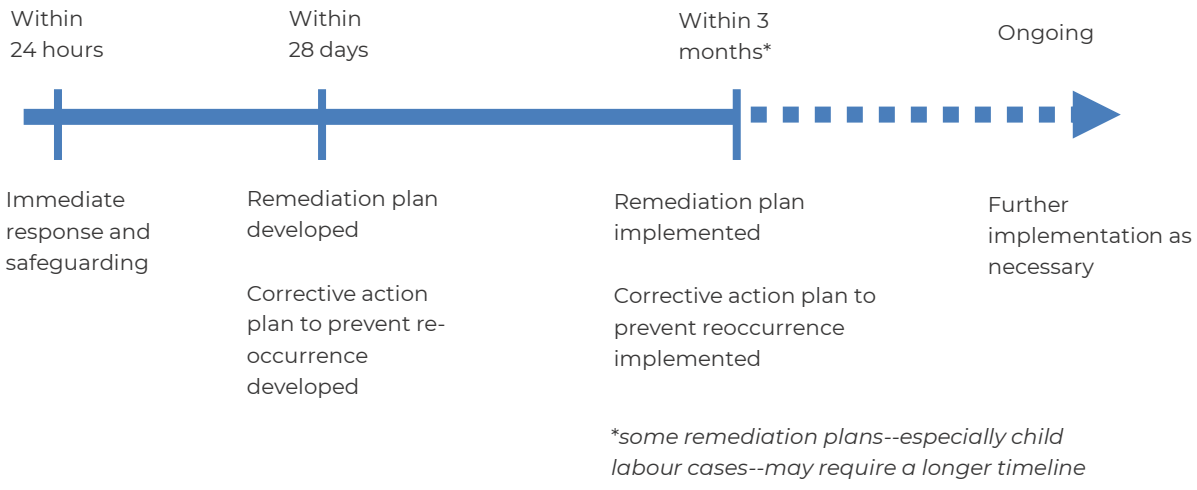

Figure 1: Remediation process timeline

> ? ***What is the best interest of the person?***
>
> *Remediation in the best interest of the person means that the mill has ensured that:*
>
> - *their safety and well-being is safeguarded throughout the process;*
> - *their privacy is respected;*
> - *their input is sought on the development of the remediation plan;*
> - *their agreement (and the consent of their parents or guardians in the case of a child) is gained for the final remediation plan;*
> - *local law and human rights principles are followed;*
> - *their remediation plan addresses their specific circumstances, and results in rehabilitation and restitution.*

1. Immediate Response and Safeguarding

Once a case has been found, the first step in remediation is for the mill to ensure the person's safety, and make sure that the person does not feel threatened. Not all situations require immediate safeguarding. However, child labour, forced labour, sexual harassment or other serious human rights abuses often require immediate actions to protect the person and remove them from an unsafe situation, until the remediation plan is developed and enacted.

? Possible Immediate Steps for Cases of Child Labour and Forced Labour

When a person working in forced labour is found to be working in a mill:

- *remove the person from the forced labour situation if they are in danger*
- *provide them with a safe place to stay if necessary*
- *provide for necessary health checks and medical treatment*
- *when the person is removed from unsafe employment, support the person with an interim stipend at least equal to the higher of the following: the salary they had received or the local minimum wage until their remediation plan is agreed upon.*

When a child of legal working age is found to be working in a hazardous situation:

- *remove the child from the dangerous work situation*
    - *provide for necessary health checks and medical treatment*
    - *support the child with an interim stipend at least equal to the higher of the following: the salary they had received or the local minimum wage until their remediation plan is agreed upon.*

When a child below the allowed working age is found to be working in a mill:

- *remove the child from the work situation*
- *provide for necessary health checks and medical treatment*
- *make sure that the child is moved to a safe place away from work, and that their basic needs are met*
- *locate the parent or guardian if the child is not living with them*
- *contact local child protection authorities, community liaisons/leaders on child labour and/or child labour related NGOs if needed*
- *support the child with an interim stipend at least equal to the higher of the following: the salary they had received or the local minimum wage until their remediation plan is agreed upon.*

a. Remediation plan development

The next step is to develop and agree upon a remediation plan for the person, seeking input from the affected person, as well as external experts when appropriate. When it is a case of child labour, the child's family or guardian is also involved in the process. When the family is not available local child protection authorities are engaged.

Remediation will take different forms depending on the situation and the needs of the person in question, but always considers the best interest of the person. The development

and implementation of most plans will involve working with an NGO or other partner organization, and/or government agencies who are experts in the issue. The criminal justice system is contacted when criminal actions have occurred. How quickly the plan is finalized will be dependent on the complexity of actions that need to occur and the urgency of the case, but in any case within 28 calendar days of an abuse finding.

? ***Elements to consider in the development of a remediation plan for child labour:***

Where a child of legal working age is found working in a hazardous situation, the goal is to ensure the child's health and safety and preserve their income with safe work. Remediation actions may include for example:

- *medical treatment, including long-term rehabilitation and recovery support when necessary*
- *transfer to safe work at least at the same level of pay*
- *other compensation*

When a child below the allowed working age is found to be working, the goal is to protect the child and assure access to adequate resource and long-term support for the child and their education. Remediation actions may include for example:

- *clarify the true age and identity of the child*
- *facilitation of access to schooling*
- *assistance with education-related costs including tuition and transportation fees, costs of uniforms or books or other related costs*
- *financial support to the family to compensate for the loss of the child's income*
- *employment offers for older, eligible members of the family*
- *repatriation when a child wishes to be reunited with family overseas*
- *medical costs*
- *ensure school attendance*

? *Elements to consider in the development of a remediation plan for forced labour:*

For forced and bonded labour, the goal is usually to provide safe and fairly compensated work where possible, and return any trafficked or persons employed against their will to their home when they wish. Remediation actions may include for example:

- *providing medical treatment*
- *debt forgiveness to eliminate debt bondage situation*
- *revising and improving employee working conditions and payment*
- *financial compensation for wage theft or other damages*
- *returning personal/legal documents and property to ensure their freedom of movement*
- *repatriation to their home country*

✓ *What do better practices look like?*

Whether the issue is discovered through a third-party audit, self-detected by the mill, or reported through the grievance mechanism, it is recommended that the grievance committee is involved in the development of any remediation plan. The committee is made aware of external resources available for remediation and the development of any remediation plan. This supports mutual learning and accountability.

b. Implementation and monitoring of remediation plan

Once the plan has been agreed on by all parties, it is implemented and monitored. Major remediation actions are completed within three months of finding the abuse. However, in some cases of child labour, implementation of the child's remediation plan can take up to several years--until a child is finished schooling and eligible for legal employment. In this case, the plan is underway (the child is enrolled in school and family is supported) at the end of the 90 days, with a clear plan of continued action.

Regular monitoring of the plan is important to confirm that the plan is implemented, that the implementation is effective, and that necessary adjustments are made when circumstances change—for example when a child needs to change school enrollment due to a move.

c. Corrective action plan to prevent reoccurrence

An effective remediation process includes the development of a corrective action plan to ensure that roots causes are understood and the abuse does not happen again to someone else. To develop this, the mill performs an analysis of what went wrong in their system to prevent human rights abuses, and then implements and monitors measures to prevent future recurrence. The Risk Management Framework can be used to support the development of this plan. It provides a process to identify and assess internal and external risk drivers, identify potential impacts and implement and monitor prevention and mitigation measures. See also sections on child labour and forced labour for drivers of risk factors and potential measures to prevent reoccurrence for these topics.

Engagement with external partners

Given the complexity of human rights issues, partnership with external partners is often necessary to provide effective remediation.

External partners can provide support for the development of a remediation plan, as well as help in implementing the remediation plan and corrective actions to prevent reoccurrence. These potential partners include local NGOs, individual experts, community liaisons/leaders, government offices, supply chain partners or others. Potential support these external partners can provide could include, for example: training, improved access to social services and education, advocacy; and direct financial support or support for the affected person and their families to find other sources of income.

✓ ***What do better practices look like?***
Identify and engage with relevant external partners where there is a high or medium risk of child labour, forced labour, sexual harassment, discrimination or any other human rights violation, and work with these partners to develop a remediation contingency plan that will be in place should an instance occur.

Table 2: Examples of external partner support

Organization Type	Potential Services to Remediate Child Labour or Forced Labour
Human rights organizations or expert consultants	- *Support with identification of the affected person(s)* - *Support for remediation plan development* - *Human rights and worker rights training* - *Addressing root causes of abuse*
Unions or workers organizations	- *Support for remediation plan development* - *Remediation plan monitoring* - *Human rights and worker rights training*

	- *Addressing root causes of abuse*
Community-based and religious organizations and leaders	- *Support services to former child or forced labourers* - *Advocacy and awareness raising regarding external drivers of the risk of child or forced labour—for example local advocacy with the government to provide access to schools, or campaigns against child labour as a cultural practice*
School leadership and staff	- *Facilitate access to education for former child labourers* - *Support advocacy efforts to address external drivers of child labour with community, parents and children*
Health care providers	- *Medical support to former child or forced labourers* - *Input into remediation plan when there are health concerns*
Government agencies	- *Social support services to former child or forced labourers—for example access to government benefits or social programs*
Buyers and retailers	- *Joint efforts to address root causes* - *Financial support for remediation and prevention efforts*
Industry organizations and multistakeholder groups	- *Advocacy for system and national-level change in conditions that lead to child or forced labour or other human rights abuses* - *Joint efforts to address root causes*

Remediation of Human Rights Abuses in the Supply Chain

Example of how remediation is applied via Supplier Code of Conduct:
If an underage child is found working at the ingredient manufacturer, the situation of child labour is immediately stopped (1.5.1), a remediation plan put in place for the child (1.5.2) and effective root cause analysis and corrective actions implemented that prevent child labour recurrence at the ingredient manufacturer. The remediation plan puts the best interest of the affected child first, for the child to go back to school in a safe and healthy surrounding. The feed mill engages in the process, offers support and facilitates where necessary and feasible, and monitors the remediation plan for its effectiveness. Should the ingredient manufacturer, despite all these efforts, cease to effectively implement the remediation plan, the mill discontinues purchases (2.1.5) since the ingredient manufacturer no longer complies with the supplier code of conduct (2.1.4, 2.1.6).

Example of how remediation is applied via Due Diligence:
If, when undertaking Due Diligence for an ingredient manufacturer (2.2.5) or primary raw material production, an underage child is found working, low risk cannot be determined (i.e. the supplier may not be used) until the following requirements are met: the situation of child labour is immediately stopped (1.5.1), a remediation plan put in place for the child (1.5.2) and effective root cause analysis and corrective actions implemented that prevent child labour recurrence at the ingredient manufacturer or primary raw material production. The remediation plan puts the best interest of the affected child first, for the child to go back to school in a safe and healthy surrounding. The feed mill engages in the process, offers support and facilitates where necessary and feasible, and monitors the remediation plan for its effectiveness before commencing purchases from the supplier.

Auditing considerations

Auditors refer to guidance for Indicators 1.4.2, 1.4.3, 1.5.2 and 1.5.3.

Useful resources

Sample policies/protocols/guidelines from other organizations:

Fair Trade International
https://files.fairtrade.net/2015_FairtradeChildForcedLabourGuidelines.pdf

Rainforest Alliance https://www.rainforest-alliance.org/de/resource-item/annex-4-remediation-protocol/

Fair Trade USA
https://www.fairtradecertified.org/sites/default/files/standards/documents/CRT_PRO_RemediatingZeroToleranceFindings_EN_1.0.0.pdf

GoodWeave https://goodweave.org/wp-content/uploads/2020/06/GWI-Remediation-Policy-v.4-Jan-2016.pdf

ISEAL Forced Labour Remediation Working Paper
https://www.isealalliance.org/sites/default/files/resource/2019-02/Forced_Labour_Remediation_Working_Paper_0.pdf

Proforest Child Labour Remediation
https://www.proforest.net/fileadmin/uploads/proforest/Documents/Publications/4-child-labour.pdf

Discrimination

Discrimination

Supplier Code of Conduct:
The Criterion must be included in the feed mill's Supplier Code of Conduct for their ingredient manufacturers (Indicator 2.1.4) as well as the ingredient manufacturer's Supplier Code of Conduct for their suppliers (Indicator 2.1.8). The guidance and interpretation of the Criterion is to be followed by the feed mill's ingredient manufacturers, as well as their suppliers.

Due Diligence:
The guidance outlined below applies equally to all ingredient manufacturers. The mill must undertake Due Diligence of its ingredient manufacturers in line with Indicator (2.2.5).

Which Feed Standard Criterion does this apply to?

Criterion 1.6 - The UoC does not discriminate against its employees.

What is the intent of this Criterion?

The feed mill ensures equal treatment of and equal opportunities for all employees and applicants for employment.

How do I interpret the Requirements?

Why is tackling discrimination important?

It is a global and pervasive problem, despite the statement of the first article of the Universal Declaration of Human Rights: 'All human beings are born free and equal in dignity and rights'[6]. Discrimination causes negative impacts on many levels. Individuals can suffer unequal treatment, stress and harm, at home, in society and in the workplace.

[6] https://www.un.org/en/about-us/universal-declaration-of-human-rights

This unequal treatment can perpetuate poverty, stifle development, productivity and competitiveness, and on a larger scale, can ignite political instability[7].

What is discrimination?

Discrimination is the unequal treatment of different of people, based on their personal characteristics, such as:

- Age
- Caste
- Colour
- Disabilities
- Ethnicity
- Gender
- Legal status
- Marital status
- Nationality
- Parental status
- Participation in trade unions
- Political opinion
- Pregnancy
- Race
- Religion
- Sexual orientation
- Political opinion

Sometimes discrimination can be obvious and clear, but at other times it can be difficult to detect and consequently, hard to address.

Discrimination is common in the workplace, and consequently is a priority for ASC Standards. Working to decrease discrimination against all groups, including women, by improving equality, 'will have wide-ranging benefits for society as a whole and help to ensure that the benefits of development are felt by all'[8]. However, gender equality is just one area of discrimination and in order to contribute to a peaceful, just and effective society, discrimination must be addressed in all its forms, visible and invisible.

[7] ILO. 2011. Equality at work: the continuing challenge. https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_166583.pdf
[8] FAO, 2020. The State of World Fisheries and Aquaculture 2020. Sustainability in action. Rome. https://doi.org/10.4060/ca9229en, p.128.

Equal opportunities:

The following are two definitions of equal opportunities:

> *'The term 'equal opportunities' upholds the idea that all workers within an organisation should be entitled to and have access to all of the organisation's facilities at every stage of employment, including the pre-employment phase. This means every individual should have: a) An equal chance to apply and be selected for posts pre-employment. b) An equal chance to be trained and promoted while employed with the organisation. c) An equal chance to have their employment terminated equally and fairly.' (www.eoc.org.uk)*

> *'Equal opportunities refers to an equal distribution, among individuals, of opportunities for education, training, employment, career development and the exercise of power without their being disadvantaged on the basis of their sex, race, language, religion, economic or family situation, and so forth.' (https://www.eurofound.europa.eu/observatories/eurwork/industrial-relations-dictionary/equal-opportunities)*

Equal treatment of all applicants for employment, and all employees (1.6.1):

This Indicator presents two lists. One list is characteristics that could form the basis of discrimination and the other is situations where employees or applicants for employment could encounter discrimination.

Discrimination does not include situations where one person is treated differently based on a different level of performance.

Table 3: Example situations of discrimination and non-discrimination

Situations of discrimination	Situations which are not considered discrimination
A and B are both managers doing the same job at the feed mill. A is a man and B is a woman. A is paid a higher salary than B, because he is a man.	A is a manager and B is a machine operator with less responsibility. A is paid a higher salary than B because the job has more responsibility.
A and B both apply for the same job. A has higher qualifications than B, but B is selected for the job because he comes	A and B both apply for the same job. A has higher qualifications than B, so A is selected for the job.

from the same church as the feed mill manager.	
A and B are both technical assistants. A has been in the company for a longer period of time than B and both have equal performance, however, only B has received access to multiple training courses and been offered a promotion to technical manager, because A is a migrant worker.	A and B are both technical assistants. A has been in the company for a longer period of time than B but B has been showing a higher performance. B is promoted to technical manager.

Pregnancy tests (1.6.2):

The Standard does not permit testing for pregnancy during recruitment or ongoing employment but having a company policy that states that pregnancies need to be declared from a certain point onwards, for health and safety reasons, is appropriate and can be necessary for safeguarding a mother and baby's health.

Medical tests (1.6.3):

There are occasional situations where the feed mill, or the agency involved in recruitment may need to perform medical tests for health and safety reasons. Determining whether a medical test is necessary happens through a health and safety risk assessment.

An example of when a medical test might be necessary is if an employee is asked to test for Covid-19 before coming into the workplace, to avoid the spread of the disease. An example of when a medical test is not allowed is an HIV test, which could lead to discrimination about someone's sexual practices and / or ability to work.

RUoC Annex C Table E includes competency requirements for personnel conducting health and safety risk assessments.

Protection of data (1.6.4):

Any results or data from medical tests conducted is private and is shared with the employee, for their information, and employer where necessary, but is not shared more widely without permission from the employee involved.

Employees' choice of doctor (1.6.5):

The pre-employment requirement of carrying out specific medical tests can be communicated to employees at the time of recruitment. The feed mill or the agency lists

all tests that are required (the cost is not to be charged to the prospective employee as per Indicator 1.4.7).

In some situations, the feed mill has an on-site doctor, or a doctor that there is an established relationship with, who regularly conducts the necessary medical tests. However, an employee is allowed to choose to consult an independent doctor, who could be their own doctor, or someone completely unrelated to the feed mill.

Costs incurred by prospective employees towards medical tests, if using an independent doctor, are to be reimbursed within reasonable time.

Harassment, abusive and exploitative behaviour (1.6.6):

Indicator 1.7.14 in the Health and Safety Criterion states: 'The UoC shall not engage in, or tolerate, mental, physical or verbal abuse or any other form of harassment'.

Although these two Indicators are similar, 1.7.14 is focused on the protection of employees' health and safety and prohibits any kind of abuse or harassment that could jeopardise someone's health and safety. This Indicator focuses on the prevention of behaviours that could lead to these kinds of abuse, with the same aim of protecting all employees.

The intent of both of these Indicators is to ensure that harassment, abusive or exploitative behaviour does not take place in any form at the feed mill.

ILO Convention 190 (Violence and Harassment)[9] defines harassment as:

> 'the term 'violence and harassment' in the world of work refers to a range of unacceptable behaviours and practices or threats thereof, whether a single occurrence or repeated, that aim at, result in, or are likely to result in physical, psychological, sexual or economic harm, and includes gender-based violence and harassment.'

Examples of harassment in the workplace can include the following (adapted from the UK Government – Workplace Bullying and Harassment[10]:

- Spreading malicious rumours
- Unfair treatment
- Picking on or regularly undermining someone
- Denying someone training or promotion opportunities

[9] https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C190
[10] https://www.gov.uk/workplace-bullying-and-harassment

Harassment can happen in many forms: in person (face to face, by phone), in writing (email, letter, text), or online (on social media). It can be undertaken by a single person or group of people It can be hidden (for example, gossiping about someone in their absence), or overt (for example, an unwanted nickname that undermines someone).

One widespread form of harassment is sexual harassment, which can also take place in the workplace and is any unwanted behaviour of a sexual nature. Examples can include (adapted from ACAS[11]):

- Anything that violates someone's dignity
- Inappropriately and uncomfortably crowding someone else. This can differ with every culture. For example, in North America, people usually maintain space of approximately 2 feet in diameter around them when they interact with strangers, but in the Middle East, it may be culturally appropriate to stand closer to someone[12]. If something makes someone feel uncomfortable, then it is not appropriate.
- Telling sexually offensive jokes
- Making sexual remarks or gestures about someone's body, clothing or appearance
- Making sexual comments or jokes about someone's sexual orientation or gender reassignment
- Asking questions about someone's sex life
- Displaying or sharing pornographic or sexual images, or other sexual content
- Touching someone against their will
- Sexual assault or rape

Power dynamics can play a part in harassment. What could be a joke between two friends outside the workplace can be a case of harassment in the workplace if there is an unequal balance of power. Someone in management making a flirtatious comment to a junior colleague is not appropriate, whereas the same comment between two friends might be acceptable. Responsible management includes being aware of a manager's position in relation to the people who they manage.

Abusive behaviour can include (adapted from Canadian Centre for Occupational Health and Safety[13]):

- Threatening behaviour (such as shaking fists, destroying property or throwing objects)
- Verbal or written threats (any expression of an intent to inflict harm)
- Verbal abuse – swearing, insults or condescending language)

[11] https://www.acas.org.uk/sexual-harassment
[12] https://www.sciencedirect.com/topics/nursing-and-health-professions/proxemics
[13] https://www.ccohs.ca/oshanswers/psychosocial/violence.html

- Physical attacks – hitting, shoving, pushing or kicking

Exploitative behaviour can refer to 'situations where people are coerced to work for little or no remuneration, as outlined in the guidance for Criterion 1.4 (Forced Labour).

The workplace includes not just the physical place of work, but anywhere where work-related events or interactions occur. Workplace violence and harassment can occur not only in the workplace but also at off-site at social events related to work, business meetings away from the feed mill, or outside the workplace and away from work.

Prevention procedures (1.6.6):

Procedures to ensure effective prevention of harassment, abusive or exploitative behaviour will vary based on local context and culture. Different feed mills in different contexts and cultures will need different procedures.

Some steps towards the prevention of harassment and discrimination can include:

- Employees and management need to be trained and know and understand what harassment and discrimination are.
- The feed mill clearly states its position on discrimination through an internal code of conduct, policy or in a statement.
- The feed mill assesses where there is potential for discrimination. For example, the feed mill acknowledges the high number of migrant employees and understands that this is a group who are at risk of being discriminated against.
- The feed mill develops an action plan to prevent discrimination, which includes monitoring where there is a risk of discrimination.

Providing good communication of what these behaviours look like and why they are not permitted creates awareness among employees in the workplace. Regular dialogue with employees and with employee representatives can be an effective way of monitoring what is going on, and an accessible, safe and anonymous reporting system (grievance mechanism) can give employees the ability to report violence or harassment.

Discrimination can be addressed through programmes to improve diversity and facilitate groups who are often discriminated against, to participate more fully and equally, for example in meetings, discussions and decisions around workplace matters. While ASC Standards take significant steps to bring an end to discrimination in the workplace, they do not address these kinds of programmes on inclusion, due to the difficulty of monitoring and auditing these programmes.

Positive Action on Discrimination

Discrimination in any form is not permitted, but it is sometimes appropriate for an employer to take positive action in this area to assist protected groups that may otherwise be under-represented in a particular job or workplace.

For example, an employer might choose a woman to lead a worker representative group to improve the number of women in leadership at the feed mill. Or an employer might hire someone from the local community, not based solely on their merit, but also to ensure community representation among workers.

✓ ***What do better practices look like?***
Procedures also include awareness training on discrimination and how discrimination can happen unintentionally and unconsciously.

Auditing considerations

(1.6.1) As discussed above, discrimination is often difficult to detect and substantiate because it can take on subtle forms but can still be rampant. Depending on conditions at the site, the different categories of employees, and their employment terms and conditions, the auditor could determine a list of areas where discrimination may occur.

The examples above tend to be the most commonly found issues, but auditors may use this only for reference as there may be different types of discrimination prevalent at the workplace depending on the employment conditions, socio-economic dynamics, the demand and supply of workers, and other factors.

Having a holistic understanding of workplace dynamics, the country and culture in which the mill is situated, the types of workers employed, gender ratios and the risk of possible discrimination is imperative.

Employee interviews: Since discrimination is subtle, employees may feel it does not take place and/or may seem immune to inherent and obvious discrimination that has become a part of the system over a period of time. Direct questions enquiring about discrimination seldom help in investigating the issue. Interview techniques have to be well thought out and workers responses should be elicited through open ended questions about how wages are decided, promotions are made, opportunities for training are provided, opportunities given to work overtime and how it is decided, specific preferences for certain workers by the supervisor and/or management.

(1.6.2) Testing for pregnancy or virginity is common in certain parts of the world. Auditors can read contractual agreements and terms of service between the mill and the

recruitment agency/labour or manpower supplier to determine if there is explicit mention of such requirements.

Although the requirement to test for pregnancy may not be mentioned in agreements there is a possibility that this is practiced as an unwritten requirement when hiring female workers, perhaps as part of a routine health check required to commence work. If necessary, auditors could seek to review reports of pre-employment health check-ups, while ensuring confidentiality of personal health condition declarations, to verify if female workers were tested for pregnancy.

Tests for virginity sometimes take place in some parts of the world as a custom and practice, with the social expectation that women and girls should remain 'virgins' until they are married. The term 'virginity', as used in this way, is not a medical or scientific term. Rather, the concept of 'virginity' is a social, cultural and religious construct – one that reflects gender discrimination against women and girls. Additional information about the United Nations agencies calling for a ban on virginity testing may be found here: *https://www.who.int/news/item/17-10-2018-united-nations-agencies-call-for-ban-on-virginity-testing*

Employee interviews: It is recommended that female auditors speak to female employees on this matter because of the sensitive nature of the subject, which female employees may not be comfortable discussing with male auditors. However, auditors of both genders may be able to interview female employees provided a cautious approach is used and open-ended questions are asked of employees, such as asking them to explain the recruitment process and medical tests they underwent as a part of pre-employment requirements and also during the period of their service. Auditors can also verify whether such tests were a requirement of the mill or the recruitment agency/labour or manpower supplier.

(1.6.3) Documentation: The mill may risk assess potential contagious diseases that could harm existing workers and state all tests that are required before employment in their internal procedures for hiring workers. Employees may be checked for communicable diseases like Hepatitis B, bronchitis and tuberculosis. There may be other communicable diseases specific to each country that employees may require to be tested on. The list of communicable diseases developed by the mill should be based on both historic and current data and research and be justifiable.

Employee interviews: Employees may be asked to explain the type and number of tests that were carried out as a part of pre-employment health screening. They should also be asked if they have provided prior consent to be medically examined as a part of a pre-employment health check. Workers may not be able to state specific tests for communicable diseases that were performed – so this may be verified through health/medical records of workers, ensuring that the data is protected.

(1.6.4) Evidence of provision of copies of medical tests to employees may be maintained on record. Employees can be asked if they are in possession of the medical test report and if this was provided to them immediately after the medical test was done.

(1.6.5) Employees' testimonies will confirm that the company provided them the option of having the listed medical tests done by an independent doctor and that they were given the choice to do so. In cases where workers chose to have tests done independently it should be confirmed that employees were reimbursed for fees/charges paid for the tests.

(1.6.6) An anti-harassment policy that includes the prohibition of abusive and exploitative behaviour can be reviewed by the auditor. Auditors can verify if such a policy is communicated to workers in their language/s as a part of induction and whether it forms a part of the written contractual agreement between the mill and its workers. Indicator 1.2.6 that relates to monitoring to ensure no harassment, abuse or exploitative behaviour takes place could also be verified on site as it may also be a part of the internal audit requirements of the mill.

Freedom of Association and Collective Bargaining

Freedom of Association and Collective Bargaining

Supplier Code of Conduct:
The Criterion must be included in the feed mill's Supplier Code of Conduct for their ingredient manufacturers (Indicator 2.1.4) as well as the ingredient manufacturer's Supplier Code of Conduct for their suppliers (Indicator 2.1.8). The guidance and interpretation of the Criterion is to be followed by the feed mill's ingredient manufacturers, as well as their suppliers.

Which Feed Standard Criterion does this apply to?

Criterion 1.8 - The UoC respects the right to associate and the right for collective bargaining

What is the intent of this Criterion?

The feed mill allows and enables employees to engage in collective bargaining and have the right to freedom of association, even where national law and regulation does not provide sufficient allowance for such mechanisms.

What is freedom of association and collective bargaining?

The right to freedom of association is the right to join a formal or informal group to take collective action towards the employer.

Collective bargaining is a voluntary negotiation between employers and organizations of employees in order to establish the terms and conditions of employment by means of written collective agreements. Typically, such agreements cover wages, working hours and working conditions.

How do I interpret the Requirements?

The ways in which the feed mill informs employees that they are free to join or form employee/worker organisations and bargain collectively will vary depending on how this is covered through local regulation and how embedded this is in the local culture/how widespread in the (local) industry. The table below summarises the different approaches a

feed mill uses to communicate employee's rights and how the level of engagement increases depending on the local context.

Table 4: Approaches in communicating freedom of association rights.

Local Regulation and Practice	Country examples[14]	How to communicate & engage with Employees
Rights are embedded (i.e., unlikely to fundamentally change) in law and are upheld in practice	Canada, Chile, Japan, Norway, UK	- Refer to regulation in employee contract and/or employment policies/ staff handbook.
Rights are embedded in law but may not be upheld in practice	Ecuador, Thailand	- Develop a written freedom of association policy which is readily available in languages that employees understand. - Include freedom of association and collective bargaining during orientation or ongoing training. - Display information on freedom of association and collective bargaining throughout the workplace.
Unions are government controlled and not independent OR unionising is restricted to certain groups	China, India, Turkey, Viet Nam	- Facilitate the development of comparable means for independent and free association and bargaining, for example, employees can be freely elected as representative(s) or to establish an employees' committee. The mill could facilitate this in a number of ways, for example: setting aside time for the group to meet, providing a meeting venue or facilitating an election process for a chair of the group without interference of the management.

In all circumstances, the employee committee/union must be able to make decisions independently from the feed mill management. For example, representatives are not appointed by human resources or supervised by management when executing their union duties. Enrolment or participation in employee organisations is voluntary and there is no limitation to the number of employee organisations that can be set up. Employee

[14] Source: https://freedomhouse.org/countries/freedom-world/scores

interviews and verification of records by auditors do not suggest the feed mill has interfered or that management have refused to enter in dialogue with employees due to a lack of employee organisation or union. Engagement in meaningful negotiations when approached by employee/worker organisations as referenced in footnote 72 of the Feed Standard means that the feed mill bargains in good faith and does not engage in undue litigation or other actions to slow, stop or limit the bargaining process.

Auditing considerations

(1.8.1) Auditors can familiarize themselves with laws and regulations that pertain to freedom of association and the right to collective bargaining. If trade unions are active in the region and represent workers, the mill will allow workers to join such trade unions or other worker representation bodies. Workers can be informed of their freedom to join any trade union or workers organisations of their own choice and with free will. The communication may be made through employment contracts that workers sign at the time of hire and/or during their induction training and/or by means of posters/notices at the workplace in language(s) understood by workers.

Often migrant workers are unrepresented, with no reference in national law about their ability to join trade unions. Auditors require clear understanding of what national law allows with regard to migrant worker representation in recognised trade unions. In cases when national workers are part of a trade union, and where the law is silent on migrant worker representation, the mill may allow, and in some cases encourage, migrant workers to form an internal workers' committee that meets periodically and represents migrant workers.

Employee interviews: Open ended questions could be asked during individual and focused group discussions about workers' knowledge of, and their ability to join, trade unions. Questions can be tailored around understanding how workers bring issues and concerns to the management and whether there is a formal way that issues may be collected and brought to the managements notice. Based on workers' testimonies and responses, auditors may ask workers if they are aware of their right to join trade unions and other workers organisations. Auditors could also ask workers how they were informed of their ability to join trade unions or workers organisations.

(1.8.2) The right to bargain collectively is often defined by law and is usually associated with existing trade unions. In some countries the right to collective bargaining is mandatory and organisations have to commence the process of getting workers to bargain collectively. There are several steps and procedures that organisations may have to take once a certain number of full-time workers are on the payroll. Organisations could consciously keep the number of full-time workers below the defined number so that the law would not apply to them. Sub-contract, temporary and casual workers could used by organisations to avoid being under the purview of the law.

Bargaining collectively results in a Collective Bargaining Agreement (CBA) signed between workers represented by their union, the trade union and the relevant government authority, most often the Ministry of Labour. Conditions in the CBA may be beneficial to workers and the management and these are mutually agreed to. For example, the CBA may require workers to be paid a higher wage other than is the minimum prescribed by law. Or there may be clauses that require workers to work additional hours to prevent loss and damage of goods that may be caused because of a storm or flooding or any other imminent danger.

It is important that auditors are aware that a Collective Bargaining Agreement always has a tripartite structure with three signatories. Any agreement signed only between workers and the management should not be considered a Collective Bargaining Agreement. Auditors could be told that agreements signed between workers and management may be considered valid and have consent and agreement of all workers which is often not the case.

Employee interviews: Depending on the provisions of law that allow workers to bargain collectively, auditors could ask individuals and groups of workers if they are aware of their collective bargaining rights and if they are free to exercise them.

(1.8.3) Management is often found to take part in establishing, and involved in the functioning and administration of, workers' organisations. Managements have been known to nominate selected candidates as members of workers' organisations so they are made aware of issues being discussed amongst the workers. There are also instances when the management decides when workers organisations may have meetings and who will be present in such meetings. Often, the pretexts are given that management representation is necessary to minute meetings and maintain a record of discussions that take place. Instances such as these may be considered interference by the mill.

Auditors can also consider national laws/regulations that require a minimum number of full-time workers that would make it mandatory for the organisation to begin the process of collective bargaining, resulting in establishing a Collective Bargaining Agreement. Casual or temporary workers that have spent a certain period of time with the mill may be due for a change of status to full-time workers, thereby increasing the number of full-time workers. Auditors could review practices of re-employing workers with different names and IDs when they are about to complete a period of work that would entitle them to full-time employment. Workers often agree to such practices for fear of losing their jobs as this guarantees them continued employment even though it is not full-time as permanent workers.

Employee interviews: Understanding of national/regional laws/regulations and company practices is key. Questions should be focused on understanding if worker representatives were elected through a democratic process and if any candidates were chosen by the management. Workers could be asked additional questions to understand whether mill

management interferes with the establishment, functioning and administration of workers organisations.

(1.8.4) In countries where the right to freedom of association is restricted by law, the management could allow workers to have parallel means of association. Auditing guidance provided in Indicator 1.8.3 may be used.

Useful resources

Ethical Trading Initiative resources on freedom of association & worker representation: https://www.ethicaltrade.org/resources/foa-worker-representation

International Labour Organisation (ILO) Q&As on Business and freedom of association: https://www.ilo.org/empent/areas/business-helpdesk/faqs/WCMS_DOC_ENT_HLP_FOA_FAQ_EN/lang--en/index.htm

Employee Contracts

Employee Contracts

Supplier Code of Conduct:
The Criterion must be included in the feed mill's Supplier Code of Conduct for their ingredient manufacturers (Indicator 2.1.4) as well as the ingredient manufacturer's Supplier Code of Conduct for their suppliers (Indicator 2.1.8). The guidance and interpretation of the Criterion is to be followed by the feed mill's ingredient manufacturers, as well as their suppliers.

Which Feed Standard Criterion does this apply to?

Criterion 1.9 - The UoC contracts employees in a transparent manner.

What is the intent of this Criterion?

The feed mill ensures that employees are contracted in an understandable manner and that they receive all the rights and benefits that they are entitled to, regardless of their contract type (e.g., 3rd party contract, temporary, part-time, full-time, etc).

How do I interpret the Requirements?

Terms and conditions that have not been clearly defined by the employer or recruitment agency or have not been clearly understood by the employee can lead to confusion and disagreements between the parties. Contracts that lack transparency can create uncertainty with regard to the rights of the employee and their social protection and creates a risk that rights will be violated or abused.

Employment terms and conditions (1.9.1)

Employment conditions are communicated differently globally, therefore the feed mill needs to take local context into account when ensuring employees receive written and understandable information about their employment terms and conditions. For example, in some places a contract may need to be approved by a lawyer, but in others, it may not. Some countries may require a document as a result of a collective bargaining agreement, but others may not. Any changes to the contract during the course of employment, such as where employees have been given a different role, had their wages increased, or they have been promoted, is recorded on file and evidence of employees being provided a copy of the changes is available.

The contracts are in the language of the employee, and, based on literacy levels, there is evidence of the contract being explained to employee in their language. In the case of

foreign migrant employees, contracts are written, agreed to and signed at the time of hiring in the country of origin of the employee. Foreign migrant employees may be required to sign another contract upon arrival at the host country – if so the terms and conditions in such contracts are no worse, from the employee's point of view, than those that have been offered to employees in their own country/countries before travel. The contract states who will pay for travel from the employee's country, and the arrangements made to repatriate the employee back to their home country, including the cost of travel. Under all circumstances, the contractual terms do not violate the national laws of the host country, as well as other laws and regulations that apply to migrant employees in their country of origin.

All employees have received, understood and agreed upon relevant policies, including all those developed for labour rights, working conditions and grievance mechanism as required for the ASC Feed Standard (e.g., anti-discrimination 1.6, and access to trade unions and collective bargaining 1.8).

Transparency of employee payments (1.9.2)

The feed mill provides a written payslip to each employee detailing the following – employee name, ID/roll/employee number, month/week/pay period, number of days worked, number of regular hours worked, number of overtime hours worked during the period, the number of weekend overtime hours worked, and the number of overtime hours worked on public/national holidays. The payslip/pay stub also details all mandatory deductions made towards social security, health insurance and taxes, etc, as applicable, and any deductions toward repayment of advances or loans taken by the employee (see also Indicator 1.10.3). Payslips/pay stubs are provided in paper or digital form and are in a language and format easily understandable to all employees. Payslips are countersigned by employees unless the payment is traceable by bank transfer. It is particularly important that employees understand the calculation of hourly overtime premium wages for overtime work during the week, on weekends, and on public/national holidays.

Employment arrangements other than permanent employment (1.9.3)

Employment arrangements including labour-only contracting, sub-contracting, home-working, apprenticeships and fixed-term contracts could be legitimately used within employment relationships if they are legally permitted, adequately documented and not used to avoid social or labour obligations. Systematic use of such employment arrangements is often an indication of attempts to avoid social or labour obligations. False apprenticeships and family contracting, however, are not allowed under any circumstance. Employment agreements for extended periods of time are not to be used to cover ongoing, routine tasks necessary for the feed mill to operate in lieu of permanent employment. For example, unanticipated peak work or an annual deep clean of the feed mill can by carried out by day contractors, but daily packaging of feed products cannot be done by day contractors.

Subcontracting may be required to provide goods or a service that the feed mill cannot undertake itself.

Fixed-term contracts are characterised by a predefined or predictable term and are often needed to manage varying business demand, however, having many employees contracted this way (for less than six months) or if employees have to reapply successively over a long period of time this may be considered excessive and is best avoided.

Family contracting is avoided by ensuring that spouses, children, or other family members of the employee are not allowed or required to work, unless separately and voluntarily contracted in accordance with the requirements of the Feed Standard.

✓ ***What do better practices look like?***

The feed mill provides a blank format of the payslip/paystub, detailing/explaining each item, and posts copies at key locations accessible to employees.

The feed mill also develops policies and programmes to improve business planning, thereby avoiding the need for temporary contracts and enhance job security for employees.

Auditing considerations

(1.9.1) All employees should be provided a copy of their contract and written evidence of employees having received a copy available. Any addenda to the contract during the course of employment, such as where employees have been given a different role, had their wages increased, or they have been promoted, should be recorded on file and evidence of employees being provided a copy of the addenda available.

The auditor could request evidence of a Memorandum of Understanding or terms and conditions agreed between mill and recruitment companies/agency (when used) detailing the conditions under which migrant employees will be hired.

Auditors can cross reference and verify information gained through management and employee interview against documentation in their file. E.g., job roles, working hours, wages.

Management interviews: Management can be asked about the process of carrying out screening when selecting recruitment agencies for hiring migrant employees and/or local contract/seasonal workers.

Employee interviews: Employees can be asked in broad terms about their understanding of their contract, with special focus on the following topics:

- Legally allowed deductions being made from their wages (e.g., contributions towards social security, health insurance & taxes) and whether they feel this is beneficial to them;
- Whether they are in possession of a copy of their contract and any addenda that may be applicable;
- Knowledge of legally mandated paid sick leave allowance and how they may apply for sick leave or casual leave, if applicable;
- Migrant employees can be asked about the process of recruitment, if they were required to pay recruitment fees (contrary to Standard requirements), and details of all costs incurred towards arrangements for travel to the host country;
- Knowledge of termination clauses in their contract and the process to be followed for those that wish to terminate their employment with the mill;
- Details of rest and break times within their regular working hours.

(1.9.2) Management interviews: Management can be asked:

- to explain a sample payslip/pay stub to demonstrate how the hourly rate of overtime premium is calculated – this should be consistent with national law;
- how employees can raise issues related to doubts on calculations of overtime wages, there may be a written process and communication provided by management to employees.

Employee interviews: Employees can be asked:

- if they understand how their wages and overtime premium are calculated – they ideally should be able to demonstrate a broad understanding of this;
- if they receive a copy of the payslip/pay stub for each pay period and whether they understand it;
- how issues are raised with management in case of discrepancies or doubts related to calculation of overtime wages. This should be consistent with communication that has been provided by management to workers (as per second point above). This could also be cross-referenced with the grievance management policy/process adopted by the mill (Criterion 1.13).

(1.9.3) It is important for auditors to have an awareness of the risk of management's potential inclination to use labour arrangements that may be deemed cheaper by evading obligations and adherence to national laws and regulations.

Contract workers: These constitute workers that are hired for short periods of time from a local labour contractor/supplier. Auditors could ensure that a copy of a contract between the labour contractor/supplier and contract workers meets all the requirements of Indicator 1.9.1. A copy of the contract may be available on record for each contract worker including a copy of the payslip/pay stub as evidence of payment consistent with Indicator 1.9.2.

Worker and management interviews: The auditor could:

- ask management to explain the different categories of workers at the mill. These may include full time/permanent workers, seasonal workers, contract worker (supplied by a local contractor) and (foreign and local) migrant workers;
- The number of workers, classified by gender and employment category, should also be provided. This is done to understand workforce demographics so that the appropriate sampling technique is applied to include all categories of workers to get a representative sample within the scope of the audit;
- ask management how screening is carried out when selecting local labour suppliers/contractors and the Criteria used for selecting a contractor. There may be written evidence of how the process was gone through and why a contractor or contractors were chosen amongst alternatives ;
- Select a representative sample of all categories of workers and ensure that the same percentage of workers are chosen from each type of contractual arrangement;
- Interview workers about the terms and conditions of their contracts to verify consistency in employment terms and that they are consistent with 1.9.1 above.

Document review: The auditor could review contractual arrangements signed between the mill and the labour contractor/supplier to verify consistency with national laws and regulations.

The auditor can also review employment contracts between labour suppliers/ contractors and workers to verify consistency with 1.9.1 above.

Useful resources

International Labour Organisation (ILO) guidance on employment relationships: http://ilo.org/ifpdial/areas-of-work/labour-law/WCMS_CON_TXT_IFPDIAL_EMPREL_EN/lang--en/index.htm

Employee Wages

Employee Wages

Supplier Code of Conduct:
The Criterion must be included in the feed mill's Supplier Code of Conduct for their ingredient manufacturers (Indicator 2.1.4) as well as the ingredient manufacturer's Supplier Code of Conduct for their suppliers (Indicator 2.1.8). The guidance and interpretation of the Criterion is to be followed by the feed mill's ingredient manufacturers, as well as their suppliers.

Which Feed Standard Criterion does this apply to?

Criterion 1.10 - The UoC pays employees at or above the legal minimum wage.

What is the intent of this Criterion?

The feed mill pays employees at or above the legal minimum wage, or where a minimum wage has not been established, a basic needs wage, in consultation with employees.

How do I interpret the Requirements?

Setting wages (1.10.1)

If required, basic needs wages are calculated in consultation with employees or their representative employee organisations and is often calculated on a regional basis. See 'Freedom of association and collective bargaining' (Criterion 1.8) for further guidance.

Payment of wages (1.10.2)

'Legal tender' means that payment is provided in a legally accepted way as a means to make payment for something, using widespread local currencies i.e., not in notes which banks no longer exchange, not in notes which are not accepted (too small), not in currency which is unusable due to inflation.

Documenting wages (1.10.3)

Loans provided by an employer can be an important source of funds for employees in some places. Clarity of loan calculations and repayment are particularly important, as loans can be an element driving forced labour if employees are not able to repay within a reasonable amount of time based on their wages. Interest rates are charged at or below bank rates and are included in receipt of information on advances, loans, hours worked, pay and the calculation of any deductions.

Maternity and paternity protection (1.10.4)

Many countries have legal requirements for the provision of maternity protection for women employees, these typically include maternity leave, cash benefits and employment security. Some countries also have similar legal requirements for the provision of paternity protection for male employees. The feed mill ensures that employees are entitled to maternity or paternity protection in accordance with the requirements of national laws and regulations or ILO Maternity Protection Convention, 2000 (No. 183), whichever is greater. This includes countries who are not signatories to ILO Convention 183.

The requirements of ILO convention No. 183 can be summarised as follows:

- women are provided with 14 weeks of paid maternity leave, this includes a period of six weeks' compulsory leave after childbirth, unless otherwise agreed at the national level by the government and the representative organizations of employers and employees;
- women who are absent from work on maternity leave shall be entitled to a cash benefit which ensures that they can maintain themselves and their child in proper conditions of health and with a suitable standard of living and which shall be no less than two-thirds of her previous earnings or a comparable amount (thus the amount may be less than the minimum wage/basic needs wage calculation as per 1.10.1);
- measures are taken to ensure that a pregnant woman or nursing mother is not obliged to perform work which has been determined to be harmful to her health or that of her child;
- protection from discrimination based on maternity;
- prohibits employers to terminate the employment of a woman during pregnancy or while on maternity leave, or during a period following her return to work, except on grounds unrelated to pregnancy, childbirth and its consequences, or nursing;
- women returning to work must be returned to the same position or an equivalent position paid at the same rate.

Auditing considerations

(1.10.1) The detail below describes important auditing considerations when verifying legal minimum wages for different categories of workers.

Permanent/full time employees: A review of employment contracts/agreements will indicate that such employees have been appointed based on the legal minimum wage or the basic needs wage as applicable. Any changes to local legislation indicating past or current increases in minimum wages should form an addendum to the contract in workers' personal files. Worker interviews could confirm that they are being paid the contracted wages.

Contract workers: This category of workers includes those that have been hired through local labour supply companies or labour contractors. Such workers typically have employment contracts mutually agreed between them and their employer (the labour contractor/supplier). These contracts can be verified to ensure that wages meet national laws or regulations as defined by the competent authority. Additionally, frequency of wage payment may be defined by law for contract workers – they may be required to be paid weekly or fortnightly. Evidence of physical employment contracts should be available for verification including evidence of workers being paid at prescribed intervals. Auditors can ensure that workers hired under this category get the same social protection and health benefits/insurance as full-time permanent employees.

Casual/temporary workers: The mill may hire casual/temporary workers to meet seasonal/urgent needs and national law may allow such recruitment. Similar to workers hired from local labour suppliers/contractors, the frequency and conformance of wage payment will need to be verified. It is particularly important that the legally applicable wage, social security and health benefits meet the prescribed national laws/regulations for such workers.

Foreign migrant workers: Employing foreign migrant workers has become increasingly common to meet the shortage of a skilled local workforce.

Particular emphasis may be given to applicable wages that migrant workers are paid. While national laws define what minimum wages are for the country/region/sector/economic activity, foreign migrant workers should not be paid any less than what has been defined by the competent authority. However, it is important to verify and audit contracts that were signed between migrant workers in the sending country and the mill – the wages and benefits stated in such contracts should meet, at a minimum, national laws of the receiving country.

Auditors can verify wages stated on the offer of employment to migrant workers and verify if wages and benefits meet national laws, including any other agreement or employment contract workers may have signed upon reaching the host country. Auditors should be aware of possible deductions that may be made from workers' wages before payment - these deductions might be attributed to recruitment/agency fees, cost of airfare, employment visas and any other expenses that the mill may have incurred towards hiring foreign migrant workers.

In-kind benefits: Under no circumstances, unless national law allows and it is part of a collective bargaining agreement, should in-kind benefits provided by a mill be used as a way to paying less than legally mandated wages to any category of worker. Such in-kind benefits can include housing, subsidized rations/food/meals, transport, utilities like water & electricity, etc.

Employee interviews: Employees that are interviewed should be able to state their current basic wage based on their nature of contractual employment with the mill. Their responses should be consistent with wages stated in their respective employment contracts.

The following considerations may possibly be made when conducting employee interviews:

- Aim to have each category of worker, based on their nature of contract (permanent/full time, contracted workers, daily rated or piece rate workers, casual & temporary workers and migrant workers) interviewed separately. This allows auditors to verify a set of employment conditions that are applicable to each category of worker based on the nature of employment.
- Consider performing group interviews with each category of worker based on nature of employment to get broad understanding of how laws/regulations related to minimum wages and benefits are being met.

(1.10.2) Employees may assign someone to collect their wages on their behalf for convenience, this could be audited to verify employees receive their own wages.

Management interviews: Auditors can gain an understanding of the following from management:

- Understand how each category of worker is paid (cash/bank deposit), the method of payment and the frequency of payment for each category;
- Availability and access to automated teller machines in the area if workers are paid by direct bank deposit;
- Facilities provided to migrant workers, if any, to help them transfer money to their respective countries.

Employee interviews: Employee interviews could include obtaining the following information from different categories of workers based on their employment relationship (contract) with the mill:

- Frequency of wage payment;
- Accuracy of wages received;
- Worker accommodation/dormitory safety and security of wages and other belongings if workers are paid in cash;
- If paid by bank transfer, the ability for, and ease of, withdrawal of wages from automated teller machine/s;
- Location of the automated teller machine/s if applicable;
- Instances when wages were delayed, deferred or withheld in the past and reasons;
- Procedure for raising grievances if wage payment is inaccurate.

(1.10.3) Auditors ought to be aware of the mills legal obligations that require the mill to maintain proof of payment of wages to all categories of workers that includes full time and those employed through labour brokers/suppliers, daily rated or piece rated/task-based employment or migrant workers. National laws often define this, in the absence of a national law, the mill should maintain all information as required under Indicator 1.10.3

Employee interviews: Employee interviews could include focus on the workers' understanding of signing any document confirming receipt of wages if this is a requirement of national law. Workers may also be asked if the amount/s indicated in the records is the same as what they receive in cash or by bank transfer.

(1.10.4) Auditing this Indicator could be done in conjunction with Criterion 1.6 that addresses discrimination.

Auditors affirm that the mill does not discriminate in hiring between genders so that they can avoid being obligated to pay maternity (or paternity) benefits to employees. Additionally, auditors can verify if contract, temporary, seasonal and migrant workers are being hired intentionally to absolve the mill from meeting obligations towards national laws/regulations for full time employees.

If contract, temporary, seasonal and migrant workers are hired, the auditor determines if national provisions towards maternity and paternity benefits apply to such workers and that the mill has a system in place to ensure workers are provided these benefits.

National laws and regulations: Emphasis to be given to national and/or regional laws as applicable. Auditors could also determine what category of workers are provided maternity and paternity benefits.

Document review: A sample of records (e.g., from the past 12 months), that includes all categories of workers that are eligible for maternity and paternity benefits could be verified. Calculation of such benefits could be conducted independently of the calculation provided by the mill and cross verified to determine if the mill's calculation meets requirements of the law. Auditors can also verify payroll and time records to confirm that workers whose records were selected for verification were marked as 'on leave' in the payroll system. Auditors may request to also verify if maternity and paternity provisions have been included in workers employment contracts and that provisions indicated meet the requirements of local legislation. Auditors can verify that workers that have availed of maternity/paternity benefits have rejoined work at the same or similar position.

Employee interviews: Employee interviews are done separately with different categories of workers, particularly pregnant females that will avail of maternity leave soon. Groups of workers can be interviewed to gain understanding of their knowledge of maternity or paternity leave. Workers should be able to broadly state the provision and provide information about workers that have availed of related benefits in the past. Auditors may

also interview workers that have availed of the benefits of maternity and paternity leave as applicable in the past and if they were able to obtain same or similar roles in the mill without a reduction in wages upon their return.

Useful resources

International Labour Organisation (ILO) V. Maternity Protection Convention, 2000 (No. 183): https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_INSTRUMENT_ID:312328

Performance and disciplinary practices

Performance and disciplinary practices

Supplier Code of Conduct:
The Criterion must be included in the feed mill's Supplier Code of Conduct for their ingredient manufacturers (Indicator 2.1.4) as well as the ingredient manufacturer's Supplier Code of Conduct for their suppliers (Indicator 2.1.8). The guidance and interpretation of the Criterion is to be followed by the feed mill's ingredient manufacturers, as well as their suppliers.

Which Feed Standard Criterion does this apply to?

Criterion 1.12 - The UoC has disciplinary practices that respect the dignity and health of the employee.

What is the intent of this Criterion?

The feed mill has performance practices that respect the dignity and health of the employee.

How do I interpret the Requirements?

Background

Creating a good and effective work environment involves monitoring workplace performance and encouraging good work. There is also a need to have a procedure in place to react to any underperformance which contains levels of escalations, based on evidence and each level clearly informs the employee of options and consequences. This is sometimes called disciplinary practices.

Applying disciplinary procedures (1.12.1)

Disciplinary procedures are outlined in a written document accessible to all employees (e.g., a company code of conduct), ensuring consistent application. This details employee performance which may trigger disciplinary action and the corresponding action to be taken, as well as listing different levels of warnings, and who is responsible for decision-making. Training is provided for supervisors and managers on all procedures and how to communicate effectively and carry out disciplinary actions in a fair and respectful manner. The table below demonstrates examples of progressive disciplinary action procedures. Disciplinary procedures also adhere to local legislation and any collective bargaining agreements made, particularly regarding cases of potential dismissal and may include use

of the grievance mechanism as a form of appeals process (see Engagement, Dialogue and Grievance Section; Criteria 1.13).

Table 5: Examples of progressive disciplinary procedures (adapted from SA8000)

Type of infraction	Example of infraction	Example disciplinary action progression/escalation plan/procedure
Minor	- Isolated incident of tardiness or minor production errors	1. Oral warning to employee that his/her conduct or level of performance is unacceptable. 2. If unsatisfactory performance or conduct continues or becomes more serious, a written warning may be issued identifying the details of the infraction that led to the warning. It may also contain a request for corrective action, a timeline for correction, and the consequences if not complied with. 3. If the employee fails to improve, a final written warning may be issued that documents the continued misconduct or poor performance and explains the consequences of further failure to improve, such as possible suspension or even dismissal. 4. As a last resort, the employee may be suspended, demoted, or dismissed. However, the employee is given the opportunity to appeal the decision before such action is taken.
Major	- Repeated incidents of tardiness or minor production errors - Isolated major production error	1. A written warning may be issued to the employee identifying the details of the infraction that led to the warning. It may also contain a request for corrective action, a timeline for correction, and the consequences if not complied with. 2. If the employee fails to improve, a final written warning may be issued that documents the continued misconduct or poor performance and explains the consequences of further failure to improve, such as possible suspension or even dismissal. 3. As a last resort, the employee may be suspended, demoted, or dismissed. However, the employee is given the opportunity to appeal the decision before such action is taken.
Gross misconduct	- Theft or fraud - Physical violence or bullying - Deliberate and serious damage to property	1. The employee may be suspended from work on full pay, while the alleged offence is investigated. 2. If, on completion of the investigation and the full disciplinary procedure, the organisation is satisfied that gross misconduct has occurred, the result could be summary dismissal without notice or payment in lieu of notice. However, the employee is given the

	- Serious incapability at work brought on by alcohol or illegal drugs - Causing loss, damage or injury through serious negligence	opportunity to appeal the decision before such action is taken.

Deducting from wages (1.12.2)

The awarding of a bonus (i.e., a payment in addition to the salary) is often determined based on performance and is not a benefit deduction. Common practice in response to an employee's underperformance is not paying them a bonus or reducing their bonus. See guidance for Indicator 1.4.6 for more information on not withholding salary or benefits.

Auditing considerations

(1.12.1) Often laws prescribe steps that need to be followed to create a disciplinary rule, and there may also be requirements that the rules are submitted to the local competent authority, for example, the Ministry of Labour or the Ministry of Manpower, for approval. Additionally, laws may require that the rules are written in or translated into a language that workers understand and that they are posted at conspicuous places for workers to read. Auditors should also be conscious of laws and regulations that require the presence of a witness, of the worker's choice, when disciplinary rules approved by the competent authority are applied.

In instances when there is a Trade Union or a CBA, laws may require that disciplinary rules are reviewed/approved by the Trade Union and form a part of the CBA. Requirements may also include the presence of a member of the Trade Union when disciplinary rules are enforced on employees.

When national or regional law is silent on the disciplinary process or rules, auditors can consult with, and seek information from, competent authorities and interested parties. For example, local worker welfare organisations, NGOs, labour lawyers and civil society to obtain additional information.

Document review: A thorough review of laws, the internal rules and regulations of the mill, disciplinary rules and past documentation of disciplinary action taken on workers may be reviewed for consistency, taking into consideration all of the above.

Employee interviews: Employees may be asked about training (at the time of hire and subsequent periodic) to understand the mill's applicable rules and regulations, and

specifically about action that is taken when disciplinary sanctions are imposed. Questions may be asked to determine if the disciplinary process is applied progressively in a fair, transparent and objective manner ensuring that the workers' dignity and respect is protected.

(1.12.2) This is an ASC Requirement, therefore, even if local laws/regulations allow monetary fines to be imposed, this is not permitted. There may be instances when the mill imposes monetary fines and deducts such fines from production, attendance or other voluntary bonus benefits (like an attendance or festival bonus). This is also not permitted.

Document review: Auditors can review payroll documentation to verify if there are deductions other than legally mandated deductions, like taxes and workers' contributions towards social security or health insurance. Deductions towards repayment in instalments by workers against monetary loans provided by the mill will not be considered a deduction for disciplinary action.

Employee interviews: Employees can be asked about methods of discipline for production targets not being met or for quality issues. There could be other reasons for imposing monetary fines like coming late to work, excessive use of toilets, being absent or sick and other typical issues at the workplace that may be reasons for disciplining workers. Auditors should be conscious that fines are often not reflected on payroll records and workers may have to pay fines in cash.

Useful resources

ACAS statutory Code of Practice on discipline and grievance procedures: https://www.acas.org.uk/acas-code-of-practice-for-disciplinary-and-grievance-procedures/html

Health and Safety

Health and Safety

Supplier Code of Conduct:
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Which Feed Standard Criterion does this apply to?

Criterion 1.7 – The UoC provides a safe and healthy work environment.

What is the intent of this Criterion?

The feed mill provides a safe and healthy workplace and environment and aims to minimise the risk of physical and mental harm to any people in and around the feed mill.

How do I interpret the Requirements?

The intent of these requirements is to minimise the risk of harm that is inflicted as a consequence of feed mill activities, rather than harm unrelated to feed mill activities.

Health and Safety Risk Assessment (1.7.1 and 1.7.3)

A risk assessment is important in the prevention of health and safety incidents because it enables management to understand the areas where people are most at risk of harm and allows them to address them appropriately. Please refer to the 'Risk Management Framework' Section of this document for further information.

Chronic and acute physical and mental injuries (1.7.2)

An acute injury is often the result of a single, sudden event. Examples of acute physical injuries include broken bones, muscle strain, wounds, shoulder dislocation.

A chronic injury can result from an acute injury, be the result of repetitive events over a long period of time, or a long-term issue related to an injury or health condition. Examples of chronic physical injuries or conditions include long-term muscle pain, repetitive strain injury.

There is generally more familiarity with physical injuries, but mental injuries can equally have a significant impact. Acute stress reactions can occur after a traumatic or unexpected incident and can lead to physical symptoms, such as aggressive behaviour, low mood, or anxiety, which can impact performance at work. Harassment and bullying in the workplace are examples of things that can lead to acute mental injuries.

There are many factors that can contribute to poor mental health and lead to depression and other psychological symptoms, that can become chronic and long-lasting. For example, a chronic mental injury might result from involuntary overtime work, which could place an employee under stress and anxiety that leads to long-term mental health problems.

The implication of having mental injuries present among employees is that there can be increased absence from work and a difficulty on focusing on tasks while at work.

Responsible employers can work with employees and employee organisations to reduce the risk of mental injuries, look for ways to prevent stress caused by the workplace and understand how to support their employees.

✓ ***What do better practices look like?***

It is better not to assume that any mental injury has been caused by a personal issue, but instead to think through whether anything can be attributed to the feed mill workplace. An employer can work to remove the trigger for the stress or mental injury by listening to the employee, finding out how it came about and removing the problem from the workplace. If a chronic condition has been triggered, then the employee may need treatment.

Personal Protective Equipment (1.7.4)

The feed mill assesses what Personal Protective Equipment (PPE) is needed (meeting legal stipulations if applicable), for which functions and in which situations, and how PPE is maintained and kept in good shape. PPE often comes with manufacturers' instructions, which explain how to maintain equipment, and when equipment needs replacing. Providing appropriate storage for the PPE, where it is protected from adverse weather conditions, will prolong the life and useability of the PPE. PPE is only effective when it is accessible, effective and useable.

Training for employees on the correct use of PPE is necessary for ensuring that PPE is used effectively. When employees receive regular training on how to use PPE, they are better protected against accidents. When new PPE is introduced, or the method of using it changes, updated training helps to ensure the safety of all employees.

The list below is adapted from the EU's Compliance Help Centre and can be found in full at this website: https://support.ce-check.eu/hc/en-us/articles/3600217070 72-8-Types-of-Personal-Protective-Equipment-PPE-

PPE can include:

- Head protection (helmets, hard hats), which may be needed to protect an employee's head from knocking against hard objects, when working in construction, work around heavy machinery, while working in a workplace with low-hanging objects, piping, moving parts.
- Hand protection (gloves, wrist cuffs), which may be needed when working in hot or cold environments, with chemical or hazardous materials, when using abrasive or sharp objects.
- Eye and face protection (safety glasses, goggles, eye and face shields, visors), which may be needed when working with power driven tools, welding tools, handling hazardous substances.
- Respiratory protection (breathing apparatus, mask respirators, disposable face masks, protective hoods), which may be needed when working in workplaces with high levels of dust, or when in contact with gases, powders and vapours.
- Hearing protection (earplugs, ear defenders, noise meters), which may be needed when working in an environment with high noise levels.
- Foot protection (safety boots and shoes), which may be needed when working around various hazards, hot and cold environments, when handling heavy objects.
- Body protection (high-visibility clothing, harnesses, clothing for specific weather conditions, life jackets), which may be used where there are vehicles, when doing maintenance work on machinery, when working outdoors, in extreme temperatures, for protection against chemical contamination, for protection against drowning.

✓ ***What do better practices look like?***

A good practice can be for the feed mill to monitor the correct use of PPE by employees.

Employees need somewhere with adequate privacy to change into PPE, that includes somewhere to store their belongings, and a designated place to store or return (e.g., Laundry) the PPE after use.

Health and safety measures (1.7.5)

The ASC Feed Standard works to safeguard all employees at the feed mill. One of the ways of ensuring employee safety is by implementing health and safety measures:

Health and safety training:

- Any person working at the feed mill receives effective health and safety training in a language that they understand, as required to carry out duties and responsibilities of the job.
- Health and safety training is repeated on an as needed basis: when a risk assessment requires it, when local guidelines specify, and when there are new employees, or an employee's job or tasks change, or when there are changes in processes or changes in machinery.
- All health and safety trainings are documented.
- Health and safety training is provided free of charge for all employees.
- Health and safety training takes place during paid working hours.

Machinery and equipment:

- All machinery and equipment is compliant with national or other recognised health and safety standards.
- All machinery and equipment is appropriately installed, maintained and safeguarded.
- Only employees trained to use machinery and equipment are permitted to operate it.

Bodies of water:

- Emergency evacuation equipment and survival gear (life jackets, life buoys, ring buoys) is available and accessible near bodies of water (such as loading docks).
- The feed mill has procedures in place to safeguard employees near bodies of water (such as loading docks).

Signs and notices:

- Potential hazards and risk areas around the feed mill are clearly identified by warning signs.
- Written safety instructions for equipment use, in a language that the employees understand are posted at the feed mill and are available for employees to access.
- Written safety procedures that include details on accident prevention and response, and emergency procedures, are available for employees to access, and in a language that they understand. Pictures can be helpful.

First aid supplies (1.7.6)

Employees are trained in emergency response and first aid. For the health and safety of employees, a trained member of staff is present at all times, and information about who this is, is accessible to all employees.

The following list is adapted from the UK government Health and Safety Executive website, which can be found here: https://www.hse.gov.uk/simple-health-safety/firstaid/what-to-put-in-your-first-aid-kit.htm

First aid supplies can include:

- Information with general guidance on first aid. An example from the UK government Health and Safety Executive can be found here: https://www.hse.gov.uk/pubns/indg347.pdf.

The first aid kit can also include:

- Individually wrapped sterile plasters of assorted sizes
- Sterile eye pads / eye wash
- Individually wrapped triangular bandages, preferably sterile
- Safety pins
- Large and medium-sized sterile, individually wrapped, unmedicated wound dressings
- Disposable gloves
- Scissors or cutting tool

A first aid kit is checked regularly, to ensure that any items that are past their expiry date are safely disposed of and replaced.

First aid kits are kept at several locations around the feed mill, are easily accessible and are located near potential hazards or areas of risk.

Costs of medical treatment for work-related accidents or injuries (1.7.7)

Depending on the country where the feed mill is located, there are likely to be different costs that the feed mill is responsible for, depending on the level of the national social safety net.

? How does the presence of a national social security/health system effect the costs a feed mill is responsible for?

An employee injures his back lifting boxes of feed onto a truck. He suffers an acute injury, falls down and struggles to stand. The feed mill manager provides him with some painkillers from the First Aid kit and takes him in a feed mill vehicle to the nearest hospital. The employee receives some x-rays and is diagnosed as having strained his back and is given pain relief and told he cannot work for 3 weeks. The feed mill manager does not charge the employee for the painkillers from the First Aid kit, or the transport to the hospital. The feed mill pays the full hospital bill and continues paying the employee's salary for the 3 weeks that he is off work.

If this incident took place in Country A, where there is a social security and healthcare system, the feed mill manager does not charge the employee for the painkillers from the First Aid kit, or the transport to the hospital. The feed mill does not have to pay any hospital bill because the national health system pays for that. The feed mill does not have to pay any of the employee's salary for the 3 weeks that he is off work because that is covered by the national social security system.

If this incident took place in Country B, where there is no social security and healthcare system, the feed mill pays all of the costs, as outlined above.

Unsafe situations (1.7.8)

Examples of an unsafe situation include where the structural integrity of a building is failing, there is risk of falling objects, risk of physical or mental harm due to the problems in a building, chemical hazards in the environment.

If an employee feels unsafe, they do not need to ask prior permission to remove themselves from the situation.

Retribution can be obvious punishment (e.g., physical, verbal, threats, warnings) or hidden (e.g., being ignored for a promotion, being refused requests that are unrelated to the unsafe situation, hostile treatment).

Sanitary facilities (1.7.9)

Sanitary facilities have a source of ventilation (e.g., a window or fan), adequate lighting, and doors that close and lock for privacy. Facilities include one of the following: pit latrines, flush toilets, urinals. Taps and water supply are also available. Sanitary facilities are provided separately for men and women except in family accommodation. For women facilities for safe disposal of sanitary products is provided. Facilities are constructed of hard

materials that are easy to clean. Waste and wastewater are disposed in accordance with Criteria 1.19 and 1.20.

Mental, physical or verbal abuse (1.7.14)

Refer to guidance for Indicator 1.6.6 Harassment, abusive and exploitative behaviour.

Structural integrity (1.7.15)

Structural integrity is the ability of a structure to hold the intended load for the whole of the building's intended life space.

Ensuring structural integrity involves regular monitoring by a knowledgeable, designated person, and maintenance and repair.

Maritime legislation (1.7.16)

This Indicator refers to loading docks that some feed mills might have if they are based next to canals, rivers or sea harbours. These docking areas interact with maritime traffic (which includes vessels on freshwater canals).

There are regulations around how ships are docked that makes it clear to other ships in the shipping lanes, and regulations around unloading dangerous goods. It is the responsibility of the owner of the cargo terminal, which could be the feed mill to comply with these and other relevant regulations, which can include docking safety procedures and the display of warning signs.

Auditing considerations

(1.7.1) It is important for auditors to have a thorough knowledge of applicable laws and regulations that relate to occupational health and safety. There may be country-specific laws/regulations for certain sectors and economic activities that workers are engaged in, depending on the health and safety risk and the nature of work that may affect the worker. For example, there may be regulations for working in mines, bakeries, agricultural plantations or the construction sector where workers are exposed to the elements (heat, cold, wind or rain). In certain countries, like Turkey, national law requires that employers perform a health & safety risk assessment. Therefore, knowledge of local laws and regulations is imperative.

For the purposes of auditing this Indicator, auditors would benefit from having heightened knowledge of risk factors prevalent in the mill setting. Health & safety risks could emanate from production processes, machinery in use, the product itself, or physical conditions like lighting, temperature, working hours and changes in management. Figure 4 of Feed Standard Annex 7 states that risks should be defined by the mill. Risks can be dynamic and can change frequently with changes to processes,

product, machinery, workforce profile, seasons and peak production periods, though this is not an exhaustive list of factors to consider as there may be others specific to the mill and its location that could be included when defining risk factors.

Additionally, the mill can evaluate risks based on the identified Risk Factors and assign a level of risk (low-medium-high) for each risk factor that is evaluated in the monitoring programme.

(1.7.2) The health and safety risk assessment can include risks of acute injuries, those caused suddenly because of a trip, fall or an electric shock resulting, for example, in breaking an arm, twisting a foot or burns caused by an electric shock.

Injuries caused by repetitive movement in performing a job, a result of poor ergonomics, can become chronic injuries. Auditors can visually observe repetitive operations that workers perform and enquire about any medical conditions that have been reported by workers at the clinic/hospital. For example, standing for long periods of time causes inflammation of the veins, this condition can progress to chronic and painful varicose veins. Long periods of standing and working also put pressure on joints resulting in the spine, hips, knees and feet to become temporarily immobilized and locked.

Employee interviews: While it is important to observe employees' physical condition, the way they sit, stand or walk, and for noticeable physical discomfort and injuries on their body, it is equally important to ask workers about accidents and incidents that may have occurred at the workplace. While mental injuries may be difficult to detect, any responses from workers that are incoherent, provided fearfully or not provided at all to simple questions may trigger investigation of the workers' physical and mental health. This can require speaking to medical in-house specialists (doctor/nurse) to understand the situation better and to other workers to know the full extent of the potential issue.

(1.7.3) This has been addressed in auditing guidance for 1.7.1.

(1.7.4) The use of Personal Protective Equipment is the last defence in the hierarchy of hazards. The following defence mechanisms may be adopted:

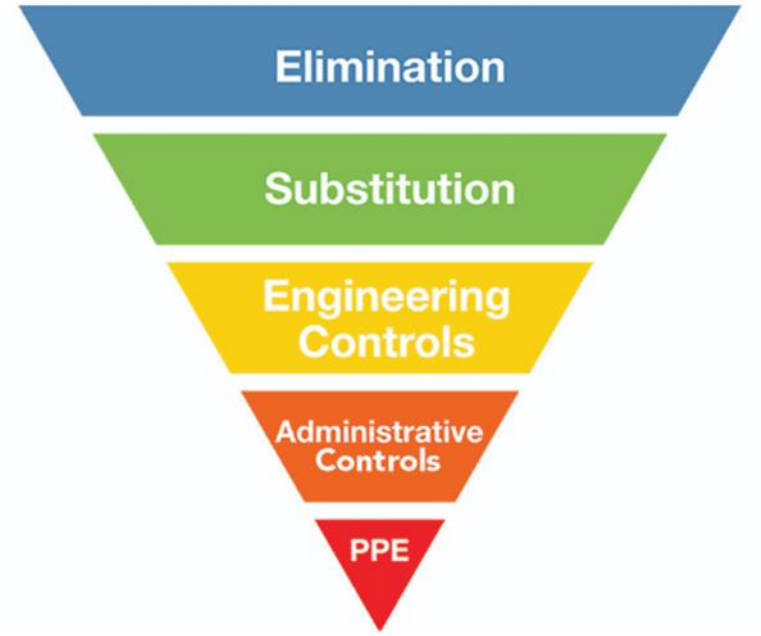

Figure 2: Hierarchy of defences against hazards

This is explained below, and indicates that the use of PPE is the final option:

- **Elimination** – Physically remove the hazard
- **Substitution** – Replace the hazard with a non-hazardous process
- **Engineering controls** – Isolate people from the hazard
- **Administrative controls** – Change the way people work
- **Personal Protective Equipment**– Protect the worker with PPE

Management interviews: can focus on understanding actions taken by the management in addressing hazards that focus on eliminating, substituting, adopting engineering or administrative controls that reduces the need to depend on PPE to protect workers.

Employee interviews: Employees should be asked if PPE is provided free of cost and is replaced periodically as necessary based the nature of the work and the risks that the worker is protected from. Additionally, auditors can ask workers if training has been provided on the effects of not using PPE and the potential danger to workers' health and safety. This question will substantiate that the mill understands risks that workers may be exposed to and provides the relevant training to workers.

(1.7.5) Auditors can refer to the most updated health and safety risk assessment and verify if workers have been made aware of health & safety instructions through notices/instructions and posters at appropriate locations that workers access frequently. Where necessary, all notices/instructions should be in languages understood by workers. Auditors could also understand and verify maintenance schedules for different equipment at the workplace. A discussion with those responsible for plant and equipment

maintenance could be held, and records of machinery maintenance and frequency reviewed.

Employee interviews: Employees will be trained on emergency procedures and how to respond to emergencies. Workers can be asked open ended questions to understand if they know what to do in an emergency and the harmful effects on their health if they do not use PPE. National law can also be referred to in this instance as it may have prescriptive requirements that state the obligations of the mill in relation to training workers and posting of notices/instructions.

(1.7.6) Auditors can refer to national laws that may define the contents of a first aid box, the number of first aid boxes required in ratio to workers, and the number of people that need to be trained in administering first aid. There may be additional requirements for the mill to have qualified medical personnel on site, for example, a full-time nurse during working hours and a visiting or full-time doctor, depending on the country where the mill is located. Indicator 1.3.1 requires the mill to comply with all applicable labour related laws and regulations and maintain a system for its compliance.

Employee interviews: Workers interviews can focus on the workers' knowledge of first aid box locations and what workers should do in cases of an injury. Though workers that are interviewed may not themselves have been injured during their employment term, their responses will provide evidence that they have been provided effective training in how to respond to medical emergencies.

(1.7.7) Auditor understanding of national/regional laws and their provisions that concern social security and health schemes is important. Often such laws are in separate categories and not included in labour laws, therefore auditors could obtain a copy of the specific law and ensure that the mill complies with requirements as stated in the law/regulation.

When there is no national/state social insurance scheme for workers, such as in the case of Bangladesh, the mill is expected to pay for medical insurance that includes cover for occupational injuries and work-related accidents. The insurance including coverage of medical treatment in case of hospitalization, treatment that includes doctors' consultation, medication needed to treat the accident or injury until the employee recovers and is able to return to work. Insurance can also cover compensation for workers for hours/days lost by the worker.

Document review: Documents regarding the medical insurance cover provided to workers can be reviewed. Medical insurance provisions could also be included in workers' contracts and workers be able to explain these benefits. Those affected by an occupational injury or illness may provide examples of how they were compensated when they were injured or ill in the past.

Migrant workers: Usually migrant workers are bound by employment conditions stated in contracts that have been signed at the time of employment. Auditors can verify such contracts to determine that clauses have been included in the contract to say that the cost of repatriation will be borne by the mill in cases when the worker is unable to continue working as a result of an occupational illness or injury. National laws may also have provisions that define steps to be taken in such cases.

(1.7.8) National laws in several countries state that workers have the right to remove themselves from their place of work if they observe an unsafe condition that may be dangerous and cause an injury. Laws sometimes require workers to report an unsafe working environment to management and, if no action is taken, they may remove themselves from a dangerous situation and stop work. Auditors can review national law requirements, and in the absence of national laws that permit workers from removing them from a dangerous and unsafe situation at work, the mill may inform workers by means of training and the use of notices and instructions that they can remove themselves from an unsafe situation at the workplace without fear of reprisal or retribution.

Employee interviews: Employee interviews could focus on asking open ended questions to individual workers and those in group interviews. Workers could be asked to explain what they would do if they found a situation during work that may cause an injury or is unsafe.

(1.7.9) Auditors can refer to national laws that relate to the number of toilets that are required based on the number of workers. There may be separate provisions for male and female workers. Laws may require that the mill provides urinals for male workers and fewer toilets to them. Auditors can also verify if female toilets are to be provided with covered waste bins. Toilets should be functional, separated by gender and have water available at all times. Auditors can also verify national laws that state the number of washbasins required for each gender based on the number of workers.

Employee interviews: Employee interviews focus on the quality of sanitary facilities provided by the mill. Workers asked if toilets function all the time, the frequency of their maintenance and cleaning and how long it takes to have non-functional toilets repaired. Workers can also be asked whether the number of toilets is enough and whether workers get time to use them without unreasonable waiting periods during rest and meal breaks.

(1.7.10) It is important for auditors to have a good understanding of the quality of water and its sources. Often water supplied by the local municipality is not fit for drinking, or if it is originally fit for drinking it gets contaminated by poorly maintained water pipelines in the water supply network from the public source. If ground water is used for workers this needs to be tested for potability. There may be local regulations that define the periodicity of such tests. Auditors could also refer to local intelligence on water borne diseases and ailments. Records of workers reporting sick because of stomach ailments be thoroughly

investigated. Water borne diseases that cause ailments usually occur during the monsoon season in parts of Asia. Auditors can look at absentee records and of medication being dispensed from the clinic/hospital to determine if there are issues with workers falling sick due to stomach ailments.

Water tests for potability can be conducted by the mill and samples of water be collected from different sources in the mill by the testing authority themselves. Auditors can familiarize themselves with the parameters that need to be tested and the WHO guidance on tolerances of different parameters that are tested. The WHO has additional information available here: Guidelines for drinking-water quality, 4th edition, incorporating the 1st addendum

Employee interviews: Employee interviews focus on the quality of drinking water being provided by the mill. Workers ca be asked about possible stomach ailments that have occurred in the past that may be attributed to poor quality water. Auditors need to be conscious that while the facility may provide hygienic and potable water, workers may consume worse quality water outside the place of work, which may affect their health. Auditors can review independently conducted water potability test reports from competent authorities that certify the quality of water.

(1.7.11) National laws may have provisions that require the mill to provide an area for workers to cook their food and eat meals. Since cooking food typically requires the use of gas or electricity auditors ensure all such areas meet building (civil construction) and safety requirements, particularly electrical safety. Auditors can verify if the construction materials used in areas for food preparation are consistent with local civil safety laws and if the Civil Defence department is required to inspect and issue a permit for areas where food is prepared. Additionally, auditors can verify if food preparation areas are adjacent to the mill and have a common wall. Usually, food preparations areas and workers dormitories are segregated from the main mill building and do not have common walls and are not in floors within or above production areas.

(1.7.12) The remote location of a mill and workers' basic needs creates a risk in terms of what the mill may charge workers for food or daily provisions that are provided to workers. Purchase of food by workers from the mill should not be a condition of employment for workers. In cases where alternative arrangements are not available, the cost of a meal should not be more that what it would cost in an urban area if the worker had to purchase the meal. Similarly, the store that provides workers their daily needs, such as groceries, should charge less than or the same as they would cost in an urban area. Technically, the store may be on the property of the mill and therefore rent may not be charged. If rent is charged, then it could be subsidised. This would lead to cheaper groceries and goods that are sold by the store.

Employee interviews: Employee interviews can focus on understanding the cost of similar meals in an urban setting. Auditors may also enquire if meals are wholesome and

provide the necessary balance, nutrition and variation each day. Workers can also be asked the cost of groceries that they purchase from the store and compare this with prices outside the mill.

(1.7.13) National laws often define provisions for new mothers. Provisions in law could include areas for nursing infants, the time allowed each day for new mothers to nurse children and the period when such nursing breaks will be applicable. Be conscious of laws that require facilities that are to be provided to new mothers in a creche in terms of a qualified care giver for children when the mother is at work. Irrespective of what national law states, ASC Requirements under this Indicator should be met in full. This Indicator can also be audited in conjunction with Indicator 1.6.1 to ensure that the mill does not discriminate in hiring new mothers, and that new mothers are not disadvantaged by demotion to lower position jobs that might pay less.

Female workers that look young should be spoken to in groups and asked about the facilities provided by the mill to new mothers. They can be asked if they will be provided the same benefits should they need them. Records of those that have been on maternity leave can be verified and new mothers that exist in the facility be spoken to, to understand if the mill meets requirements of this Indicator.

(1.7.14) Harassment manifests itself in several forms and is often found in the workplace. It is sometimes used by supervisors and managers as a means to push workers to meet production targets, and to discipline workers outside of the disciplinary policy and procedures defined by the mill. Management is often unaware of the subtle forms of mental, physical and verbal abuse that workers may be subjected to. This does not absolve mill management from their responsibilities, and they remain accountable for the way workers are treated.

Mental harassment could include assigning workers on tasks they are not trained to do or working on tasks that are menial and not suited to their skill level.

Physical harassment may include physical contact with workers that can be sometimes severe and amount to pushing, shoving, kicking and punching, to extract work from workers.

Verbal harassment may include ridiculing workers in front of co-workers, admonishing in public, threats of dismissal and abuse in front of co-workers.

Employee interviews: Employee interviews require a plan and a strategy that includes building confidence, trust and empathy. Auditors could view the interview from the workers standpoint and ask open ended questions to understand prevalent practices adopted by supervisors and managers to meet production targets. Be aware that workers who are more skilled tend to bear the brunt of such practices as they often challenge the

supervisors and ask questions of them. As a result, they are often at the receiving end of harassment.

(1.7.15) Auditor familiarity with laws that pertain to structural integrity of buildings is important, including the mill and any ancillary buildings associated with the production process. The mill layout and the building plan approved by the competent authority reviewed. This includes workers accommodation (if provided by the mill). Auditors can look out for additions made to building floor plans in the past and whether additions and alterations have been approved by competent authorities.

(1.7.16) Auditor familiarity with national/regional laws and regulations relevant to the maritime aspects of the mill and its processes is important. These may cover the physical aspects of working on the coast or in the water, or the operation of boats and other craft on the water. The auditor can verify the availability of PPE such as life vests. The auditor can also confirm from workers regarding the maritime safety training they have received.

Working Hours

Working Hours

Supplier Code of Conduct:
The Criterion must be included in the feed mill's Supplier Code of Conduct for their ingredient manufacturers (Indicator 2.1.4) as well as the ingredient manufacturer's Supplier Code of Conduct for their suppliers (Indicator 2.1.8). The guidance and interpretation of the Criterion is to be followed by the feed mill's ingredient manufacturers, as well as their suppliers.

Which Feed Standard Criterion does this apply to?

Criterion 1.11 - The UoC prevents excessive working hours.

What is the intent of this Criterion?

The feed mill protects employees from excessive working hours.

How do I interpret the Requirements?

Working hour requirements in this Criterion apply to all employees.

Normal workday and work week (1.11.1)

The normal workday is a maximum of 8 hours, excluding breaks, and the normal work week is a maximum of 48 hours. Where collective bargaining agreements, industry standards or national law require a shorter day or week, this applies.

For example, an employee could work on Monday, Tuesday, Wednesday, Thursday, Friday and Saturday from 9am – 1pm, take one hour for a lunch break, and resume work from 2pm – 6pm. This would be 8 hours work a day, and 48 hours over the week. This is the maximum time that this employee would be allowed to work from Monday to Sunday, excluding breaks.

The requirements for young employees (1.11.11) and children conducting light work (1.11.19) require different numbers of hours per day and across the working week, but the same concept is followed as the example above.

Where collective bargaining and national law allows, the following exceptions to the normal workweek may apply:

- employees who work less than eight hours one or more day a week, may choose to work up to one additional hour in the day in the remaining days of the work week to make up the time.
- where persons are employed in shifts, they may choose to work more than eight hours per day and more than 48 hours in one week, if the average number of hours over a period of three weeks does not exceed a normal workday and normal work week.

In primary production, especially where production is seasonal or requires extra travel, the limitations for working hours and requirements for rest period can be averaged over the year. This could apply, for example, to seafarers and employees in agriculture.

Shift work

The ILO defines shift work as: 'a method of organization of working time in which workers succeed one another at the workplace so that the establishment can operate longer than the hours of work of individual workers at different daily and night hours'.[15]

Interviews with auditors

When employees are interviewed by auditors, they are paid by the company as though it is normal hours worked. As auditing is part of the feed mill's overall compliance requirements and management system, the company, and not the employee, should pay for this time.

Records of hours worked (1.11.2, 1.11.12, 1.11.20)

Hours worked by all employees are recorded and are available for the employees to verify, either through the payslip or on request.

Overtime (1.11.3, 1.11.4, 1.11.5, 1.11.13, 1.11.21)

Overtime does not occur regularly but under exceptional circumstances, for example, in any of the following situations: overtime can be requested for peak production times, if staff are absent and others have to cover their work. The feed mill plans work in such a way so as to minimize the risk of regularly requesting overtime. If the feed mill continues to need the same jobs done in overtime repeatedly, this is an indication that contracted hours may need to be looked at again.

[15] (ILO: What is shiftwork? (Geneva, ILO, Information Sheet No. WT-8, 2004) https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/publication/wcms_170713.pdf)

Any overtime is voluntary, meaning the employee must consent to work extra hours and is not discriminated against or penalized for refusing overtime.

Overtime is not allowed for young employees (1.11.13) and children conducting light work (1.11.12).

Example timetable for employees aged 18 and over

The following two tables show an example of weekly work time, and includes the maximum number of working hours allowed, and the maximum number of overtime hours permitted. The first table shows an example of a timetable for a full week and the second table summarises the information in this table.

Key:

Green: Rest

Red: Work

Blue: Breaks

Yellow: Overtime

Table 6: Example of a week timetable for employees aged 18 and over.

Time	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
00:00							
01:00							
02:00							
03:00							
04:00							
05:00							
06:00							
07:00							
08:00							
09:00							
10:00							
11:00							
12:00							
13:00							
14:00							
15:00							
16:00							
17:00							
18:00							
19:00							
20:00							
21:00							
22:00							
23:00							

Table 7: Summary of week timetable for employees aged 18 and over

	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Week total	
Working hours	8 hours	8 hours	8 hours	8 hours	8 hours	8 hours	0 hours	48 hours	Indicator 1.11.1: Working hours shall not exceed 8 hours work per day and 48 hours in a normal week (excluding breaks)
Over-time hours	0 hours	1 hour	0 hours	2.5 hours	4.5 hours	4 hours	0 hours	12 hours	Indicator 1.11.4: Overtime is not more than 12 hours a week
Break hours	1 hour	1 hour	1 hour	1 hour	1 hour	1 hour	n/a		Indicator 1.11.6: Breaks shall not be less than 1 hour per 8 hours of work
Rest hours (daily)	+ 24 hours (from Sunday rest day)	15 hours	13 hours	14 hours	11 hours	11 hours	24 hours		Indicator 1.11.7: Daily rest shall not be less than 11 consecutive hours per 24 hours i.e., 11 hours after work finishes on one day, before it begins on the next day
Rest hours (weekly)	0 hours	0 hours	0 hours	0 hours	0 hours	0 hours	24 hours	1 rest day (24 hours)	Indicator 1.11.8: Weekly rest shall not be less than 24 consecutive hours (1 day of rest) within a 7-day period

Example timetable for Young Employees (aged 15, 16 and 17)

The following two tables show an example of weekly work time, and includes the maximum number of working hours allowed. The first table shows an example of a timetable for a full week and the second table summarises the information in this table.

Key:

Green: Rest

Red: Work

Blue: Breaks

Table 8: Example of a week timetable for young employees.

Time	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
00:00							
01:00							
02:00							
03:00							
04:00							
05:00							
06:00							
07:00							
08:00							
09:00							
10:00							
11:00							
12:00							
13:00							
14:00							
15:00							
16:00							
17:00							
18:00							
19:00							
20:00							
21:00							
22:00							
23:00							

Table 9: Summary of a week timetable for young employees.

	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Week total	
Working hours	8 hours	8 hours	8 hours	8 hours	8 hours	0 hours	0 hours	40 hours	Indicator 1.11.11: Working hours shall not exceed 8 hours work per day and 40 hours in a week (excluding breaks)[16]
Break hours	1 hour	1 hour	1 hour	1 hour	1 hour	n/a	n/a		Indicator 1.11.14: Breaks shall not be less than 0.5 hours per 4.5 hours of work
Rest hours (daily)	+ 24 hours (from Sunday rest day)	14 hours	16 hours	14 hours	18 hours	24 hours	24 hours		Indicator 1.11.15: Daily rest shall not be less than 12 consecutive hours per 24 hours i.e., 12 hours after work finishes on one day, before it begins on the next day
Rest hours (weekly)	0 hours	0 hours	0 hours	0 hours	0 hours	24 hours	24 hours	2 rest days (48 hours)	Indicator 1.11.16: Weekly rest shall not be less than 48 consecutive hours (2 days of rest) within a 7-day period

[16] This schedule applies when the child is beyond the age of mandatory schooling and no longer attends school. These hours would change depending on schooling obligations.

Example timetable for children conducting light work (aged 13 and 14)

The following two tables show an example of weekly work time, and includes the maximum number of working hours allowed. The first table shows an example of a timetable for a full week and the second table summarises the information in this table.

Key:

Green: Rest

Red: Work

Blue: Breaks

Table 10: Example of a week timetable for children conducting light work.

Time	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
00:00							
01:00							
02:00							
03:00							
04:00							
05:00							
06:00							
07:00							
08:00							
09:00							
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18:00							
19:00							
20:00							
21:00							
22:00							
23:00							

Table 11: Summary of week timetable for children conducting light work.

	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Week total	
Working hours	3 hours	3 hours	3 hours	2.5 hours	2.5 hours	0 hours	0 hours	14 hours	Indicator 1.11.19: Working hours shall not exceed 3 hours work per day and 14 hours in a week (excluding breaks)
Break hours	1 hour	1 hour	0 hours	0.5 hours	0.5 hours	n/a	n/a		Indicator 1.11.22: Breaks shall not be less than 0.5 hours per 3 hours of work
Rest hours (daily)	+ 24 hours (from Sunday rest day)	20 hours	20 hours	15 hours	21 hours	24 hours	24 hours		Indicator 1.11.23: Daily rest shall not be less than 14 consecutive hours per 24 hours i.e., 14 hours after work finishes on one day, before it begins on the next day
Rest hours (weekly)	0 hours	0 hours	0 hours	0 hours	0 hours	24 hours	24 hours	2 rest days (48 hours)	Indicator 1.11.24: Weekly rest shall not be less than 48 consecutive hours (2 days) of rest within a 7 day period

Auditing considerations

As part of audit process for this Criterion, auditors should be aware of any collective bargaining agreements (CBAs) in place and if the mill is unionized. The CBA, a tripartite agreement, may define what wages are to be paid along with other provisions that relate to working conditions at the mill. It is also presumed auditors are appropriately familiar with any relevant national/regional laws that may be relevant.

(1.11.1) Auditors may be guided by national laws which often state the time for rest breaks and the number of continuous working hours after which a rest break is necessary. Most laws commonly require a 1-hour period of rest within an 8-hour period of work. Sometimes organisations split the 1-hour period into two 15-minute breaks each in the morning and afternoon and a 30-minute break for a meal. Some others provide a 1-hour unpaid meal break and two paid rest breaks each in the morning and afternoon.

Document review: Auditors could review time records to corroborate workers' testimonies and confirm whether the recorded regular working hours are reflected accurately considering the prescribed mandatory breaks for and meal and rest.

Employee interviews: Interview questions could seek to understand what the start and finish time is on each day of work. Auditors will need to be aware of any mandatory rest breaks and factor this time in to assess responses from workers and determine if the daily regular working hours meet requirements of the law and the ASC Standard, whichever is higher, and offers more protection and is advantageous to workers.

Auditors could be conscious of workers being called before regular hours commence to attend daily production meetings that may be unrecorded and/or unpaid. Similarly, auditors may seek to determine if workers are required to stay back to complete unfinished tasks or quotas beyond regular hours of work and if such delays to stay back are captured in the time recording system. Workers may be asked questions to determine if they record start and finish time themselves or if supervisors or a timekeeper records working hours. Auditors may seek to physically see how the time recording system works and if the number of time recording machines are adequate for workers to record time and the amount of time it takes all workers to record their time.

(1.11.2, 1.11.12 & 1.11.20) The mill should have a system of recording all working hours. Systems can include the use of time clocks where workers punch their individual cards upon arrival and after completion of work. Other methods of recording hours can include the use of optical swipe cards, finger and/or face scanners or RFID cards. In certain countries workers are issued company identification cards that are also equipped with RFID capability. It is also permissible to record attendance and working hours manually, when supervisors of different sections/departments may make manual notes of start and end times. In such cases, workers should be required to sign off their time records at the end of each day or at least at the end of the week. The records should indicate the start and finish time each day of the week and cumulatively add up to the total hours of regular work for the week. Overtime hours may also be recorded this way.

Irrespective of what system is used, records of all hours worked should be maintained and be available for verification during the audit.

(1.11.3) Auditing this Indicator requires understanding of how production capacity is calculated by the mill. Daily, weekly and monthly production output should be calculated on the basis of 8 hours of work per day.

Document review: Auditors can verify documentation in place to measure hourly output and correlate this with daily, weekly and monthly output. If daily, weekly monthly production output exceeds what the factory can produced working 8 hours per day this would indicate that there is dependence on overtime work.

Employee interviews: Employees can be asked how often they work overtime and if they are free to refuse overtime work. Auditors should also understand typical processes in production that might lead to backlogs. It could be machines that are older and produce less, thereby necessitating overtime work. It could also be frequent breakdown of machinery that reduces the output rate and leads to more overtime. Focused interviews with the maintenance department could uncover typical problems that lead to hold ups, breakdowns and thus require overtime work to meet production commitments.

(1.11.4) Usually, there is a limit set on the number of hours overtime work can be performed per day, week, month and sometimes per quarter. Most laws allow for 2 hours of overtime work per day or 12 hours per week, if the work week consists of 6 days.

Auditors ought to be conscious that workers often like to perform overtime work since this gives them the opportunity to earn more, especially when their wages are low. Workers may be coached to state that they do not work more than a certain number of overtime hours. One method of uncovering excessive hours of work is by reviewing production records, understanding capacity calculations and careful interviewing of workers.

Although this Indicator requires that workers should not work more than 12 hours of overtime per week, local legislation should be factored in when auditing this requirement. Often countries have limits on overtime hours per week or month, that may not allow 12 hours of overtime per week.

(1.11.5) Auditors can verify if a CBA is in place and whether it defines the premium rate that should be paid for overtime. Usually, national/regional laws regulate the rate of overtime premium that is applicable. Auditors could also verify the applicable day and hourly rate on which premium overtime should apply.

Auditors could verify how a CBA, if there is one, and national law define a working week or month, and ensure that the calculation used to work out an hourly wage rate is consistent with this. Note that the same monthly wage, when divided by a larger number of hours per month, results in a lower hourly rate. For example, a month can be said to consist of 240 hours of work (8 hours x 30 days) or 208 hours of work (8 hours x 26 days) or 172 hours

of work (8 hours x 22 days). The number of working hours per month used in calculating the hourly rate will affect the rate of overtime at which workers are paid.

If national/regional law defines the premium rate, auditors could also consider whether there is an industry standard for overtime rate that may be applicable, which may be higher than that prescribed by law. Industries often offer a higher overtime rate to attract workers.

If local laws do not define what the overtime premium should be, or if law provides for a premium less than 125% of the basic wage, then the mill is expected to pay a minimum of 125% of basic wage as overtime premium.

Document review: This will include understanding the overtime wage computation system, keeping in mind all of the above. Payroll records should confirm that the correct overtime premium is being applied. Auditors will find it useful to ask the accounts/finance/payroll processing department to explain how overtime premium is calculated. For this, auditors will need to have thorough understanding of collective bargaining agreements in place, and the requirements of national law and industry standards that are prevalent, if any.

Employee interviews: Employees should have broad understanding of the overtime premium that is applied when overtime wages are calculated. They should receive wage slips or wage stubs to show regular hours, regular hour wages, overtime hours and overtime wages. Calculations of the overtime wage should be accurate done based on the CBA/national/regional laws or industry practices but must not be less than 125% of the basic wage.

(1.11.6 & 1.11.14) If the CBA or national law do not specify longer or more frequent breaks, then there should be a break of at least 1 hour per 8 hours of work.

Document review and facility walkthrough: Local laws often require approval of working and rest hour notices by the competent authority and subsequent posting on the production floor or notice boards that workers have access to. Auditors should be conscious of such laws and verify that the mill meets any requirements set forth by national laws.

Employee interviews: Employees should be asked to generally describe their workday, how many breaks they get, how long breaks last and how they spend their time during rest breaks. They should also be asked if they are required to return to work earlier than normal during peak production months to meet production needs.

(1.11.7 & 1.11.15) This Indicator is particularly important when auditing shifts and when shifts are rotated. For example, a mill operates two shifts: 06:00 – 14:00 and 14:00 – 22:00. A mid-week rotation of shifts might require workers that work the 14:00 – 22:00 shift to report back the following morning at 06:00 thereby reducing the rest time to 8 hours. This does

not meet requirements of the ASC Standard. This is even more important and complicated when the mill operates a 3-shift system.

There may be national laws that determine the minimum number of hours that a worker should rest before the next shift, or how the 3-shift system should be applied, and the necessary periods of rest during work and after completion of a shift.

Document review: Document review should include thorough understanding of the shift rotation system when the mill operates two or three shifts. Auditors could check for consistency with ASC Requirements that will apply.

Employee interviews: When employees work in shifts, they may be asked how shifts are rotated and how much rest they get when rotation of shifts takes place. Auditors may want to speak to workers of all shifts (when a shift system is in place) to get a broader sample of workers to speak to.

(1.11.8 & 1.11.16) Employee interviews: Interviews will address how often workers need to work on weekends to meet production demands. Any inconsistencies in workers' testimonies should be corroborated with a review of documents to verify weekly days of rest and the number of overtime hours worked during a week or month.

(1.11.9 & 1.11.17) Often, workers are not given the benefit of annual leave because of production demands and such leave may be compensated monetarily. This creates a high-risk situation because workers need time off to recover from their work to recuperate and spend time with their families. A lack of time off can often lead to accidents and injuries. Local legislation usually defines how annual leave benefits are to be applied at the workplace. If there are industry standards that provide additional leave to workers, over and above national law, then such industry standards will apply as they provide better protection to workers and are more beneficial to them.

Document review: Auditors can review records of annual leave given to workers and if they are consistent with industry practice and national laws. Payment of annual leave wages can also be verified for consistency with national laws.

Employee interviews: Auditors could speak to groups of workers to understand how annual leave benefits are taken. Workers should be asked about the process to apply for annual leave, payment of annual leave wages and if the entire annual leave can be taken at one time, to ensure that these meet national law. Additionally, workers could be asked if they receive compensation for not taking annual leave.

(1.11.10) Auditor guidance for 1.11.1, 1.11.5, 1.11.6, 1.11.7 and 1.11.8 apply for auditing this Indicator. The CBA, if applicable, and national laws should be verified to see if workers require health assessments for working at night when there is more than one shift work.

(1.11.11) In some countries the minimum age of employment may be 16 years, in which case the higher standard will apply, and the mill may not employ those below the age of 16 years. In certain countries the minimum age of employment may be 14 years, in this case the higher ASC Standard of 15 years will apply.

Mandatory schooling: Auditors could also verify mandatory schooling age in the country where the audit is being performed. Countries may have laws that state an age until which children must receive mandatory schooling or a grade/class until which children should attend school. Under no circumstances can the mandatory schooling of those between the ages of 15-18 years be compromised. Good practice suggests that children may be allowed to work as long at a combination of time spent to attend school (inclusive of time taken to travel to and from school) and working hours do not exceed 8-hours per day.

(1.11.13) Even if national laws permit young workers to work overtime, young workers may not work overtime.

(1.11.18) Auditors can refer to national laws that regulate what hours of the day young workers may work. There may be provisions in law that require young workers to attend school, which must be met with.

(1.11.19) National laws may define what light work is. If this is the case, auditors can verify if children employed in the mill, in the aforementioned age bracket, perform tasks that are consistent with what national laws allow. Allowing children to work in an economic activity is allowed in some countries, to alleviate poverty, as long as it does not affect the child's mental, physical and emotional development and is not morally dangerous to the child and does not affect mandatory schooling. Auditors could also verify law to confirm that those between the ages of 13 and 15 years are allowed to perform light work – in some countries the minimum age to engage in light work may be 14 years. In such cases the law will prevail as it provides better protection to children and is more beneficial to them.

Mandatory schooling: Auditors could also verify the mandatory schooling age in the country where the audit is being performed. Countries may have laws that state an age until which children must receive mandatory schooling or a grade/class until which children should attend school. Under no circumstances may mandatory schooling of those between the ages of 13 and 15 years be compromised.

When children between the ages prescribed by law, or the ASC requirement of those between the age of 13 and 15 years are engaged, they should not work more than 3 hours per day or 14 hours per week, exclusive of breaks.

Document review: Auditors should verify all documents that include the process for hiring and related procedures and ensure these are consistent with national laws. Legal proof of age should be verified and be maintained in individual worker files.

Worker interviews: Speaking to young workers/children requires a nuanced approach and skill. Auditors should be conscious of ways and the methodology applied when speaking to children. Once comfort levels are established, auditors can ask workers about schooling and the average time spent in schools and commuting, time spent working, rest breaks and wage compensation.

(1.11.21) Even if national laws allow overtime for children below the age of a young worker, the ASC requirement under this Indicator will prevail since it provides better protection to young workers and is more beneficial to them.

Document review and worker interviews: Both audit activities should confirm that those below the age of young workers are not subject to performing overtime work.

(1.11.22) Document review and workers interviews: Auditors should be conscious that workers below the age of young workers would need breaks that are different from other workers. The system of providing breaks can be verified with both the supervisor and the workers to ascertain that such workers are given breaks that meet national laws or the ASC Standard, which ever offers better protection to workers and is more beneficial to them. Interviews with those that supervise such workers and workers themselves will confirm that requirements towards workday breaks are being met.

(1.11.23) Document review and worker interviews: Time and attendance records for those below the age of young workers can be reviewed for consistency with national laws and with the ASC Requirement. Interviews with those that supervise such workers, and the workers themselves, can confirm that requirements towards daily rest are being met.

(1.11.24) Document review and worker interviews: The approval and posting of working time, shifts, and rest breaks may be a requirement of national law and auditors can verify if this is the case, and that those below the age of young workers meet the requirement set by law or that of the ASC Standard, whichever is more stringent. Interviews with workers and their supervisors can affirm that workers are being given a weekly rest period not less than 48 consecutive hours (2 days) in a 7-day period.

(1.11.25) Document review and worker interviews: Leave records of those below the age of young workers can be verified for consistency with national laws, including payment of annual leave as prescribed by law. Interviews with workers that have returned from leave most recently can affirm that the standards on annual leave and any benefits prescribed by law are being met.

(1.11.26) Document review and worker interviews: Auditors can determine peak season and verify records to determine the number of workers below the age of young workers that have been employed. Often such workers are appointed for the peak season. Time and payroll records can be reviewed for hours of work and corresponding wages that have been paid. Instances of ‘bonus’ ‘production incentive’ should be flagged and investigated

thoroughly to ensure that work has not been performed during periods considered 'night work' by law or, as per the ASC Standard, between the period from 8 pm to 6 am, whichever is more stringent, provides better protection and is beneficial to workers.

Employee Accommodation

Employee Accommodation

Supplier Code of Conduct:
The Criterion must be included in the feed mill's Supplier Code of Conduct for their ingredient manufacturers (Indicator 2.1.4) as well as the ingredient manufacturer's Supplier Code of Conduct for their suppliers (Indicator 2.1.8). The guidance and interpretation of the Criterion is to be followed by the feed mill's ingredient manufacturers, as well as their suppliers.

Which Feed Standard Criterion does this apply to?

Criterion 1.14 - The UoC provides safe, decent and hygienic worker accommodation.

What is the intent of this Criterion?

The feed mill ensures that any accommodation provided for employees is safe, decent and hygienic, and is offered to employees at a reasonable and clearly documented rate.

How do I interpret the Requirements?

Background

On-site housing is typically offered by workplaces in remote locations, or when local housing supplies are otherwise very limited, so employees and their families living in on-site accommodation tend to be less integrated into a local community and are vulnerable to the risk of forced, bonded and child labour when there is a lack of alternative housing. High rental costs relative to employee income can also contribute to conditions of bonded labour when employees incur debt from high rents.

Scope

The feed mill is not required to provide housing for its employees, and employees are not obligated to reside in employer-provided housing. However, when the feed mill does provide or guarantee housing for employees, it monitors and ensures the quality and safety, and maintenance of housing that is provided for personnel and their family, regardless of whether it owns, leases or contracts the facility.

Safe and private facilities (1.14.1)

Facilities are built to withstand recurring extreme weather conditions, in a non-hazardous location, with adequate drainage and pest control and hygiene procedures in place. Fire

safety and other emergency response measures are in place, for example marked safety exits, emergency escape routes and assembly points, and firefighting equipment (equipment is maintained annually or as required).

Accommodations include separate accommodations by gender that ensure adequate privacy, for example with locking doors when both genders are present, and an individual bed and storage space for each employee in shared dormitories. Families with children have separate rooms from employees who are not members of that family, and children live with their parents. There are separate spaces for sleeping and social life, as well as a separate, well-ventilated canteen or space for cooking and eating.

Meetings (1.14.3)

Annual meetings between representatives of employees living in accommodations and management are held, where employees can make suggestions on improvements to ensure accommodation meets requirements related to safety, hygiene, privacy, sanitary facilities and rates. Agreed improvements are acted upon by the employer.

Rental rates (1.14.5)

Rates are “reasonable” when below or comparable to similar accommodation available on the market, and not more than a reasonable proportion of the employee’s income. Reasonable rent does not include a profit for the employer. Where an employee or employee and their family plans to live in employer-arranged housing, the level of rent is a part of the contracting agreement, and the feed mill is able to provide a calculation and rationale for the level of rent.

Sanitary facilities (1.14.6)

Appropriate sanitary facilities are located within or in close proximity (i.e., less than 60 meters) to the dormitory or housing facilities, have a source of ventilation (e.g., window or fan), adequate lighting, and doors that close and lock for privacy. Facilities include one of the following: pit latrines, flush toilets, urinals. Taps and running water are also available. Sanitary facilities are provided separately for men and women except in family accommodation. Facilities are constructed of hard materials that are easy to clean. Waste and wastewater are disposed in accordance with Criteria 1.19 and 1.20.

What do better practices look like?

Although circumstances such as remote locations sometimes require onsite housing, ILO guidance recommends that it is not in general desirable for employers to provide housing for employees directly where there is a possibility of housing within the community, noting that employees "living at the work site on property owned or controlled by the employer tend to be less integrated into the local community, and more dependent on the employer." Employers are recommended to use alternatives when feasible, including assisting employees to find housing through private agencies, government programmes or other means.

Auditing considerations

(1.14.1) Auditors may review applicable national laws for worker housing, if they exist. Often certain structural and safety requirements may be available as a part of the national civil construction building code. If the dormitory facilities are owned and/or provided by a service provider, auditors can review terms under which the facilities were leased. Terms will include clear accountability and responsibility for upkeep and maintenance of safety systems like fire protection, including firefighting equipment and alarms, well maintained emergency/escape routes, adequate ventilation, protection from the elements like heat, cold and rain, be noise, smell and dust free, provide workers and their families privacy and be segregated by gender if necessary. All of the above will also apply if the mill owns the dormitories.

The aforementioned documents should be reviewed to determine accountability for dormitory upkeep. A walkthrough of the dormitories will show if all provisions of this Indicator are being met.

Employee interviews: Employees should be asked about general living conditions in the dormitories, including any prevalent issues that might have been brought to the notice of the mill management.

(1.14.2) If dormitory facilities are provided, auditors may verify records of scheduled housekeeping such as cleaning of common areas like toilets, shower stalls and corridors, and garbage disposal. If workers are allowed to cook in the dormitories, the kitchens can be inspected for cleanliness and hygiene as well as for fire safety. Ideally, LPG (cooking gas) is piped safely into the kitchen with appropriate measures in place to prevent fires, including the right types of fire extinguishers and fire and smoke alarms. The kitchen constructed from fire retardant material and fire doors provided to prevent the spread of fire. A safe practice is to have the kitchen located away from the main dormitory building where workers reside, to prevent the spread of a possible fire to workers' living areas. Like

in production areas, fire drills could be performed in the dormitory and evacuation paths be marked and all exits have an emergency light installed.

Pest control measures may be implemented periodically in the dormitories. Auditors can verify annual pest control contracts and the frequency of pest control measures.

Employee interviews: Employees could be asked about general living conditions in the dormitories including any prevalent issues that might have been brought to the notice of the mill management. A walkthrough of the dormitories will determine if provisions of this Indicator are being met.

(1.14.3) Auditors can review records of meetings held between the mill management and worker representatives and note any concerns raised by workers. Interviews with workers that live in the dormitories could focus on the process of raising grievances about living conditions. This Indicator can be audited along with Indicators of Criterion 1.13 that address grievance management procedures.

(1.14.4) When dormitory facilities are provided auditors can verify that they are not joined by a common wall with the production floor or located above or below the production floor. This is to ensure fire safety in the event of a fire on the production floor.

(1.14.5) In some parts of the world workers are provided the option of staying in a company provided dormitory facility. Workers usually choose to do so because of the subsidised cost of accommodation. Auditors could research how much it would cost workers to stay outside the company provided dormitories and ask workers questions regarding such costs.

Document review: Worker contracts and payroll records can be reviewed for consistency in the amount workers are charged each month for dormitory facilities. There may be additional charges imposed on workers for the provision of water and electricity, the cost of this ought not to be more than what workers would have to pay if they stayed outside the mill provided accommodation.

(1.14.6) There could be housekeeping staff assigned to keep all sanitary facilities clean, and maintenance staff to keep these facilities in working order. A physical inspection of the sanitary facilities will confirm that requirements of this Indicator are being met.

Employee interviews: Employees can be asked questions about the quality of drinking water, maintenance of sanitary equipment like taps/faucets and toilet flushing systems.

Useful resources

ILO guidance on worker's housing: https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---multi/documents/publication/wcms_116344.pdf

Rainforest Alliance guidance on Housing and Living Conditions: https://www.rainforest-alliance.org/wp-content/uploads/2020/12/guidance-k-housing-living-conditions.pdf

International Finance Corporation, Workers' Accommodation: Processes and Standards: https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/publications/publications_gpn_workersaccommodation

Engagement, Dialogue and Grievance

Engagement, Dialogue and Grievance

Supplier Code of Conduct:
The Criteria must be included in the feed mill's Supplier Code of Conduct for their ingredient manufacturers (Indicator 2.1.4) as well as the ingredient manufacturer's Supplier Code of Conduct for their suppliers (Indicator 2.1.8). The guidance and interpretation of the Criteria is to be followed by the feed mill's ingredient manufacturers, as well as their suppliers.

Due Diligence Requirement:
The guidance outlined below for Criterion 1.13 applies equally to all ingredient manufacturers. The mill must undertake Due Diligence of its ingredient manufacturers in line with Indicator (2.2.5).

Which Feed Standard Criteria does this apply to?

Criterion 1.13 - The UoC provides effective worker grievance mechanisms.

Criterion 1.15 - The UoC contributes to maintaining or enhancing the social and economic well-being of local communities.

Criterion 1.16 - The UoC respects Indigenous and tribal people's rights, cultures and traditional territories.

What is the intent of these Criteria?

The feed mill is aware of its impact on employees and affected communities and Indigenous and tribal peoples. The feed mill works to minimize any negative impacts, engages with employees, communities and Indigenous and tribal peoples to facilitate dialogue in a constructive manner, and provides accessible grievance procedures that resolve any grievances should these occur.

How do I interpret the Requirements?

Background

The employer's responsibility to provide a grievance mechanism is recognized in the UN Guiding Principles and in the ILO's Examination of Grievances Recommendation (130).

Grievance mechanisms enable companies to identify the need for and provide remedy when the company causes or contributes to a negative impact or harm, and help companies address problems before they escalate and identify and address long-term patterns.

> ? ***Who is included?***
>
> *People and groups impacted by mill activities that are included in this process include employees and can include the community in the vicinity of the mill, and the wider community affected by mill activities, but also those (such as Indigenous and tribal peoples) who may have a right to the land and resources even while residing long distances away.*

The mill has systems in place to promote ongoing open engagement and dialogue with employees, community members and Indigenous and tribal peoples. Frequent dialogue on issues affecting these groups can help maintain a positive relationship and help solve problems before a formal grievance process is triggered. Both the engagement and dialogue systems and the grievance procedures provided by the mills are sources of continuous learning and are analysed to prevent future disputes and grievances.

? What are examples of feedback or issues that may be raised in this process?

Issues resulting from mill activity that have a negative impact on people and groups, as well as opportunities for improvements. Some examples:

- *Operational inefficiencies: Employees raise problems related to inadequately maintained machinery that impact efficiency and could cause health risks.*
- *Employee rights/discrimination: Female employees are paid less than men with similar jobs.*
- *Harassment: A worker is pressured to begin a romantic or sexual relationship by a supervisor (whether this occurs during or outside work hours and work location.)*
- *Working conditions: Employees are frequently asked to work excessive overtime hours and are not properly compensated.*
- *Environmental/resource impact: Mill draws from local groundwater for mill use, impacting availability of fresh water for local communities.*
- *Environmental/quality of life: Noise pollution and odour in adjacent communities as a result of mill operations.*
- *Local employment opportunities: Members of communities note the high percentage of employees that are brought in as migrant labour and ask for more local recruitment and hiring.*

Based on UN Guiding Principles

ASC's grievance mechanism requirements are based on UN Guiding Principle No. 31, which states that to be effective, a grievance mechanism must engender trust among participants and be:

Transparent	*Users are given clear information about what is happening*
Fair	*Users have access to sources of information and expertise necessary to engage in a grievance process, including their right to access external redress if the issue is not effectively resolved internally*
Predictable	*Users understand the process, how long it takes and what outcomes can be*
Accessible	*Users have been informed about it and can use it*
Rights-based	*Outcomes and remedies are compatible with international human rights*
Based on dialogue and engagement	*Stakeholders are consulted and included in the process, which focuses on dialogue as the means to address and resolve grievance*
A source for continuous learning	*Individual complaints are analysed to help prevent other grievances*

Employee dialogue facilitation system (1.13.1)

The employer proactively implements an employee dialogue system that allows for open participation of all employees and is easily accessible to employees on a regular basis. Opportunities for anonymous feedback are also given. Mechanisms for employees to provide feedback and engage with management could include some of the following:

- Dialogue between management and employees

- Engagement with elected employee representatives or union representatives
- Employee meetings or assemblies to solicit feedback
- Employee committees
- Suggestion box
- Access to online feedback form, or dedicated email address
- Employee surveys

Proactive engagement with communities, Indigenous and tribal peoples (1.15.1, 1.16.1)

The mill identifies the communities, and Indigenous and tribal peoples (stakeholders) who may be significantly impacted by mill activities and initiates an engagement and dialogue process with these stakeholders. The mill performs a risk analysis and stakeholder identification and engagement process using the Risk Management Framework (see the Risk Management Framework Section) as a tool.

Proactive engagement with the local community can include, for example:

- Written communication to community heads about the mill's economic activity and willingness to engage in a long-term dialogue
- Written records of telephone calls, with minutes of the discussion including dates, times, the telephone number and the person spoken to. The frequency of such engagement should be based on the potential negative social impact that has been identified during the process of assessing risk.

Especially when the mill is located in a dedicated industrial zone, an initial stakeholder identification process may show that interactions with and impact on communities and Indigenous and tribal peoples are minimal. This rationale and conclusion is documented and in this case further engagement and dialogue is not required.

Grievance procedure is accessible and applicable (1.13.2, 1.15.2, 1.16.2)

For a grievance mechanism to be accessible, potential users must first understand their rights.
Therefore, the mill ensures that:

- Employees understand what their labour rights are (Indicator 1.3.2), and also understand technical workplace issues including health and safety regulations.
- Employees are provided an explanation of how the grievance mechanism functions and what kinds of issues may be brought to the grievance mechanism—which include not only issues pertaining to individual employees but can also include technical workplace issues, for example faulty bag sewing machines, dull knives, not enough forklifts.

- Information on how to access the grievance mechanism is readily available, for example posted in public areas of the facility, distributed to employees in flyers, via texts, instant messaging, emails or other private forms of communication[17], and/or discussed in employee meetings and assemblies.
- Information on the grievance mechanism is provided to all new employees. Updates on the mechanism are provided to all employees.
- Communities and Indigenous and tribal peoples that are potential users of a grievance mechanism are identified by a stakeholder mapping and engagement process as per Indicators 1.15.2 and 1.16.2. As a part of this process they are made aware of their rights under the law and the ASC Standard and also made aware of the grievance mechanism.

[17] Employer access to employee's private communication channels such as instant messaging contact data can only occur when the employee gives permission, and employee privacy must be maintained in line with national and international legislation such as GDPR.

Admissible and inadmissible complaint examples

An inadmissible complaint is one that is unrelated to the activities or properties (e.g., location) of the mill.

Admissible	***Inadmissible***
A complaint from a community member about loud loading activity and lorry traffic from the facility that occurs every night after midnight.	*A complaint about a public road with a bad surface, which is used by the mill but also by others, should be addressed by the government, and could be considered inadmissible*
A complaint from an employee about discrimination of against migrant employees in the workplace who claim they are regularly denied promotion.	*A complaint to the mill about discrimination against the children of migrant employees in the local school, should be addressed by school leadership and could be considered inadmissible.*

Suggestions on how to provide additional support for grievances from community members, Indigenous and tribal peoples and employees against third parties can be found in the better practices box.

Grievance procedure is made clear (1.13.1, 1.15.3, 1.16.3)

The mill ensures that for employees, community and Indigenous and tribal peoples' grievance mechanisms, the process is made clear, including how a grievance can be submitted and the process that the grievance will follow.

- The mill trains or shares information with local community representatives, community leaders and relevant community organisations on the grievance mechanism, who can then raise awareness with community members, especially when an issue or problem arises.
- Reaching vulnerable populations, for example lower status communities, migrants or women, through this process is especially important for communities and Indigenous and tribal groups, as they are most likely to be impacted and least comfortable with raising issues to the company, so representatives of vulnerable groups are included in outreach where applicable.

- The grievance mechanism can be publicized in local publications, promoted via company newsletters, flyers, posters, that are distributed locally as well as digitally via website, online newsletter, or social media.

Mechanisms for submitting grievances are best determined together with employee and community representatives. Examples of channels for submitting grievances include: in-person meetings; dedicated telephone numbers; email addresses, instant messaging or other online submission mechanisms, letters or written notes, or via employee or local community leadership or trained staff at local community centres.

Different demographic communities may prefer different channels, and vulnerable populations may need special consideration in terms of how the grievance is submitted to enable their participation. For example, when persons of the same gender, or ethnic group are available to receive a complaint, that may increase the likelihood of participation.

Grievance procedures include non-retaliation requirement (1.13.3, 1.15.4,1.16.4)

The mill's requirements for non-retaliation include explicit provisions against punishment of those who bring forward grievance claims, as employees and other stakeholders will not access grievance mechanisms if they fear that their claim will result in a negative outcome for them.

No action can be taken against a person or entity raising a grievance by mill management. as this will be considered retaliation. The grievance procedure is considered to be inadequate if retaliation occurs. Retaliation in the workplace may be a direct consequence such as firing, demotion, salary reduction or reduced hours, or may take a more subtle form such as reassignment to work that causes personal hardship, exclusion from key meetings and group events, threats, harassment or bullying. Retaliation in the workplace can also be indirect, for example encouraging shunning, harassment or bullying by other staff members. Retaliation for a community member or Indigenous or tribal person can also be a direct action of the mill or occur indirectly through others, and may include threats, harassment, and damage to person or property.

> ? ***Examples of Retaliation***
>
> *A migrant employee raised a complaint about being made to work on poorly maintained machinery and then has his working hours cut.*
>
> *A female employee complains about wages being lower for women than men and is moved to the evening shift which prevents her from caring for her children.*
>
> *An employee who raises a grievance about harassment from her manager, is shunned and bullied by other employees with the encouragement of management.*

The protection against retaliation also applies to whistle-blowers, defined by the ILO as "the reporting by employees or former employees of illegal, irregular, dangerous or unethical practices by employers"[18]

Additional protections against nonretaliation can include:

- The ability to bring a confidential claim for those raising sensitive claims, who fear retaliation. This means that the identity of the person raising the claim is kept confidential within the committee. As a further step where retaliation is a significant concern, access to third parties, such as NGOs or lawyers who can represent the person raising the claim, can be considered.
- The ability to make an anonymous claim, through a hotline or otherwise, where the identity of the person making the claim is never known. In this case remediation actions are likely to affect a broader population and not tied to a specific individual.
- Persons making claims are informed of available external grievance channels, such as labour rights organisations or judicial process.

All grievances addressed within 90-day timeframe (1.13.4, 1.15.5, 1.16.5)

The grievance committee follows the procedure to address grievances, with a clear action plan created within a 90-day timeframe. However, urgent concerns are addressed sooner and full remediation of the issue may take place over a longer timeframe when required by the circumstance. For example, if the grievance relates to a workplace hazard related to equipment that could harm an employee, that equipment must be removed from

[18] ILO Thesaurus, https://metadata.ilo.org/thesaurus.html

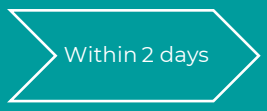
operation and repaired immediately, and if the grievance relates to a case of underage child labour, then remediation continues until the child has reached legal school-leaving and working age.

If committee members have reasonable doubt that the person making the claim, or other persons may be at risk, and/or if the case involves human rights including potential cases of child labour or forced labour, the committee follows guidelines set out in the ASC Remediation Section of this document.

✓ ***What do better practices look like?***

The mill follows a timeline such as the one below, adapted from Rainforest Alliance

Source: https://www.rainforest-alliance.org/business/resource-item/guidance-e-grievance-mechanism/



All grievances, responses and remedy tracked (1.13.5, 1.15.6, 1.16.6)

For all grievance claims, a designated grievance committee member ensures that all steps in the grievance and remediation process are completed within a reasonable timeframe and documented with date of completion for all claims.

Diverse and representative decision-making grievance committee (1.13.6, 1.15.7, 1.16.7)

ASC recognises that the decision-making committee is context specific and therefore the make-up of such a committee will vary with each feed mill. The decision-making committee for each grievance mechanism represents members of the target population who may be submitting grievances (e.g., employees, community members). Employee representatives are freely chosen or elected by their peers without interference from management. Reasonable efforts are made to include representation for diverse groups and consider the needs of vulnerable groups. This can include, for example, ensuring that there are an equal number of men and women on a community grievance committee or representative numbers in an employee grievance committee, or that migrant employees

or community members or lower status employees or community members are included. The size of the committee can vary based on the size of the mill.

> ? ***Examples of Community Representation***
>
> - *Community representatives are elected or chosen by the community, and/or*
> - *Local leaders (mayors, tribal leaders) represent the community, and/or*
> - *Local advocacy NGOs serve on committee, and/or*
> - *The mill employs community outreach staff who come from and represent the community.*

Those selected to be committee members have been trained and are knowledgeable about the business and common grievances that occur, understand human rights issues including labour rights, community rights, and Indigenous Peoples rights as applicable, and are seen as accessible and impartial. They have appropriate skills, authority, and competency to investigate and resolve grievances, and where appropriate, facilitate dialogue, remedy and identify areas of improvement. Roles that committee members may fill within the committee include outreach, investigations, process management, notes and documentation.

Grievances processed fairly and result in effective outcome (1.13.7, 1.15.8, 1.16.8)

Those raising a grievance, and members of the grievance committee, and others involved with a grievance resolution must all have reasonable access to sources of information, advice and expertise necessary to engage in a grievance process on fair, informed and respectful terms. The grievance process must be clearly outlined and publicly communicated.

The steps in a grievance process[19] are clear and communicated to potential users of the system, as is the expected timeline for the process. An effective grievance process will incorporate elements of the following steps at a minimum.

[19] Steps are adapted from Rainforest Alliance's Grievance Guidance: https://www.rainforest-alliance.org/business/resource-item/guidance-e-grievance-mechanism/

Table 12: Example grievance process steps

Steps	Notes/detail
1. Receive and acknowledge grievance complaint	
2. Immediate action on human rights or hazardous issues.	For human rights cases such as child labour, or if the complaint relates to a hazard that may result in injury, safeguarding action must be immediately taken. Follow safeguarding guidance in Remediation Protocol.
3. Review grievance complaint to check for admissibility	If grievance is found to be inadmissible, this is communicated along with the rationale to the submitter (i.e., person or group bringing the grievance). An inadmissible complaint is one that is unrelated to the activities or properties (e.g. location) of the mill.
4. Investigate complaint to establish what happened	Grievance committee members investigate the complaint, maintaining confidentiality of the submitter where requested and feasible. For complex issues, or when there are conflicts of interest, external experts may be brought in for assessments.
5. Communicate findings	Findings communicated to the submitter.
6. Come to agreement on a remediation plan	When a grievance complaint is found to be valid, a remediation plan is reached through dialogue with the submitter. For complex issues, the committee may involve external arbitration or external remediation support including NGOs or rights experts.
7. Opportunity for appeals process	The submitter is given an opportunity to appeal to an external grievance mechanism if agreement cannot be reached.

8. Implement, monitor the remediation plan	Remediation plan may extend beyond 90 days.
9. Communicate remediation progress	Remediation progress is communicated to the submitter, and more broadly to additional stakeholders when relevant and when confidentiality is not a concern.
10. Continuous improvement	

An effective outcome is one that is accepted by all parties. The outcome is timebound if an action is required and communicated externally when confidentiality is not required. In some cases, a grievance cannot be resolved to the satisfaction of the person or entity who has raised it. When this occurs they are informed of their right to access available external grievance channels, such as labour rights organisations or judicial process.

The auditor verifies that grievances are resolved in line with the intent of the Standard.

✓ ***What do better practices look like?***

Mills provide engagement and support even on inadmissible grievances as part of the engagement process. Where grievances are raised that impact community members, Indigenous and tribal peoples and employees, but that should be addressed by third parties such as the government, the mill supports the person or entity making the claim with additional advocacy where possible, especially where the mill may have stronger leverage. For example, if road repairs are necessary in adjacent villages or if migrant employees claim their children are discriminated against at local schools, the mill engages in advocacy with local government and school leadership to support improvements.

Confidential process provided for when preferred (1.13.8, 1.15.9, 1.16.9)

Members of the grievance committee and anyone managing the grievance process receive, process, file and monitor records with particular attention to safeguarding confidentiality of personal information, when requested.

Communities' and Indigenous and tribal peoples' rights to food security, and access to resources (1.15.10, 1.16.11)

Communities and Indigenous and tribal peoples may have lived for several decades, and sometimes centuries, on land and other areas such as forests and the natural habitat that has provided them food security. These areas, besides land, could also include rivers and streams that have passed through their habitat, creating a self-sufficient eco-system to depend on for their food.

Auditing considerations

(1.13.1) Auditors may evaluate the system adopted by the mill that encourages dialogue between workers and the management and vice versa. There needs to be evidence that the system works.

If the mill is unionised, auditors can verify if workers' issues are brought to the knowledge of the trade union and if these are discussed with the management periodically.

Document review: Auditors may verify the system adopted by the mill that encourages proactive dialogue between workers and different levels of management and supervisory staff. The system should be easily understood by workers that may have varied levels of literacy. Those responsible for implementing the system, including those that workers can refer to, should be identified.

Employee interviews: If a Trade Union exists, auditors may interview one or more members to determine the system adopted by workers to raised issues and how such issues are communicated to the management, including the frequency of such communication. The same applies when a workers' committee exists.

Workers can be asked open ended questions to broadly explain the system for raising issues and how soon and how often these are heard and addressed by management. Workers could be asked if different channels exist for raising issues and how each of those work, if they exist. For example, some channels require a more formal approach, such as getting a grievance or complaint written down in a log, while others may include workers raising grievances through suggestion boxes, either anonymously or with a requirement that the workers identify themselves. Some organisations have whistle-blowing policies that require workers to make complaints anonymously to a toll-free number without revealing their identity. More recently, worker voice tools have been used by organisations to conduct anonymous worker surveys. Auditors could verify results from surveys conducted using worker voice tools and use the information to talk to workers and obtain additional information.

(1.13.2) Workers will have been made aware of grievance mechanisms, for example, as a part of their induction training or as ongoing training during their employment.

Additionally, the grievance procedure may be a part of workers' employment terms and conditions, in a language understood by workers. The procedure, as the name suggests, should provide workers with clearly written and understandable instructions on how to report grievances using different methods that involve formal, informal and anonymous reporting.

The grievance process should apply to all workers including full time permanent, contract, seasonal, migrant (domestic and foreign) and temporary workers. All workers should have access to the grievance procedure, such as by provision of a copy and/or by way of posting in a common area or places frequented by workers. Auditors can verify physically if the grievance procedure has been posted on notice boards in common areas.

Document review: Auditors can review the grievance procedure and check for clearly written instructions that are understandable by all workers and whether the grievance procedure applies to all types of employees. For example, foreign migrant workers may be given the option to raise issues, besides internally with the mill, with the local Consular Office of the Labour Attaché for their country in the country where the mill is located. It is often noted that there are websites or Facebook pages of the Consulate or Embassy where migrant workers can raise grievances.

Employee interviews: Employees can be asked how they were made aware of the grievance procedure and how the procedure may be accessed. Although workers chosen for interviews may not have used the procedure to raise issues, they should be able to provide a broad idea of how the procedure works and applies in the mill.

(1.13.3) Auditors can affirm when reviewing the grievance procedure whether it specifies non-retaliation towards workers that report grievances. For a grievance procedure to be effective workers need to trust the system, they need to know that there will be no retribution for reporting grievances through the various channels identified by the management.

Document review: Auditors can verify grievances that have been reported by workers in the past through different channels including through the trade union if the mill is unionised. Workers that have reported grievances in the past may be selected for interviews. If workers that reported grievances in the past are no longer on the payroll this is a red flag and should be investigated thoroughly. Often those that report grievances are marginalized and the management and supervisors find ways to terminate the workers services on spurious grounds such as discipline or incompetency.

Employee interviews: Employees can be asked about non-retaliation and non-retribution for reporting grievances and their understanding of this. If workers that reported grievances in the past are no longer on the payroll of the mill, current workers may be asked to describe the sequence of events that took place when the workers reported grievances and how this led to possible unfair dismissal of the workers. Additionally, if the

mill is unionised, auditors may speak to members of the Trade Union to understand non-retaliation and non-retribution.

(1.13.4) While simple grievances may not require a 90-day time frame, the maximum allowable timeframe is 90-days. Other grievances may be resolved in shorter timeframes and the facility may categorise the different kinds of grievances with specific, shorter, timeframes for resolution, based on risk to workers' health and safety and working conditions.

Employee interviews: Employees should be able to provide broad understanding of how long it takes to resolve grievances. In mills that are unionised or have workers committees, auditors can seek specific information from members of the union or the committee if they were involved in categorising and classifying the kinds of grievances and allotted timeframes for each category of grievance.

(1.13.5) Auditors can verify the system used to track grievances, responses from the management, communication to workers or the aggrieved party, and the remedy provided. This could be a simple system that is documented and tracked, for example, on an excel sheet with name of the person that reported the grievance, the date, the person against whom the grievance was made and/or the concerned department, the category, dates and the results of internal investigations carried out, the outcome of the investigations and dates when a response was provided to the aggrieved party.

Employee interviews: Interviews can be conducted with workers to affirm any grievances that were reviewed by auditors from the tracking sheet or other systems of control and documentation that has been adopted by the mill. Testimonies from workers should be consistent with what has been documented by management as a part of tracking grievances.

(1.13.6) Auditors can ensure members of the decision-making grievance committee represent the diversity of workers in the mill. If the mill is unionised, a member of the Trade Union should be part of the decision-making grievance committee. The decision-making grievance committee may have its role and responsibilities documented, and specific risks to vulnerable workers as may be applicable may be the prime focus. Additional responsibilities may be given to the decision-making grievance committee based on grievances that are tracked over a period of time as required by Indicator 1.13.5 and these may be adjusted periodically in accordance with requirements of Indicator 1.2.8 that requires management systems to be reviewed.

Document review: Auditors can review documentation to verify periodic meetings, their minutes and the outcome of decisions taken by the decision-making grievance committee, and verify whether a holistic approach is applied when identifying risks to existing vulnerable groups that includes an analysis of grievances tracked over a period of

time, and if the work of the decision-making grievance committee is reviewed as a part of a management systems review.

Employee interviews: Identified vulnerable groups could be spoken to, including workers that have raised persistent and common grievances identified in the tracking system. Workers can be asked if members of the decision-making grievance committee are representative of the vulnerable groups in the mill.

(1.13.7) Fair processing of grievances by the grievance committee is dependent on correct representation by members on the committee of the vulnerable groups in the mill. There could be management oversight and representation in the working of the grievance committee to ensure that grievances raised are processed objectively and fairly with clear outcomes that address not just the grievance and an immediate solution but also the root causes of grievances, as required in a management system framework.

Employee interviews: Interviews can include questions related to outcomes from the decision-making grievance committee and its fairness. Additionally, workers could be asked if similar grievances occur frequently to see whether the mill has addressed the root cause of the grievance.

(1.13.8) Workers will trust a system that ensures confidentiality and non-retaliation. The management should convey to workers as a part of the grievance procedure that all grievances will be treated in a confidential manner and that the worker will be protected from retaliation. The management should convey to workers that, if they choose to remain unidentified, only specific information from the grievance will be shared to investigate the issue and determine root causes and to find a solution to the grievance.

Employee interviews: Auditors can enquire how confidentiality is maintained when a grievance is reported and whether workers have the choice to ask management not to associate their name with the grievance that was raised.

(1.15.1 & 1.16.1) Auditors may obtain information from the mill prior to the on-site audit to determine if they engage with local communities and Indigenous and tribal peoples. Knowledge of the general populace in the region and the existence of Indigenous and tribal peoples, including their involvement in economic activity, can be researched well in advance of the audit.

Document review: Mill management could provide auditors with a strategy of engaging proactively with representatives the local community and of Indigenous and tribal peoples. Auditors may review evidence of records that are maintained when representatives of such people are met and the minutes of meetings held or communication that is made. Engagement with representatives of communities or of Indigenous and tribal peoples may focus on identifying, avoiding and mitigating any negative social impacts resulting from the activities of the mill. Such impacts can be

related to land use, social effects or impacts caused to the local environment or the environment in which the Indigenous and tribal peoples live.

(1.15.2 & 1.16.2) Document review: Auditors can review the grievance procedure meant for local communities and for Indigenous and tribal peoples to report issues and check for clearly written instructions that are understandable. Auditors could verify the nature of issues and concerns that have been raised in the past by local communities and/or Indigenous and tribal peoples.

Interviews: If auditors meet representatives of local communities or Indigenous and tribal peoples, discussions could be focused on how the commercial activity of the mill affects them. They could be asked how they can raise concerns and grievances with the mill and who their point of contact at the mill is. Additionally, they may be asked how the grievance mechanism was communicated to them and when discussions were had with the mill management. Such interviews with representatives of communities and/or Indigenous and tribal peoples should confirm and corroborate the mill management's statements and existing documentation on record.

(1.15.3 & 1.16.3) Interviews: Interviews with representatives of local communities and/or of Indigenous and tribal peoples could confirm that they know about the process for submitting grievances and how the mechanism of dealing with submitted grievances works. They may be asked about instances when grievances were raised in the past and how they were resolved.

(1.15.4 & 1.16.4) Auditors may refer to auditing guidance for Indicator 1.13.3. The same principles apply when auditing these Indicators. Non-retaliation should be addressed in the grievance procedure and a senior member of the management assigned to receive and handle any reports of any retaliation that may have occurred to members of local communities or Indigenous and tribal peoples.

Interviews: Auditors may ask representatives of local communities and Indigenous and tribal peoples about their understanding of non-retaliatory clauses in the grievance procedure and what such groups can do if retaliation for reporting grievances occurs.

(1.15.5 & 1.16.5) To audit these Indicators, auditors may refer to auditing guidance for Indicator 1.13.4.

(1.15.6 & 1.16.6) To audit these Indicators, auditors may refer to auditing guidance for Indicator 1.13.5.

(1.15.7 & 1.16.7) To audit these Indicators, auditors may refer to auditing guidance for Indicator 1.13.6.

(1.15.8 & 1.16.8) To audit these Indicators, auditors may refer to auditing guidance for Indicator 1.13.7.

(1.15.9 & 1.16.9) To audit these Indicators, auditors may refer to auditing guidance for Indicator 1.13.8.

(1.16.10) Auditors may sensitise themselves to any legal or customary rights of Indigenous and tribal peoples for traditional, cultural, ecological, economic reasons, including those that have religious or spiritual significance. This requires auditors to understand local legislation that may be in place. Often there are government departments, and sometimes separate Ministries, that ensure that such rights of Indigenous and tribal peoples are met. Important to note that the commercial activity of the mill could prevent Indigenous and tribal people from access to sites that have traditionally been important to certain groups, even though such customary rights should be respected. There should be no negative effect on such rights of Indigenous and tribal peoples.

Interviews: Interviews with Indigenous and tribal peoples, and/or their representatives, can confirm that the mill meets the requirements of this Indicator. Such groups and their representatives may be asked about instances when their rights to access or perform certain spiritual practices in areas where the mill is now located may have been restricted because of the economic and commercial activity of the mill.

(1.15.10 & 1.16.11) Although there may be national laws that protect the rights of local communities or Indigenous and tribal peoples, these may not be respected because of the remoteness of the area where the mill is located and the subsequent lack of government oversight. Sometimes, a different government department may allow the mill to construct and expand the mill operations on the aim of improving economic growth and creating employment opportunities for the local populace. Auditors therefore need to be conscious of economic and commercial activities that negatively affect the rights of communities and Indigenous and tribal peoples to food security by preventing access to resources like land or water.

Interviews: Discussions with local communities and Indigenous and tribal peoples and/or their representatives can focus on requirements of this Indicator based on the guidance provided above.

(1.15.11 & 1.16.12) Auditors can verify if members of the local community and Indigenous and tribal peoples are given opportunities for employment in the mill. This could include a review of notices for hiring workers in the mill. The mill may be conscious of goods and services being provided by Indigenous and tribal peoples and engage in procuring such goods and services from them directly. For example, bamboo, which often grows in tropical countries, might be found growing in land where Indigenous and tribal peoples live. Bamboo has multiple uses and is often converted into baskets by weaving. These baskets may be sold by Indigenous and tribal peoples to larger traders in the local town or city. The mill may have a requirement of such bamboo baskets and could therefore consider purchasing these from Indigenous and tribal peoples rather than procuring them from the traders or middle-men. Auditors may wish to familiarize themselves with

the needs of the mill and the ability of local community members and/or Indigenous and tribal peoples to provide goods or services directly to the mill.

Useful resources

SHIFT Project is a non-profit consultancy focused on human rights Due Diligence based on the UN Guiding Principles for Business and Human rights. They have published two guidance documents on grievance mechanisms with clear definitions, both for community and employee-focused grievance. https://shiftproject.org/wp-content/uploads/2020/02/191210_publication_grievance-mechanism.pdf

https://shiftproject.org/wp-content/uploads/2014/05/Shift_remediationUNGPs_2014.pdf

'Doing Business With Respect for Human Rights' guide for companies to translate expectations in the UN Guiding Principles on Business and Human Rights into concrete action, by Global Compact Network Netherlands, Oxfam and Shift. Chapter 3.8 Remediation and Grievance
https://www.businessrespecthumanrights.org/en/page/349/remediation-and-grievance-mechanisms

Rainforest Alliance grievance mechanism guidance: https://www.rainforest-alliance.org/business/resource-item/guidance-e-grievance-mechanism/

Water Use

Water Use

Supplier Code of Conduct:
The Criterion must be included in the feed mill's Supplier Code of Conduct for their ingredient manufacturers (Indicator 2.1.4) as well as the ingredient manufacturer's Supplier Code of Conduct for their suppliers (Indicator 2.1.8). The guidance and interpretation of the Criterion is to be followed by the feed mill's ingredient manufacturers, as well as their suppliers, with the exception of any reporting requirements (Indicators 1.18.2 and 1.18.5).

Due Diligence Requirement:
The guidance outlined below applies equally to all ingredient manufacturers. The mill must undertake Due Diligence of its ingredient manufacturers in line with Indicator (2.2.5).

Which Feed Standard Criterion does this apply to?

Criterion 1.18 - The UoC uses water responsibly.

What is the intent of this Criterion?

The feed mill is aware of its water use for production and utilises water efficiently to maintain critical ecosystem services of the water source.

How do I interpret the Requirements?

Background

ASC requires water consumption data rather than water use because water consumption will include water abstracted which might not have been used during production as it was lost, for example, through leaking and insufficiently maintained piping to the feed mill.

Identification of water sources (1.18.1)

The distinction by water source is needed to help determine appropriate efficiency practices to implement under the Water Conservation Efficiency Plan (1.18.4). This is particularly important when operating in a region of "high" or "extremely high" water

stress (1.18.6) as a change of water source may be identified as the most appropriate measure to implement, such as moving from a private well with sinking levels to tap/mains water.

Reporting templates (1.18.2 and 1.18.5)

A reporting template is provided on the ASC website through which the feed mill can calculate, record and annually report to ASC its water consumption per water source in megalitres/t (total) product produced/year.

Where possible, the source data for these calculations are based on readings from flow gauge attached to pumps. Where flow gauges are not available, a calculation may be made based on theoretical pumping capacity and hours the pumps were running. Or, in the case of tap/mains water use, a calculation may be made based on an invoice and will relate cost to water m^3 used.

Use of wells (1.18.3)

The feed mill demonstrates, through regular monitoring, that groundwater levels accessed through wells do not show a decreasing trend. Monitoring is conducted monthly, unless there is no seasonal variation in water levels, then annual monitoring is permissible. Where well-monitoring is legally not allowed to be conducted by the feed mill, regulatory records are obtained to demonstrate no decreasing trend in water levels.

Water Conservation Efficiency Plan (1.18.4)

Water is an essential and valuable resource used by everyone and a Water Conservation Efficiency Plan (WCEP) is required for all feed mills, even where tap/mains water is used. The International Resource Panel has predicted that by 2040, there will be a 40% deficit in the supply of water available compared with global demand[20].

The feed mill suggests feasible and meaningful measures and timelines within its WCEP. A 'meaningful timeline' depends on the size and complexity of the feed mill, as well as the availability of tap/mains water and water-saving technology.

Under the WCEP, responsible water practices can include the minimization of seepage and leakage through active search & control of leaks, determination of water footprint, correct calculation between water consumed by the feed mill vs. feed produced (without generating distinctions or distortions in the calculation, technological improvement in feed production equipment, reducing water evaporation, using less water-demanding processes and technologies, reusing of water e.g., for garden irrigation, waste-water

[20] https://www.weforum.org/agenda/2021/01/if-you-want-to-make-progress-on-all-the-major-global-challenges-start-with-water/

recycling, rainwater harvesting, moving from well water to tap/mains water, etc. Bad practices can include not regularly maintaining water systems such as infrastructure, using water-demanding processes and technologies, using non-renewable water sources, contributing to water stress and depletion, etc.

> ? ***What is the difference between improved practices and wastage?***
>
> *Not turning off showers when nobody is showering is an example of a bad practice and unnecessary wastage. However, an individual showering for 10 minutes instead of 5 minutes is an example of a practice which can be improved but not an unnecessary wastage.*

The WCEP is embedded within a Risk Management Framework (see 'Risk Management Framework' Section of this document).

Water stress (1.18.6)

Water stress varies across regions but is an emerging crisis globally and, therefore, conservation in all systems is vital. Water stress refers to the ability, or lack thereof, to meet the human and ecological demand for water. Water stress can refer to the availability, quality, or accessibility of water.[21] Where the outcome of the risk assessment (see 'Risk Management Framework' Section of this document) indicates medium or high risk of negative impacts on ecosystems and communities, adequate measures would be for example a change in water use, or change of water source, such as moving from a private well with sinking levels to tap/mains water.

In some instances, and where a number of different users use the same water source, it can be difficult to attribute the degree of contribution of individual users to water stress. The quantity abstracted by the feed mill versus the quantity abstracted in total, as well as identifying other users (ecosystem and small communities versus larger industry), will give an approximate indication of the feed mill's contribution to water stress. The higher the contribution, the more urgent and important measures are to move away from these water sources.

[21] GRI 303

What do better practices look like?

The feed mill can contribute to the management of this shared resource, by understanding and responding to the local situation, respecting the needs of all water users, and aligning its approaches with other collective water management action with the aim to increase responsible resource management.

Auditing considerations

(1.18.1) The auditor could request the presence and involvement of the following areas/positions (if they exist within the organizational structure of the feed mill. Names of generic positions will be identified below; but the auditor may ask for clarification if needed):

- Operations: in relation to involvement in terms of use and measurement,
- Environment/Quality Assurance: with respect to measurement, reporting and/or verification,
- Maintenance: in relation to their involvement in the case of monitoring and control.

From this, the auditor can identify the potential sources of water, the use for human consumption, and for the use of operational activities in feed production. Keep in mind that in some feed mills, this situation may be mixed, for example:

- water coming from city network plus water coming from well,
- water from trucks plus river water.

These two uses should be clearly defined and identified by the feed mill. In addition, the auditor could evaluate the potential legal requirement to use "potable water" for feed production.

As a link to the legal compliance established in Indicators 1.1.1 and 1.17.1, the auditor could evaluate if the respective water consumptions, depending on the origin, are in accordance with the water flows authorised by law, for example: if it is well water, use with respect to the number of liters per second, cubic meters per year, or any unit of measurement that establishes a Criterion of use.

Finally, all of the above should be clearly identified as part of the input elements for the "water conservation efficiency plan" (see Indicator 1.18.4) and whether the feed mill operates in a region with "high" or "extremely high" water stress (see Indicator 1.18.6).

(1.18.2 & 1.18.5) It is important for the auditor to contrast the quality of the information provided by the mill and that all sources of information that contribute to the calculation

of water consumption are duly validated by the mill (i.e., that there are no contradictions in terms of the data reported by different departments, e.g., quality vs. environmental).

Examples to validate the quality of the information regarding the measurement of water consumption, could be the verification of accuracy and/or calibration of flow meters used by the mill to measure water consumption or alternatively verification of the invoice payment (if the water source is from mains supply) vs. reported consumption, among others.

In addition, it is important that the auditor validates that the calculation of megaliters/total ton is correct, contrasting the total annual water consumption plus the total product produced.

(1.18.3) This Indicator is to determine if the well water has a decreasing trend or not. Therefore, it is important that the auditor validates the information provided by the feed mill, regarding:

a) What is the type of methodology used to perform this action (dynamic or static monitoring),
b) If the activity described in a) is carried out internally (by feed mill personnel) or by external companies.
c) Evaluate, if applicable, the degree of qualification of the personnel performing the evaluation,
d) Frequency of monitoring,
e) Whether or not there is sufficient evidence to demonstrate that there is temporal variation. Remember that this is important as it makes it easier for the mill to justify conducting monitoring on an annual basis.
f) If this activity is subject to legal environmental compliance. If this is the case, the auditor may consult the respective environmental qualification assessment or environmental license of the feed mill (if legal, it could also be considered as evidence for Indicators 1.1.1 and 1.17.1).

(1.18.4) When evaluating the WCEP the auditor may consider the degree of involvement of top management in the establishment of plans, objectives and targets. From this, the auditor can observe relevant practices committed by the feed mill for responsible water use management, for example:

- Reuse of water for garden irrigation,
- Active search/control of leaks,
- Determination of water footprint,
- Correct calculation between water consumed by the feed mill vs. feed produced (without generating distinctions or distortions in the calculation),
- Technological improvement in feed production equipment,

- Ease of organization for continuous feed production, without generating potentially unnecessary feed mill stoppages (and with this, reaching optimal production levels).

(1.18.6) In case the feed mill is located in an area defined as having "high" or "extremely high" water stress, the auditor may turn their attention to the following elements related to the risk assessment:

a) Criteria concerning the determination of the methodology (see 'Risk Management Framework' Section of this document)
b) How the risk factors are defined, and their interpretation in the WCEP plan,
c) How the Criteria are defined in relation to the controls associated with those risks with relevant significance, according to the Criteria defined by the mill, and how these relate to the WCEP, in terms of plans and actions.

Useful resources

Guidance and courses from the 'CEO water mandate':
https://university.ceowatermandate.org/

Waste

Waste

Supplier Code of Conduct:
The Criterion must be included in the feed mill's Supplier Code of Conduct for their ingredient manufacturers (Indicator 2.1.4) as well as the ingredient manufacturer's Supplier Code of Conduct for their suppliers (Indicator 2.1.8). The guidance and interpretation of the Criterion is to be followed by the feed mill's ingredient manufacturers, as well as their suppliers, with the exception of any reporting requirements (Indicator 1.19.2).

Due Diligence Requirement:
The guidance outlined below applies equally to all ingredient manufacturers. The mill must undertake Due Diligence of its ingredient manufacturers in line with Indicator (2.2.5).

Which Feed Standard Criterion does this apply to?

Criterion 1.19 - The UoC handles waste responsibly.

What is the intent of this Criterion?

The feed mill prioritizes re-use and recycling, reduces waste generation, and ensures responsible handling of hazardous materials and disposal of waste to prevent pollution.

How do I interpret the Requirements?

Reporting templates (1.19.2)

A reporting template is provided on the ASC website through which the feed mill can calculate, record and annually report to ASC its waste in tonne (t) per year per method of disposal. Where it is too difficult to weigh the waste per category, the weight can also be estimated. Where waste is sold, or the feed mill pays for waste to be taken away for disposal or re-use, the feed mill makes efforts to understand methods of disposal used and reports this in the ASC template as well.

Waste Management Plan (1.19.3)

The feed mill suggests feasible and meaningful measures and timelines within its Waste Management Plan (WMP). A 'meaningful timeline' depends on the size and complexity of the feed mill, as well as the availability of alternative packaging and recycling/disposal technology.

Under the WMP, responsible waste practices can include working with suppliers and internal processes to reduce the generation of waste, to move towards reusing and recycling waste that cannot be avoided, to collect and separate waste for different downstream uses, ensure no littering occurs on site, to dispose of waste in a responsible manner such as materials separation and energy recovery incineration facilities, etc. Bad practices can include the lack of litter management, the burning or dumping of plastics and other hazardous materials, selling waste to unofficial businesses for further treatment/disposal, etc.

The WMP is embedded within a Risk Management Framework (see 'Risk Management Framework' Section of this document).

✓ ***What do better practices look like?***

A person responsible for the appropriate disposal of waste and avoiding littering is identified and ensures appropriate training of all employees.

Chemicals and hazardous materials and waste (1.19.4 and 1.19.5)

The risk of air, soil, and water contamination as well as health and safety aspects are considered when determining which materials and substances are hazardous. Appropriate storage and handling procedures include:

- keeping a current and accurate record of the presence, quantity and use of all chemicals and other hazardous materials on site;
- material data safety sheets (MSDS) for all substances;
- safe and secure storage, according to safety specifications and only accessible by trained staff (see also Health and safety - Criterion 1.7);
- a person responsible for the appropriate storage and use of chemicals and other hazardous materials is identified and appropriately trained;
- spill retention is in place.

> ? ***What are 'chemicals' and other 'hazardous waste'?***
>
> *'Chemicals' can be natural or manufactured, for example: solvents, carbon monoxide, flammable materials, or pesticides. 'Hazardous waste' refers to waste that is made from harmful chemicals or has properties that makes it otherwise potentially dangerous or harmful to the human health or the environment (air, soil, water). Plastic is an example of a hazardous waste.*

Disposal of waste (1.19.6)

The responsible disposing of waste also covers any employee accommodation provided by the feed mill (see Criterion 1.14). 'Unofficial sites' are those not officially designated as waste disposal sites. Official dump or landfill sites are typically selected and managed by authorities. The feed mill also ensures that any waste contractor engaged to remove or dispose of waste, does so in a responsible manner.

Auditing considerations

(1.19.1) For the identification of waste cases, in some feed mills, they are clearly defined in their respective environmental permits or environmental operating licenses (see Indicators 1.1.1 and 1.17.1). Within these, it is possible to find the following:

a) Household or domestic waste,
b) Industrial waste,
c) Hazardous waste.

Both a) and b) can also be referred to as "non-hazardous".

For both a) and b), there are regulations that require proper control in terms of totals sent to landfills, and totals with the possibility of reuse and/or recycling. This could be an excellent input for the auditor's analysis of the company's performance in terms of waste generation.

For the case of c), if relevant, the auditor may evaluate the management associated with final disposal of these elements. The auditor can assess the degree of legal compliance of the feed mill regarding the temporary storage of hazardous waste as well as its final disposal. The final disposal could be carried out by companies duly authorised by the local authority, for transportation, storage and final disposal.

(1.19.2) The auditor can assess that all sources of information that facilitate the calculation of waste generation are duly verified by the mill (i.e. that there are no contradictions in terms of the final number reported by different departments, e.g. maintenance vs.

environmental). The auditor could verify data provided on the amount of waste generated by comparing, for example, evidence of output weight records vs. the total accounted for by the feed mill vs. the method of disposal (e.g., if it is direct to landfill, recycling center, or final disposal).

(1.19.3) For the evaluation of the WMP, the auditor could evaluate the practices considered by the organization as relevant in order to control both the amount of waste generated, as well as the different destinations and uses of non-hazardous waste with capacity for reuse, recycling or reduction, for example:

- Establishment of a reuse or recycling plan by the organization,
- Whether the organization is subject to a recycling and/or waste generation reduction plan by law; in some countries, it is possible to evidence this mandate in the environmental license or environmental operating permits (related to Indicators 1.1.1 and/or 1.17.1).

(1.19.4 & 1.19.5) The auditor could consider the following elements:

a) In case it is required by law, both the areas of hazardous products or materials and hazardous waste, have the proper operating authorisation; this may be possible to recognize in the environmental license or environmental operating permits (related to Indicators 1.1.1 and/or 1.17.1), in case it is not a legal obligation, omit.
b) In the case of storage of hazardous products or materials such as hazardous waste, the auditor can assess the potential chemical incompatibility of some materials,
c) Contrast the safe storage conditions with the recommendation issued by the manufacturer. This information could be found in the safety data sheets of each material. It is important that the feed mill has updated information and required data sheets for chemicals observed in use or in storage areas.
d) That in relevant areas within the mill, there are sufficient elements to contain and/or control a spill,
e) That the personnel operating the area have effective control of the area (e.g., access control) and that they have basic knowledge of safe and compliant storage of hazardous materials,
f) That the containment areas do not generate a potential source of contamination to water, soil, or entering the sewer or water effluent collection service.
g) Provision of personal protective equipment in the area for handling hazardous materials, if necessary.

The auditor could identify the frequency of updates in the accounting of hazardous materials and wastes. If there are no electronic means of control, the auditor could pay attention to the contrast between the physical documented information and what is observed in these storage areas when touring the facility.

(1.19.6) Information relating to legal requirements for the disposal of non-hazardous and hazardous waste is likely to be observed in the environmental license or environmental operating permits (Indicators 1.1.1 and/or 1.17.1). In case of collection by contracted companies, possible audit evidence would be the review of the contract and/or the respective payment for the services rendered. With this, the auditor would have certainty regarding the final destination of the waste.

Effluent

Effluent

Supplier Code of Conduct:
The Criterion must be included in the feed mill's Supplier Code of Conduct for their ingredient manufacturers (Indicator 2.1.4) as well as the ingredient manufacturer's Supplier Code of Conduct for their suppliers (Indicator 2.1.8). The guidance and interpretation of the Criterion is to be followed by the feed mill's ingredient manufacturers, as well as their suppliers, with the exception of any reporting requirements (Indicator 1.20.2).

Due Diligence Requirement:
The guidance outlined below applies equally to all ingredient manufacturers. The mill must undertake Due Diligence of its ingredient manufacturers in line with Indicator (2.2.5).

Which Feed Standard Criterion does this apply to?

Criterion 1.20 - The UoC handles effluent responsibly.

What is the intent of this Criterion?

The feed mill ensures responsible disposal and treatment of effluents to avoid contamination of water bodies and soil.

How do I interpret the Requirements?

Identification of effluent discharge (1.20.1)

The identification of effluent discharge and what level of treatment is carried out on-site is needed to help determine appropriate wastewater practices to implement under the Effluent Management Plan (1.20.3).

> ? ***What is 'water treatment'?***
>
> *Water treatment involves physical, chemical or biological processes that improve water quality by removing solids, pollutants, and organic matter from water and effluents. However, treatment may not be required, and the level of treatment is not necessarily a reflection of the quality of water, or potential negative impact, of the effluent. The need for treatment depends on the volume and quality of the water discharged and the sensitivity of the receiving waterbody.*
>
> *(Source: GRI)*

Reporting templates (1.20.2)

A reporting template is provided on the ASC website through which the feed mill can calculate, record and annually report to ASC its effluent discharge in megalitres (ML) per year per destination; the recording shall include all incidences of spills or accidental discharges. This includes effluents going to any other third party within a municipal treatment facility. Where technology is not available or a system is not in place to calculate precisely, the discharge can be estimated. Wastewater undergoing direct use or re-use on site does not need to be added to the calculation.

Effluent Management Plan (1.20.3)

The feed mill suggests feasible and meaningful measures and timelines within its Effluent Management Plan (EMP). A 'meaningful timeline' depends on the size and complexity of the feed mill, the carrying capacity of the receiving water and the feasibility of implementing suitable treatment options. The measures taken to address effluent management also covers any employee accommodation provided by the feed mill (see Criterion 1.14).

Under the EMP, responsible wastewater practices can include separating and recovering wastewater, the suitable treatment of wastewater to ensure no negative effects on the receiving environment or human health, etc. Bad practices can include allowing litter to wash off the premises and the discharge of untreated pollutants, which could compromise the health of communities (users), waterbodies and ecosystems, etc.

The EMP is embedded within a Risk Management Framework (see 'Risk Management Framework' Section of this document).

Auditing considerations

(1.20.1) The auditor can observe the following elements:

As part of the tour of the facilities:

a) The zones or areas where the infrastructure necessary to generate water effluent treatment are located,
b) Method used for the treatment of water effluents (biological, chemical, mixed),
c) zone or area where, once the effluent is properly treated, the point of release or discharge.

As part of the documentation evaluation:

a) If the feed mill has an effluent treatment plant, the appropriate legal authorisation to operate,
b) If required by law, the due documentation that approves the competences of the personnel that operates such a place,
c) The legal requirement regarding the biological, physical and/or chemical Criteria that the treated wastewater must meet,
d) Regarding c), evidence that certifies / approves measurement and frequency (this may be clearly in the legal authorisation for operation of the water effluent treatment feed mill and/or in the feed mill's operating permit).

(1.20.2) The auditor can cross reference the data provided by the mill, to ensure all sources of information that facilitate the calculation of effluent discharge are verified (i.e., that there are no contradictions in terms of the final number reported by different departments, e.g., quality vs. environmental).

An example (among others) to verify the quality of the information regarding the measurement of effluent discharge, could be:

- The verification and/or calibration of flow meters used by the mill to measure the effluent discharge at the authorised discharge point,
- Verification of the payment invoice vs. treated discharge.

In addition, it is important that the auditor verifies that the calculation of megaliters per year is correct. In the case of accidents or spills, the auditor could consult other sources of information in the audit, such as health and safety cases, safety committees, annual reports of events to the respective authority.

(1.20.3) For the evaluation of the EMP, the auditor could evaluate the practices considered by the organization as relevant in order to control both the quantity of effluent treated and the quality of the effluent released, for example:

- Establish an abatement plan, relative to some metric of amount of effluent treated vs. ton produced,

- Establish some methodology to improve results in the measurement of some biological, chemical and/or physical parameter,
- Amount of effluent water treated for reuse (see WCEP in Indicator 1.18.1).

Energy Use and GHG Emissions

Energy Use and GHG Emissions

Supplier Code of Conduct:
The Criterion must be included in the feed mill's Supplier Code of Conduct for their ingredient manufacturers (Indicator 2.1.4) as well as the ingredient manufacturer's Supplier Code of Conduct for their suppliers (Indicator 2.1.8). The guidance and interpretation of the Criterion is to be followed by the feed mill's ingredient manufacturers, as well as their suppliers, with the exception of any reporting requirements (Indicators 1.21.2 and 1.21.4).

Which Feed Standard Criterion does this apply to?

Criterion 1.21 - The UoC uses energy responsibly and monitors Greenhouse Gases (GHG) emissions.

What is the intent of this Criterion?

The feed mill uses energy efficiently, prioritises renewable, non-fossil fuel sources of energy, and minimizes their GHG emissions.

How do I interpret the Requirements?

Background

Feed production often accounts for a majority of the GHG emissions in an aquaculture product's supply chain. Understanding the relative GHG performance of aquaculture feeds and the drivers of those emissions is therefore critical in understanding and improving GHG performance across the aquaculture industry.

ASC applies a life cycle approach to understanding, calculating, and reporting GHG emissions in aquaculture supply chains. This means that the GHG emissions of aquaculture production include the GHG emissions from aquaculture feed production, the emissions from feed production include all of the emissions from producing feed ingredients, and so on up the supply chain. This is particularly relevant to feed products, where most emissions are expected to occur upstream in the production of feed ingredients rather than directly at the feed mill.

? *What is Life cycle assessment?*

Life cycle assessment (LCA) is a biophysical accounting framework that traces material and energy flows through a supply chain "from cradle to grave" or "from cradle to gate" to quantify contributions to environmental impacts, including GHG emissions. A complete LCA may follow a product all the way from initial production to processing, packaging, distribution, sale, and use, quantifying contributions to a wide range of environmental concerns from resource depletion to smog production to ecotoxicity. For aquaculture feeds, the most important components of an LCA are the production of raw ingredients, the processing and transport of those ingredients, and the milling of feed. A life cycle approach recognises that GHG emissions associated with aquafeeds are not limited to only emissions occurring at the feed mill, but also emissions occurring upstream in the production, processing, and delivery of feed ingredients, as well as the generation of electricity.

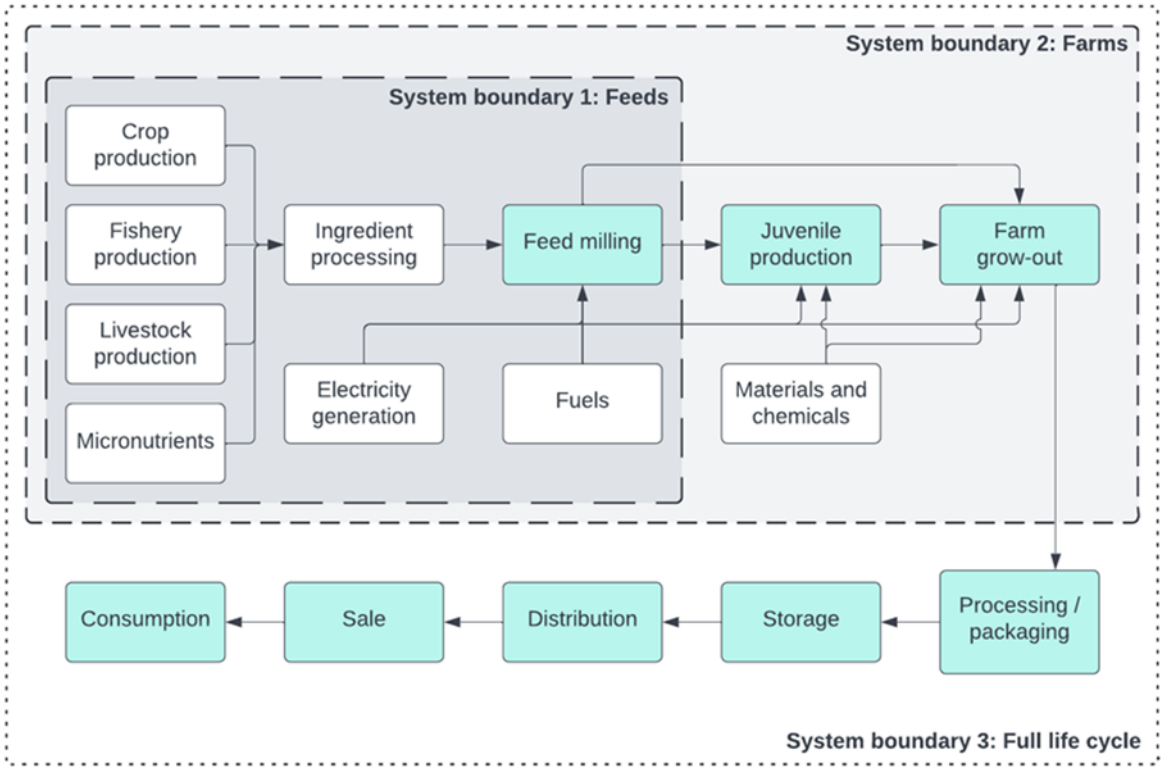


Figure 3: Major stages and inputs in a life cycle assessment of an aquaculture product.

'System boundary 1' encompasses those activities that need to be considered in the GHG accounting of aquafeeds. 'System boundary 2' shows the extended scope for assessing aquaculture products up to the farm-gate, while 'System boundary 3' shows further supply chain stages up to the point of consumption.

As seen in the figure above, the activities in the feed supply chain for which ASC requires GHG accounting include the production and processing of ingredients from crop, fishery,

and livestock/poultry sources, the production and processing of micro-ingredients, electricity generation for feed milling, and use of fuels such as diesel and natural gas for feed milling. In the case of electricity and fuel use, these inputs are also used to calculate the energy intensity of aquafeed milling.

Energy use and GHG data submitted to ASC are used in multiple ways. These include improving understanding of Indicators for different system types, helping to inform future changes to standards, and identifying key drivers of emissions in aquafeed supply chains and opportunities for reduction targeting. Importantly, certified aquaculture producers also need to know the GHG emissions associated with each of their feeds to calculate the feed-related carbon footprint of their own products. So, it is important that feed mills are transparent with how their GHG estimates are generated and what the key drivers of those emissions are, regardless of the data sources and methods applied. Specific methodological considerations are addressed in Annex 2 of the Feed Standard.

Identification of energy sources (1.21.1) and GHG emissions (1.21.4)

Energy use and GHG emissions calculations and reporting for feed mills should differentiate between the three scopes of GHG emissions as defined by the GHG Protocol (listed in Annex 2, Section B of the Feed Standard):

- Scope 1 – These emissions occur on-site at the feed mill and include emissions from directly consuming energy carriers including diesel, patrol/gasoline, and natural gas;
- Scope 2 – These emissions occur off-site in the generation of energy that is consumed on-site, including electricity and, if applicable, district heating or cooling; and
- Scope 3 – These emissions are associated with the provision of inputs to production. For feed mills, this includes the production, processing, and transport of raw feed ingredients including inputs from fisheries, crop production, and poultry/livestock by-products.

These scopes reflect the source of emissions as well as the relationship between the organization (feed mill) and the source of emissions. By separating emissions by scope, GHG accounting and reporting can be more transparent and more relevant to decision-makers both within and outside of the organization.

Energy use calculations consider inputs within Scope 1 and Scope 2 above (Annex 2, Section A3 of the Feed Standard), while GHG emissions calculations include the same energy inputs within Scope 1 and Scope 2 and also the provision of feed ingredients within Scope 3 (Annex 2, Section B of the Feed Standard).

According to the Intergovernmental Panel on Climate Change, roughly a quarter of global GHG emissions come from electricity and heat production[22]. The source of electricity generation has a marked effect on the total carbon footprint of electricity available to downstream users, including feed mills. The lowest emissions come from renewable forms of energy such as wind, solar, and hydroelectric power, while the highest emissions are associated with conventional fossil fuel sources such as coal and oil[23]. Depending on the mix of electricity sources in a country's electricity grid, this variation can have a substantial impact on the carbon footprint of electricity users, with country electricity grids varying in their GHG intensity by multiple orders of magnitude[24]. While not a renewable form of electricity, nuclear power is also associated with markedly low rates of GHG emissions, resulting in a relatively low carbon footprint for electricity users in regions where nuclear generation contributes heavily to the electricity grid.

Feed sourcing drives the impact of many ASC-certified farms and so there are particular inputs within feeds that are most important to capture, such as the type of feed input (e.g., soy meal), source of ingredient (e.g., Brazil) and methodology. Therefore, for a feed mill to understand and communicate their GHG impacts, they need to be capturing this information, and for ASC to be able to interpret things, they need to be informed of these parameters.

[22] https://www.ipcc.ch/report/ar5/wg3/
[23] Amponsah, N. Y., Troldborg, M., Kington, B., Aalders, I., & Hough, R. L. (2014). Greenhouse gas emissions from renewable energy sources: A review of lifecycle considerations. Renewable and Sustainable Energy Reviews, 39, 461-475.
[24] https://www.eea.europa.eu/ims/greenhouse-gas-emission-intensity-of-1

Reporting principles

The GHG Protocol conveys five general principles in modelling and reporting GHG emissions of products:

- Completeness – Accounting should include all inputs recognized as important sources of GHG emissions;

- Relevance – Values used in accounting should be representative of the supply chain being assessed;

- Consistency – Scope and methodology should be consistent across all stages of accounting;

- Transparency – Data sources and methodological choices should be clearly conveyed; and

- Accuracy – Values used should accurately reflect the GHG emissions in the production system and supply chain.

Feed suppliers should be able to demonstrate consideration of these principles when calculating and reporting the GHG emissions associated with aquafeeds, following guidance provided in the table below.

Table 13: Guidance for demonstrating reporting principles in greenhouse gas accounting.

Principle	Guidance
Completeness	- Verify that impact factors used for feed ingredients are inclusive of the production, processing, and distribution transportation of feed ingredients; - Verify that impact factors used for feed ingredients include emissions associated with land use conversion where relevant; - Verify that all energy inputs and feed ingredients (>1% composition) are included.
Relevance	- Verify that electricity GHG intensity is representative of the electricity grid from which it is sourced;

	- Verify that feed ingredient GHG impact factors are representative of the actual feed ingredients used, particularly if overall emissions are sensitive to the values selected.
Transparency	- Feed producers should be able to identify the data sources used, including both primary and secondary data and the allocation method used in modelling the GHG impact factors of feed ingredients.
Consistency	- When selecting GHG impact factors, select values that are consistent in their scope and methodological basis. Ideally, select values from the same data source or from methodologically comparable data sources. Feed producers should follow the same method of calculation each year, and should not GHG impact factor values from one year to the next unless there is evidence that the expected emissions from an ingredient have changed.
Accuracy	- Verify the quantities of energy used and the calculation of energy consumption based on stated energy densities; - Verify the quantities of feed ingredients used in the composition of ASC-compliant feeds.

Reporting templates (1.21.2 and 1.21.4)

ASC provides templates for reporting energy use and GHG emissions from feed suppliers on the ASC website. Each template requires indicating the energy or GHG-intensity of one tonne of feed at the feed mill gate, specifying the quantity of energy or GHG emissions associated with different inputs. Reporting of GHG emissions associated with feed ingredients is at a semi-aggregated level, differentiating between ingredients in different categories but not requiring emissions reporting at the level of individual ingredients. The figure below shows the fields in the energy and GHG reporting templates.

(A)

Energy input	Input units	Quantity per tonne of feed	Energy density (MJ) per unit	Energy per tonne of feed
Electricity	kWh		3.6	0
Diesel	L		38.2	0
Petrol/gasoline	L		34.4	0
Fuel oil	L		42.6	0
Natural gas (gaseous)	m^3		39.8	0
Liquid natural gas	L		22.6	0
Liquid petroleum gas	L		26.1	0
Biomass	kg		15.2	0
Biodiesel	L		30.2	0
Biogas	kg		19.9	0
Other	MJ		1	0
Total	**MJ**			**0**

(B)

	GHG emissions per tonne (kg CO_2-eq/t)	
	Biophysical (mass) model	*Economic model*
Emissions scope		
Scope 1		
Scope 2		
Scope 3		
Total	0	0
Emissions category		
Fossil emissions		
Biogenic emissions		
Land use change emissions		
Unspecified emissions		
Total	0	0

Activity	Quantity (kg/t)		
Soy crop inputs			
Other crop inputs			
Reduction fishery inputs			
Fishery by-product inputs			
Poultry / livestock inputs			
Other feed inputs			
Transport and milling			
Total	0	0	0

Figure 4: Reporting template tables for (A) feed mill energy use and (B) life cycle GHG emissions relative to one tonne of ASC-compliant feed at the feed mill.

It is important for data comparison that energy use and GHG emissions are reported in consistent units (MJ of energy use and kg CO_2-eq GHG emissions) relative to an amount of produced product, for energy use that is one tonne of aquafeed and for GHG emissions that is one tonne of ASC-compliant feed. Values communicated per tonne of feed will also allow aquaculture producers to in turn use them in their own carbon footprint calculations.

To calculate quantities of energy use, and related scope 1 and 2 GHG emissions, feed mills should follow the methods outlined in Annex 2 of the Feed Standard and submit data to ASC following the template shown in Figure 4A. Because energy inputs are typically

measured at the mill level, rather than individual batches, and because energy requirements are less likely to vary by feed than ingredients are, energy inputs can be assessed at the feed mill level. This means recording all energy inputs to the mill throughout the most recent full year of production and dividing each by the amount of feed produced in that year. Energy inputs per tonne should be indicated in the data submission template. The same energy input quantities can then be used for calculating scope 1 and 2 GHG emissions. The template includes default energy density values for calculating total energy intensity based on energy inputs. If the feed supplier uses other energy density values for the calculation, the values in the template can be adjusted and evidence to support the change should be made available to the auditor.

Calculating GHG emissions associated with feed ingredients should be done on the basis of ASC-compliant feed only, not on total feed mill production. This is because ingredient composition is a major determinant of GHG emissions and may vary substantially between ASC-compliant feeds and other feeds produced at the mill. Taking the overall composition of ASC-compliant feeds, ingredients accounting for at least 1% of that composition should be considered in the calculations, without excluding more than 5% of the total composition of the feed. Micro-ingredients (minerals, amino acids, etc.) should be grouped together before applying the 1% rule, to accurately reflect the use of these ingredients and potential emissions from their production (recognising that emissions data for micro-ingredients are limited and averages or assumptions may be needed for their calculation). After excluding ingredients based on these cut-offs, remaining ingredients should be scaled so that the total equals one tonne.

The GHG data submission template, shown in Figure 4B, includes three sections to report emissions. Feed suppliers need to provide GHG values broken down by scope (following the definitions above) and by general feed ingredient type, as well as emissions from transporting feed ingredients to the mill and from milling. If available, the feed supplier is also asked to break down emissions according to their general category: fossil, biogenic, and land use change. This categorisation is facilitated by some database and data sources. However, feed suppliers that do not have this breakdown can indicate emissions as unspecified in that section. The total reported emissions in each of the three sections of the reporting template should be equal.

Communicating the quantity of inputs (e.g., L of diesel or kg of fish meal) rather than just the total energy or emissions associated with each input allows for the re-calculation of results necessary when harmonizing the methods of values from different sources. This is why the total quantities are asked for in the energy and GHG templates. However, quantities of feed ingredients are aggregated to their general categories (*e.g.,* fish meals and oils from reduction fisheries).

The time frame for accounting is a full calendar year (the ‘calculation year’). Production volumes, energy inputs, and feed compositions should each reflect production in that

year. The calculation year is indicated at the top of both the Energy Consumption Report template and the GHG Emissions Report template.

The GHG Emissions Report is made public on the feed mill's website.

Energy Efficiency Management Plan (1.21.3)

The feed mill suggests feasible and meaningful measures and timelines within its Energy Efficiency Management Plan (EEMP). A 'meaningful timeline' depends on the size and complexity of the feed mill and the feasibility of changing to or increasing use of renewable energy sources.

Under the EEMP, responsible energy practices can include undergoing an energy audit, identifying main consumption sources of energy and ensuring these are running efficiently through regular maintenance, optimising settings and upgrading when necessary, keeping track of energy sources and investigating changing to renewable sources, etc. Bad practices can include allowing heating and lighting to run continuously without timing or temperature controls, etc.

The EEMP is embedded within a Risk Management Framework (see 'Risk Management Framework' Section of this document).

Auditing considerations

(1.21.1) The auditor may wish to speak to the following personnel/departments to gain an understanding of energy uses and sources.

- Operations: in relation to involvement in terms of use and measurement
- Environment/Quality Assurance: with respect to measurement, reporting and/or verification
- Maintenance: in relation to their involvement in the case of monitoring and control

In addition, the auditor may inquire about the frequency of reporting, and the degree of validity of the information provided. Regarding renewable sources, it is important for the auditor to orient the search for information regarding the energy matrix from which the feed mill is supplied, and how this generates variation or migration to renewable sources.

(1.21.2) It is important for the auditor to contrast the quality of the information provided by the mill, and that all sources of information that facilitate the calculation of the energy consumed are duly validated by the mill (i.e., that there are no contradictions in terms of the final number reported by different departments, e.g., maintenance vs. environmental).

In addition, a common error found in initial ASC audits is not performing the respective calculation in Megajoules, therefore, the auditor should confirm that the conversion

and/or calculation is correct. It is also important to consider that the calculation is in relation to the total produced product (i.e., regardless of whether ASC or non-ASC feed).

(1.21.3) For the assessment of the EEMP, the auditor could evaluate the practices considered by the mill as relevant to control, the amount of energy used for the production of one ton of product (i.e., regardless of whether ASC or non-ASC), for example:

- Generate an energy baseline, i.e., a calculation of the total energy used by the feed mill in a given time, and based on that, generate comparisons of improvement or not,
- Use of investment actions, such as the use of low power consumption lights, gradual/total replacement of machinery that uses non-renewable fuels as an energy source (e.g., electric or gas-powered forklifts)
- Fuel saving management methods.

(1.21.4) It is important for the auditor to check that the composition of the feed ingredients included in the calculation is in relation to:

a) the total produced ASC compliant product (i.e., ASC compliant feed only), and
b) ingredients which make up more than 1%.

The auditor also checks that the feed mill has documented the source(s) of emission factors used for inputs and that those sources follow the methodological requirements as per Annex 2 Section B of the ASC Feed Standard.

Supplier Code of Conduct

Supplier Code of Conduct

Which Feed Standard Criterion does this apply to?

Criterion 2.1 - The UoC implements a Supplier Code of Conduct.

What is the intent of this Criterion?

The feed mill implements a Supplier Code of Conduct with its ingredient manufacturers and their supplying manufacturers to mitigate against socio-environmental risks.

How do I interpret the Requirements?

Supplier Code of Conduct:
Throughout the Interpretation Manual, this orange box with a magnifying glass indicates that the Criterion must be included in the feed mill's Supplier Code of Conduct for their ingredient manufacturers (as per Indicators 2.1.3 and 2.1.4) as well as the ingredient manufacturer's Supplier Code of Conduct for their suppliers (as per Indicator 2.1.8).The guidance and interpretation of the Criterion is to be followed by the feed mill's ingredient manufacturers, as well as their suppliers, with the exception of any reporting requirements e.g., Indicator 1.21.2 calculation and reporting of energy consumption. The feed mill is not required to ask for evidence of implementation – that is addressed through the Due Diligence requirement (Indicator 2.2.5) for the most serious socio-environmental risks.

Applicability of the Supplier Code of Conduct

Ingredient manufacturers who produce ingredients that represent >1% of the total annual ingredient-weight (volume) received by the feed mill for use in aquafeeds are required to meet the feed mill's Supplier Code of Conduct. If the feed mill also produces livestock/poultry feed, the received volume is based on the ingredient volume destined for inclusion in aquafeed. Moving up the supply chain, the ingredient manufacturers' suppliers (i.e., manufacturers of purchased feed materials) sign the ingredient manufacturers' code of conduct.

The requirements for a Supplier Code of Conduct do not apply for the following situations:

- Non-producing suppliers to the feed mill or ingredient manufacturer e.g., traders, distributors, brokers, exporting agents

- Ingredient manufacturers of feed additives e.g., premixes, vitamins, minerals, trace elements and colourants.
- Non-ingredient suppliers to the feed mill or ingredient manufacturer e.g., office materials, packaging materials, cleaning agents, non-ingredient service providers.

'Effectively implement' a Supplier Code of Conduct (2.1.1)

Effective implementation means that the Supplier Code of Conduct is a mandatory part of the sourcing process governed by the feed mill's management system (Criterion 1.2).

Making the Supplier Code of Conduct 'publicly available' (2.1.2)

Making the Supplier Code of Conduct publicly available only applies to the feed mill's code of conduct, not to codes of conduct of their ingredient manufacturers.

Scope of Supplier Code of Conduct (2.1.4)

Note that the reference to Indicator 3.4.2 (product characteristics) means the following: If the feed mill discloses the presence of GMO to buyers of aquafeed as "may contain GMO", then Indicator 3.4.2 can be excluded from the Supplier Code of Conduct. If, however, the feed mill discloses the presence of GMO to buyers of aquafeed as "does/does not contain GMO", then Indicator 3.4.2 is included in the Supplier Code of Conduct to ensure necessary information provided down the supply chain is included in the feed mill's disclosure.

Note that the reference to Indicator 3.4.3 (product characteristics) means the following: ingredient manufacturers and their suppliers inform buyers of aquafeed of active compound and inclusion levels of added antibiotics or other added medicinal feed additives, to ensure the necessary information is provided down the supply chain and can be included in the feed mill's disclosure.

'Discontinue purchases' (2.1.5)

The feed mill discontinues purchases from ingredient manufacturers, and ingredient manufacturers from their suppliers, that do not meet the Supplier Code of Conduct.

Examples of how the Supplier Code of Conduct is not met, could include:

- the ingredient manufacturer has its own Code of Conduct which does not address all of the same requirements listed in Indicators 2.1.3 -2.1.8.
- the ingredient manufacturer has developed implementation measures to meet the requirements but has not implemented them according to an agreed timescale (see Indicator 2.1.6).
- the ingredient manufacturer's suppliers have not declared that they meet the Supplier Code of Conduct.

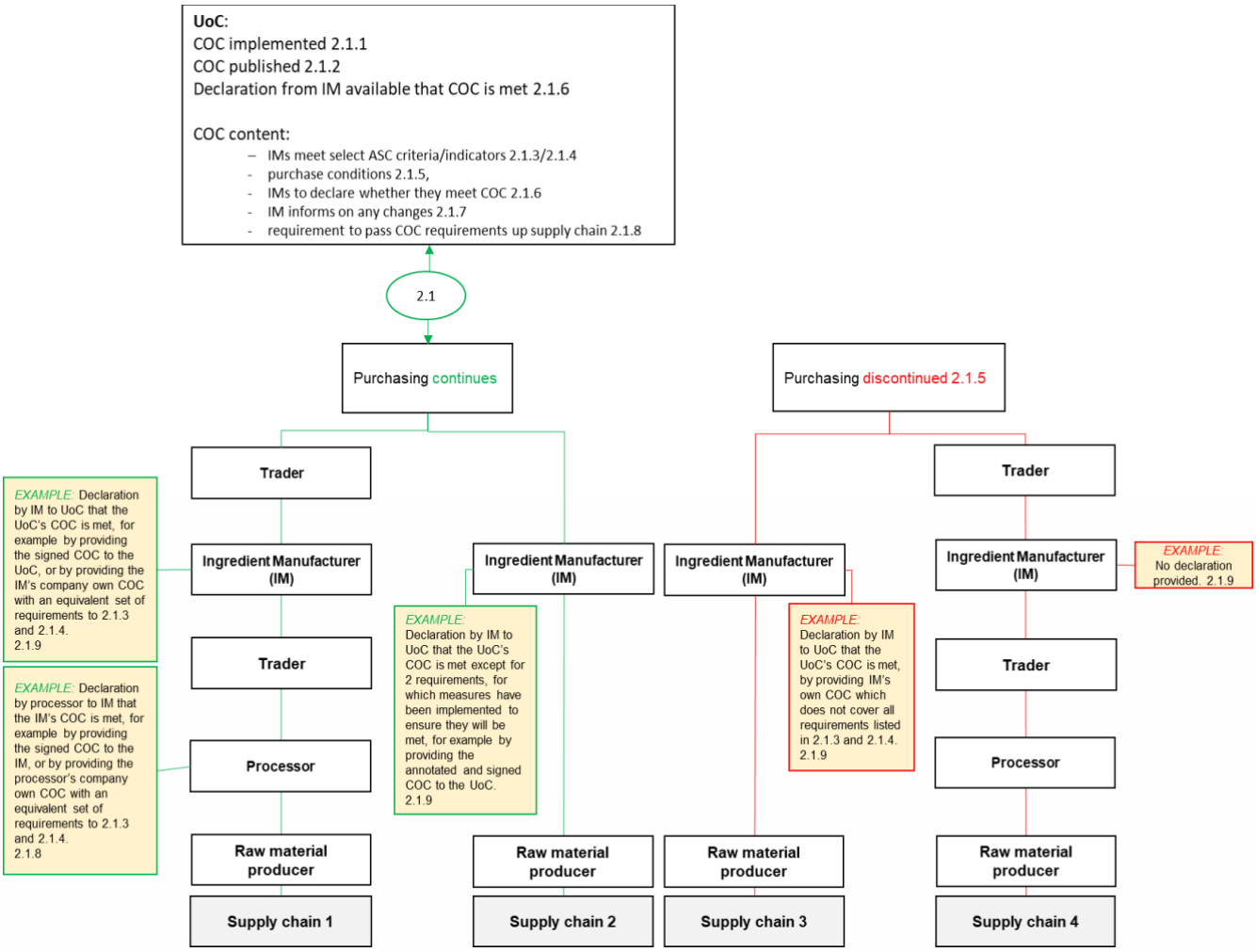


Figure 5: Illustration of how the code of conduct requirements apply along the supply chain, and implications for purchasing.

The boxes outlined in green and red are examples of Code of Conduct declarations, leading to continued or discontinued purchasing.

Declaration (2.1.6)

The Supplier Code of Conduct is considered to be met if all requirements listed in 2.1.1 are fully met or measures have been implemented to ensure they will be met against a time-bound action plan (see Feed Standard Annex 7, figure 4, step 4).

If the ingredient manufacturer declares compliance against an equivalent Code of Conduct, which the feed mill has found to be equivalent through an own internal and documented benchmark, then this also complies with 2.1.6. The same applies to the ingredient manufacturer's suppliers.

The declaration could be obtained either as a signed copy of the Supplier Code of Conduct, or by email acknowledgment, or through inclusion in a purchase contract with explicit reference to the Supplier Code of Conduct.

Ingredient manufacturer's suppliers (2.1.8)

The feed mill verifies that its ingredient manufacturers have a Supplier Code of Conduct which includes the all the requirements within 2.1.1. and that they have a system in place to check that the Supplier Code of Conduct has been signed. For example, the ingredient manufacturer demonstrates its supplier approval process.

Auditing considerations

The auditor will verify that the Supplier Code of Conduct sent out to the ingredient manufacturers meets the requirements as described in Criterion 2.1 of the Standard.

The auditor may ask the mill for their list of Ingredient Manufacturers (see also Indicator 2.2.2). The auditor can then use this information to sample a number of Supplier Code of Conduct documents to verify that the feed mill has identified and sent a copy of the Supplier Code of Conduct to each Ingredient Manufacturer on the list. They can also verify that a time-bound action plan has been submitted for any Indicators an ingredient manufacturer has declared they have not met.

The auditor could also query if there is there a process or procedure in place for the mill to follow up with ingredient manufacturers who have received but not returned the Supplier Code of Conduct.

Another triangulation point could be, as part of the review of Eligible Ingredients in Principle 3 of the Standard, the auditor could request the Supplier Code of Conduct for the ingredient manufacturers for relevant supplied eligible ingredients.

The auditor verifies that the feed mill has a process to check their ingredient manufacturers have passed on an equivalent set of requirements with the same intention to their suppliers.

Due Diligence

Due Diligence

Which Feed Standard Criterion does this apply to?

Criterion 2.2 - The UoC conducts Due Diligence on ingredient manufacturers and primary raw material production.

What is the intent of this Criterion?

The feed mill conducts Due Diligence on ingredient manufacturers and primary raw material production to identify and manage any serious socio-environmental risks.

Which RUoC sections need considering?

4.1 Feed mill staff competency requirements

4.2 Ingredient Approval Process

Annex C Competency Requirements

How do I interpret the Requirements?

Due Diligence Requirement:
Throughout the Interpretation Manual, this red box with a magnifying glass indicates that the Criterion also applies to the feed mill's ingredient manufacturers (as per Indicator 2.2.5) and primary marine/plant raw material production (as per Indicator 2.2.6).

Who is subject to Due Diligence?

Ingredient manufacturers

Ingredient manufacturers who produce ingredients that represent >1% of the total annual ingredient-weight (volume) received by the Feed mill for use in aquafeeds are subject to Due Diligence. Due Diligence is not required for ingredients that represent ≤1% so that the burden on the Feed mill to assess a large number of associated supply chains is reduced and low quantities are likely to have a lower level of risk. If the Feed mill also produces livestock/poultry feed, the received volume is based on the ingredient volume destined for inclusion in aquafeed.

This includes manufacturers of marine-based ingredients, plant-based ingredients and feed stuffs (e.g., land animal, algae, insects based). Ingredient manufacturers of feed additives are excluded from the requirement to perform a Due Diligence (e.g., premixes, vitamins, minerals, trace elements and colourants). Note that feed mills producing their own premixes are not required to conduct Due Diligence on feed materials sourced if they are used as carriers within the premix.

Ingredient manufacturer refers to the company/facility that is involved in the majority processing of the ingredient i.e., does not refer to pre-processing or repacking for example. Moving up the supply chain, the ingredient manufacturers' suppliers e.g., pre-processors, are covered through the code of conduct (Criterion 2.1) as they sign the ingredient manufacturers' code of conduct.

Primary raw material production

The production of plant or marine based primary raw material from agriculture or from fishing is also subject to Due Diligence. Primary raw materials have not been subjected to processing, and examples are: whole fish, krill, squid, soy, corn, wheat, rice, oil palm, rapeseed/canola, barley, rye, linseed, lupines, legumes, sunflower.

By-products derived from aquaculture and ingredients from by-catch retained under the EU landing obligation are excluded from primary raw material Due Diligence. The aim of the EU landing obligation is to eliminate discards by encouraging fishers to fish more selectively and to avoid unwanted catches. By-catch retained under the EU landing obligation is excluded from Due Diligence because fishmeal/fish oil will include this bycatch, and if documented correctly/legally, this fishmeal/fish oil will also contain red listed species, which without this exception would impact on the Due Diligence. To avoid a fishery failing the Due Diligence because it is complying with the landing obligation, this exception was added, so that auditors do not penalise fishmeal/fish oil which is correctly documented in terms of species content and is discouraging wasteful practices.

In the case of ingredients derived from algae, insects or land animals (e.g., omega 3 from microalgae, insect meal, feather meal, blood meal, bone meal, haemoglobin powder), Due Diligence only extends to the ingredient manufacturer – not to the primary raw material producer (e.g., livestock farm). Future versions of the Standard may require raw materials derived from livestock to be assessed.

Table 14: Example of where Due Diligence assessments occur

Ingredient	Primary Raw Material	Ingredient Manufacturer DD required?	Primary Raw Material DD required?
Fishmeal from whole fish (fishery)	Whole fish	Yes	Yes
Fishmeal from trimmings (fishery)	Whole fish	Yes	Yes
Fishmeal from trimmings (aquaculture)	Whole fish	Yes	No
Fishmeal from EU by-catch	Whole fish	Yes	No
Wheat gluten	Wheat	Yes	Yes
Soy lecithin	Soy	Yes	Yes
Insect meal	Black Soldier Fly	Yes	No
Algae oil	Algae	Yes	No
Poultry blood meal	Chicken	Yes	No
Minerals	Feed Additive	No	No

List of ingredients (2.2.2, 2.2.3 and 2.2.4)

When determining the country(ies) and fishery(ies) of origin of primary raw material, the feed mill identifies where primary production or fishing occurs. For example, soy grown in Brazil and then processed in Argentina has Brazil as its country of origin for the primary raw material. The farm or cooperative where the primary raw material is produced is also

listed if known. If the primary raw material is from multiple countries through one ingredient manufacturer, all countries of origin are listed.

Primary raw material is defined at a species level, not category level. For example, 'whole fish' is not sufficient and would need to be identified as e.g., Peruvian anchoveta (*Engraulis ringens*). Ingredients containing mixed species, e.g., fishmeal from trimmings, are accepted if all possible species are listed. Fisheries are identified using the FAO Fishing Area classification, including subarea and division.

Ingredients derived from algae, insects or land animals do not need to have the country of origin identified (this may change in future versions of the Standard). See the table below for an example of how a feed mill keeps an internal list of ingredients.

Table 15: Example internal listing of ingredients

Ingredient	Name & contact of ingredient manufacturer	Primary Raw Material	Country or Fishery of Origin
Fishmeal from whole fish (fishery)	- John Smith - Big Fish Company - Email/Phone - Address/GPS - Website	Peruvian anchoveta *(Engraulis ringens)*	FAO 87 Northern Border of the Peruvian EEZ to 16 'South
Fishmeal from trimmings (fishery)	- John Smith - Big Fish Company - Email/Phone - Address/GPS - Website	Atlantic herring *(Clupea harengus)*	FAO 27.4 North Sea
Fishmeal from trimmings (aquaculture)	- John Smith - Big Fish Company - Email/Phone - Address/GPS - Website	Atlantic salmon *(Salmo salar)*	Norway
Wheat gluten	- Jane Brown - Plant Company	Wheat *(Triticum aestivum)*	Ukraine

	- Email/Phone - Address/GPS - Website		
Soy lecithin	- Jane Brown - Plant Company - Email/Phone - Address/GPS - Website	Soy *(Glycine max)*	Brazil Argentina
Insect meal	- Sam Roberts - Bug Company - Email/Phone - Address/GPS - Website	Black Soldier Fly *(Hermetia illucens)*	N/A
Algae oil	- Paul Williams - Seaweed Company - Email/Phone - Address/GPS - Website	Micro Algae *(Schizochytrium sp.)*	N/A
Poultry blood meal	- Hannah Jones - Animal Company - Email/Phone - Address/GPS - Website	Whole poultry *(Gallus gallus domesticus)*	N/A
Phosphates	N/A	N/A	N/A

✓ ***What do better practices look like?***

The feed mill keeps an internal list of the production origins of all ingredients if known. The feed mill also records additional production information, e.g., for marine ingredients: fishing vessels details, flag state fishing gear and landing port; farm name and location for ingredients derived from aquaculture.

If not known, the feed mill takes steps to determine production origins and/or further details.

The next version of the ASC Feed Standard will likely require more traceability.

The feed mill publishes the list annually, without the ingredient manufacturer details, covering ingredients received throughout the previous year. For example, the list of ingredients received throughout 2021 is published at the end of 2022. This helps to safeguard corporate intelligence.

For ingredients sourced from the start of the second certification cycle onwards, the feed mill includes the production region(s) within the country(ies) of primary raw material production for terrestrial plant-derived ingredients. Note that a certification cycle is 3 years. A region is a geographical area in which all farms that may be the source of a defined primary raw material are located. For example, wheat from Southern Ukraine or Kherson, Ukraine; soy from Central-west Brazil or Mato Grosso, Brazil. The feed mill defines the region and it will be the same as the defined region for the Due Diligence pathway 2 (if used).

A template is provided on the ASC website which illustrates the level of information which is to be published. Its use is optional for feed mills that have no own or better mechanism.

Ingredient manufacturer and primary raw material production Due Diligence (2.2.5 and 2.2.6)

In order to pass Due Diligence, all risk factors (as per table 1, Annex 3 of the Feed Standard) need to be 'low risk' which may mean using a combination of the pathways when conducting Due Diligence on an Ingredient Manufacturer or Primary Raw Material Production.

In exceptional cases, segregation of primary raw material does not occur down to the region, country or fishery level. In this case, all regions within a country/ all countries/ all fisheries of potential origin must be listed and covered by the Due Diligence. The resulting risk score is the highest risk of all.

Four different pathways can be selected to assess/determine the risk level, and the selection of pathway can have implications for traceability. The level of traceability

required depends on the pathway used, for example, if country score cards are used, traceability goes down to the country level, or if the sector assessment is used traceability may go down to the/a group of primary raw material production. If a feed mill wants to source from a well-performing farm within a high-risk country (as per the country score card), and there is no third-party certified material available and the entire sector is experiencing issues, then traceability would need to extend down to the individual farm level.

The pathways vary in their ease of implementation, direct cost of assessment and required competency level of those carrying out the Due Diligence.

Table 16: Comparison of the Due Diligence pathways

	Pathway 1: Country Risk Score Card	**Pathway 2: Industry/ Sector/ Fishery Assessment**	**Pathway 3: Ingredient Manufacturer Assessment**	**Pathway 4: Certification**
Ease of implementation?	Easy – reading scores	More difficult – requires collecting & reviewing evidence	More difficult – requires collecting & reviewing evidence	Easy – reading list of accepted schemes
Direct cost associated with assessment?	No	Yes – time and potentially outsourcing to consultant	Yes – time and potentially outsourcing to consultant	Yes – sourcing certified material
Specific competency level required?	No	Yes	Yes	No

> ? ***When is the Due Diligence assessment to be repeated?***
>
> *As described in Feed Standard Annex 3, the DD assessment is repeated when:*
>
> - *monitoring indicates a different risk level than previously determined,*
> - *monitoring indicates that measures implemented are not effective,*
> - *significant changes occur, which could affect the risk level previously determined,*
> - *in all cases, at least every certification cycle (3 years).*

Pathway 1: Country Score Cards

The link to the country score card can be found here. If a primary raw material is produced in, or an ingredient manufacturer is located in a country with all risk factors categorised as 'low risk' then Due Diligence has been passed. However, further Due Diligence is required under a different pathway for any risk factor not determined to be 'low risk'.

If using the country score card to assess an Ingredient Manufacturer, the feed mill applies the country in which the ingredient manufacturer is based. For assessing Plant-based Primary Raw Material Production, it is the country in which the plant was produced/grown. For assessing Marine-based Primary Raw Material Production, the country scope to be applied depends on whether the Flag State of the species caught is known (see the Country Score Cards for further detail).

The methodology behind the country score card can be found here.

Pathway 2: Sub-national/sectoral assessment (for plant-based primary raw material production) / Industry/sector assessment (for ingredient manufacturer)/ Fishery assessment (for marine-based primary raw material production)

1. Supply Chain Mapping

The feed mill maps its relevant supply chains as far back as possible by requesting information from ingredient manufacturers on their own suppliers via self-assessment questionnaires, document review and gathering data from procurement or technical employees.

What do better practices look like?

Although it may not be possible for the feed mill to map out every supply chain to the primary raw material level, it is encouraged to do so to meet potential future obligations under the proposed EU Deforestation Regulation for soy and palm oil, as well as other Due Diligence regulation. Future versions of this standard will likely require more in-depth risk assessments to be carried out and a corresponding level of traceability demonstrated.

2. Assessing the risk
    a. For ingredient manufacturers and/or plant-based primary raw material production

The feed mill conducts the assessment of the risk factor(s) in a successive manner, beginning with a high-level analysis and moving to more granular assessments where warranted based on the initial findings i.e., if low risk cannot be determined at a broader scale. In parallel, traceability processes also move towards finer-scale information (i.e., tracing to specific supply units, closer to origin) when risk assessments indicate that this may be necessary to demonstrate low risk for individual primary raw material production in a higher risk sector.

For example, the high-level analysis may indicate that an ingredient manufacturer or farm is high risk for forced labour due to the prevalence of vulnerable migrant workers in the country and sector. However, the ingredient manufacturer or farm may not employ any migrant workers at all, or it may have robust processes for recruiting and supporting migrant workers.

See the table below for the example escalating level of traceability.

Table 17: Example escalating level of traceability.

Subject of Assessment	Type of assessment	Level of traceability (start at level 1 and if low risk cannot be determined then proceed through the levels as needed)	Example evidence
Ingredient manufacturer	Industry/sector	1. Manufacturer of same ingredient/ingredient type within a country e.g., soymeal manufacturers within Argentina.	3rd party report (published within the past 5 years) which addresses the risk factor under assessment.
		2. Industry association (if ingredient manufacturer is a member) e.g., ABIOVE, the Brazilian Association of Vegetable Oil Industries.	Membership of the association requires evidence of mitigating against the risk factor under assessment e.g., having polices in place, being audited, regular reporting, etc.
		3. Ingredient Manufacturer	See Pathway 3.
Plant-based primary raw material production	Sub-national/ sectoral	1. Raw material sector within a region e.g., soy from Mato Grosso, Brazil.	3rd party report (published within the past 5 years) which addresses the risk factor under assessment.
		2. Groups of production units located in close geographic proximity and under common management.	Auditing and reporting requirements for members, GIS data, interviews with employees, etc. which address the risk factor under assessment.
		3. Production units, i.e., farms, plantations, farmer groups.	Site visits, interviews with employees, GIS data, etc. which address the risk factor under assessment

A high-level analysis (level 1 traceability in the table above) of the risk factors is conducted through desk-based methodology that uses existing risk screening tools and other secondary sources of data. A granular risk assessment (level 2+ traceability in the table above) of the risk factors is a more detailed analysis that utilises additional secondary and primary sources of data about the sourcing area/industry, is based on more precise location and boundary data for suppliers, and/or considers other supplier characteristics that may affect risk levels. Additional data may be obtained through interviews with stakeholders and other subject matter experts, as well as with employees of the ingredient manufacturer/production unit. Due Diligence which involves granular risk

assessments using primary data sources is conducted by individuals (can be internal staff or external consultants) who meet the competency requirements listed in Annex C of the RUoC. Individuals using published reports do not need to meet the competency requirements listed in Annex C.

The tables below provide further recommended Indicators of low risk and suggested sources and processes to assess the risk factors.

Table 18: Indicators of low risk for legal and environmental risk factors of plant-based primary raw material

Risk Factor	Indicator of low risk	Suggested sources and processes to assess risk
The risk that primary raw material originates from areas affected by poor regulatory oversight resulting in systematic violations of land use or environmental laws and regulation within the plant-based primary raw material production.	The farm is located in an area where standards of forest and land use governance and law enforcement are strong.	- Assessments of the status of governance and law enforcement in the source region
	The farm is located in an area where Indigenous rights are enforced, and land tenure rights are clearly defined	- Assessments of the status of Indigenous rights and land tenure in the source region, e.g., LandMark map, implementation of Voluntary Guidelines on the Responsible Governance of Tenure (VGGT) through LandPortal
The risk that primary raw material originates from areas resulted from illegal deforestation/conversion.	The farm is located in an area with a low rate/ incidence of illegal deforestation and/or land conversion.	- Remote sensing (e.g., satellite or radar) data, - Deforestation alerts - FAO Forest Resources Assessment series - Independent or community forest monitors. - Local communities, Indigenous Peoples and civil society organisations - Country or landscape risk assessments. - Information collected through grievance mechanisms

Sources: OECD-FAO Guidance for Responsible Agricultural Supply Chains (2016);

Table 19: Indicators of low risk for legal and environmental risk factors of ingredient manufacturers

Risk Factor	Indicator of low risk	Suggested sources and processes to assess risk
The risk that the ingredient manufacturer does not meet the following Indicator: 1.1.1 legal licenses and permits, by operating in an area affected by poor regulatory oversight resulting in systematic violations of laws and regulation.	The ingredient manufacturer is located in an area where governance and law enforcement are strong.	- Assessments of the status of governance and law enforcement in the source region.
The risk that the ingredient manufacturer does not meet the following Criteria: 1.17 appl. environmental regulations 1.18 water use 1.19 waste handling 1.20 effluent handling	The ingredient manufacturer measures and manages its water use, waste and effluent handling.	- Document review - Site visit - Interviews with key stakeholders/employees.
The risk that the ingredient manufacturer does not meet the following Indicators: 3.4.2 GMO disclosure 3.4.3 disclosure of medicinal additives	The ingredient manufacturer discloses the presence of GMO and medicinal additives to all buyers of the product.	- Document review - Site visit - Interviews with key stakeholders/employees.

Table 20: Indicators of low risk for social risk factors of plant-based primary raw material and ingredient manufacturers

Risk Factor	Indicator of low risk	Suggested sources and processes to assess risk
The risk that primary raw material is produced using forced labour or worst forms of child labour. The risk that the ingredient manufacturer does not meet the following Criteria: 1.3 appl. labour regulations 1.4 forced labour 1.5 children and young workers	The farm/ingredient manufacturer is located in a country which has ratified the ILO fundamental conventions and has a strong record of implementation.	- ILO's NORMLEX website on country ratification and supervision.
	The farm/ingredient manufacturer is located in a country which does not have prison labour policies and programmes.	- Country research
	The farm/ingredient manufacturer is located in a country which does not have state-orchestrated programmes including but not limited to: - mass mobilisation for large-scale national development programmes (particularly in centrally-planned economies). - labour and/or vocational programmes targeted at persons belonging to minorities (e.g., ethnic or religious).	- Country research
	The farm/ingredient manufacturer is not located in an area with limited access to schools.	- Area research - Interviews with key stakeholders/employees.
	The farm/ingredient manufacturer does not employ migrant workers, particularly irregular migrant workers.	- Document review - Site visit - Interviews with key stakeholders/employees.

	The farm/ingredient manufacturer does not recruit employees via third parties, including government recruiters.	- Document review - Site visit - Interviews with key stakeholders/employees.
	The farm/ingredient manufacturer does not charge recruitment fees.	- Document review - Site visit - Interviews with key stakeholders/employees.
	The farm/ingredient manufacturer does not have credit-arrangements and debt schemes for employees.	- Document review - Site visit - Interviews with key stakeholders/employees.
	The farm/ingredient manufacturer does not provide family accommodation onsite.	- Document review - Site visit - Interviews with key stakeholders/employees.
	The farm/ingredient manufacturer does not employ workers under age 18.	- Document review - Site visit - Interviews with key stakeholders/employees.
The risk that the ingredient manufacturer does not meet the following Criteria: 1.6 discrimination	The ingredient manufacturer has effective communication, procedures, and monitoring in place to ensure harassment, abusive or exploitative behaviour does not occur in the workplace.	- Document review - Site visit - Interviews with key stakeholders/employees.
The risk that the ingredient manufacturer does not meet the following Criteria: 1.13 grievance mechanism	The ingredient manufacturer has an effective grievance mechanism in place.	- Document review - Site visit - Interviews with key stakeholders/employees.

Sources: OECD-FAO Guidance for Responsible Agricultural Supply Chains (2016); Guidance on Due Diligence for EU businesses to address the risk of forced labour in their operations and supply chains (2021)

b. For marine-based primary raw material production

Due to the complexity of marine ingredient supply chains and the lack of publicly available data and sector reports, the risk assessment process is different to that of ingredient manufacturers and plant ingredient supply chains.

For whole fish derived ingredients, the feed mill conducts an assessment of the risk factors(s) by following the recommendations to determine low risk within Section 4 (Fisheries and fishing operations) of PAS 1550:2017 'Exercising Due Diligence in establishing the legal origin of seafood products and marine ingredients – Importing and processing – Code of practice. The table below specifies which PAS 1550:2017 sections relate to which risk factor. This fishery assessment is conducted by individuals who meet the competency requirements listed in Annex C of the RUoC.

Table 21: Fishery assessment for risk factors of whole fish derived marine ingredients

Risk Factor	PAS 1550:2017 Section(s)
Legal: The risk that primary raw material originates from areas affected by poor regulatory oversight resulting in systematic illegal fishing within the fishery.	4.2 Fisheries access control 4.3 Monitoring, control and surveillance 4.4 Source fishing vessels 4.5 Transhipment 4.6 Landing at port (4.6.1 and 4.6.2)
Social: The risk that primary raw material is produced using forced labour or worst forms of child labour.	4.2 Fisheries access control 4.4 Source fishing vessels 4.5 Transhipment 4.6 Landing at port (4.6.3) 4.7 Decent working conditions in the fishing sector
Environmental: The risk that primary raw material originates from unreported or unregulated fishing.	4.1 Management of fisheries 4.2 Fisheries access control 4.3 Monitoring, control and surveillance

The risk that primary raw material originates from species that are IUCN endangered or critically endangered species. The risk that primary raw material originates from species caught that appear in the CITES appendices.	4.4 Source fishing vessels 4.5 Transhipment 4.6 Landing at port (4.6.1 and 4.6.2)

For marine by-product ingredients, the feed mill conducts the assessment of all the risk factors by following, at a minimum, the recommended Indicators of low risk as shown in the table below. Note that as the prevalence of IUU fishing is a proxy for labour issues and the fishing of endangered species, all risk factors are assessed together.

Table 22: Fishery assessment for risk factors of by-product derived marine ingredients

Indicator of low risk
• The coastal state EEZ, FAO Area or RFMO where the fish was caught is known.
• The coastal state EEZ or RFMO where the fish was caught maintains a register of authorised vessels.
• The coastal state EEZ or RFMO where the fish was caught issues licenses in a transparent manner i.e., the application process is published and the list of all licensed vessels is publicly available on a website.
• The coastal state EEZ or RFMO where the fish was caught has fishing quotas and other seasonal, temporal or technical catch restrictions that are publicly available on a website.
• The coastal state EEZ or RFMO where the fish was caught operates sanctions on fishing vessels for IUU fishing or illegal labour practices that are published on a publicly available website.
• The coastal state EEZ or RFMO where the fish was caught applies sanctions to fishing vessels that are sufficient to deter IUU fishing and illegal labour practices i.e., fines are at least five times the value of the catch caught by the vessel during the period IUU activity took place.
• The coastal state EEZ where the fish was caught cooperates with other states in the region as well with as flag and port states involved in the catch and distribution of seafood products caught in the coastal states' territorial or EEZ waters i.e., that at a

minimum, coastal states make known to the above parties named officials who are responsible for coastal state fisheries duties and that any requests for information from the above parties receive a full and accurate reply within 10 working days; and either physically inspect crew conditions on fishing vessels to verify that conditions for crew meet the standards established by coastal state law or have a published and defined system whereby they place reliance on particular flag states to do so in the case of distant water vessels that are unlikely to call at port in the coastal state.

- The coastal state EEZ where the fish was caught is neither 'pre-identified' as non-cooperating ('yellow card'), 'identified' as non-cooperating ('red card') or 'listed' by the European Union.

- The coastal state EEZ where the fish was caught is neither identified nor certified by the USA's National Marine Fisheries Service (NMFS) as being responsible for vessels engaged in IUU fishing.

✓ ***What do better practices look like?***

ASC recognises for marine by-products it is difficult to obtain information on the landing port and vessel(s) involved. However, as technology improves visibility along the supply chain, mills can increasingly ask their suppliers to provide this information to assess against the risk factors using a more in-depth risk assessment as is used for whole-fish ingredients.

3. Implement appropriate measures

If the outcome of the risk assessment does not determine low risk, the ingredient cannot be sourced until low risk is determined. The feed mill implements measures, such as:

- prevention
- mitigation
- remediation
- cease sourcing, however, where possible mitigation is preferred over the discontinuation of sourcing.

During the initial audit, the feed mill demonstrates that it has begun to implement measures, however, monitoring (as per Step 4) is not yet required.

4. Implement a monitoring program

The feed mill implements a monitoring program to:

- monitor the risk factors, or Indicators for the risk factors, to ensure the risk level determined remains valid;
- monitor the effectiveness of measures implemented.

Pathway 3: Ingredient Manufacturer assessments:

The feed mill works with the ingredient manufacturer to demonstrate that the ingredient manufacturer, marine or plant-based primary raw material has a low risk for the Risk Factors detailed in Table 1, Annex 3 of the Feed Standard.

1. Supply Chain Mapping

As with Pathway 2, the feed mill maps its relevant supply chains as far back as possible by requesting information from ingredient manufacturers on their own suppliers via self-assessment questionnaires, document review and gathering data from procurement or technical employees.

2. Assessing the Risk

For the ingredient manufacturer risk factors, the feed mill assesses the ingredient manufacturer by requesting and reviewing the same or similar evidence the feed mill must provide when audited against the equivalent Feed Standard Indicators/Criterion. It could do this through contractual or purchasing agreements, product specifications, or supplier questionnaires.

Table 23: Example evidence used to assess ingredient manufacturer risk factors under Pathway 3

Risk Factor	Example evidence to be reviewed by feed mill
Legal: The risk that the ingredient manufacturer does not meet the following Indicator: 1.1.1 legal licenses and permits, by operating in an area affected by poor regulatory oversight resulting in systematic violations of laws and regulation.	- Business license - Factory license
Social: The risk that the ingredient manufacturer does not meet the following Criteria:1.3 appl. labour regulations, 1.4 forced labour, 1.5 children and young workers, 1.6 discrimination, and 1.13 grievance mechanism.	- Company policies, procedures and work instructions related to labour. - age verification system - evidence of risk assessment for children/young employees - policies, procedures and records related to the recruitment process - employee contracts - anti-harassment policy - grievance procedure

Environmental: The risk that the ingredient manufacturer does not meet the following Criteria:1.17 appl. environmental regulations, 1.18 water use, 1.19 waste handling, and 1.20 effluent handling. And Indicators: 3.4.2 GMO disclosure, and 3.4.3 disclosure of medicinal additives.	- Company policies, procedures and work instructions related to environmental operations. - Disclosure statements

> ? ***The risk factors GMO and Medicinal Additives***
>
> *Note that Indicators 3.4.2 GMO disclosure and 3.4.3 disclosure of medicinal additives are listed as environmental risk factors so that countries, companies and people can make their own choice about potential impact.*

For marine and plant-based primary raw material production risk factors, the ingredient manufacturer demonstrates to the mill it has an appropriate system or sufficient information to ensure low risk at the raw material production level.

Elements of ingredient manufacturer management and control systems that are reviewed include:

- risk assessments;
- supply chain mapping and traceability activities and status;
- procedures for identifying and addressing non-compliance, including grievances lodged and their status;
- activities related to responsible land acquisition and development practices, including impact assessments and the use of Free, Prior and Informed Consent (FPIC) when appropriate;
- monitoring, verification, and reporting systems—including appropriate tools, methods, and data sources—that are able to assess and communicate impacts and outcomes of their operations and supply chain.

(This list above is taken from AFi guidance)

3. Implement appropriate measures

If the outcome of the risk assessment does not determine low risk, the ingredient cannot be sourced until low risk is determined. The feed mill implements measures, implemented into a time-bound action plan, such as:

- prevention
- mitigation
- remediation
- cease sourcing, however, where possible mitigation is preferred over the discontinuation of sourcing.

During the initial audit, the feed mill demonstrates that it has begun to implement measures, however, monitoring (as per Step 4) is not yet required.

4. Implement a monitoring program

The feed mill implements a monitoring program to:

- monitor the risk factors, or Indicators for the risk factors, to ensure the risk level determined remains valid;
- monitor the effectiveness of measures implemented.

Pathway 4: Certification

The link to the list of accepted certification schemes can be found here. If a primary raw material or an ingredient manufacturer is certified under one of the accepted schemes with all risk factors categorised as 'low risk' then Due Diligence has been passed. However, further Due Diligence is required under a different pathway for any risk factor not determined to be 'low risk'.

Note that for certified primary raw material, only Identity Preserved, Segregated and Mass Balance production/traceability chain of custody models are accepted. Certificate trading models e.g., credits, book and claim, are not accepted. Corresponding Chain of Custody certification must also be present and verified throughout the supply chain.

Purchasing raw materials certified or approved to the list of accepted certification schemes does not necessarily entitle the feed mill to make any claims relating to those standards. Feed mills wishing to make claims should contact the scheme owner for further information on their requirements.

> ? ***The endangered species risk factors (marine-based primary raw material)***
>
> *For certified marine-based primary raw material production, the feed mill can compare the species listed on the catch certificate against the IUCN Red List and CITES Appendix I, II, III List to demonstrate low risk for the two environmental risk factors relating to endangered species.*

System to ensure low risk sourcing (2.2.8 and 2.2.9)

The feed mill does not source from supply chains where the outcome of the ASC required Due Diligence on the ingredient manufacturer and the primary raw material production indicates medium or high risk, as these are considered non-permitted ingredients. Note that non-permitted ingredients are not allowed in any aquafeeds but can be used in non-aquafeeds.

Due Diligence and Pathways Report (2.2.10)

Feed mills use the template provided on the ASC website to annually report to ASC an overview of the outcome of the Due Diligences carried out and the respective pathways chosen.

Sectoral/fishery Assessment or Ingredient Manufacturer Assessment Summary Report (2.2.11)

In all cases where the pathways "sectoral/fishery assessment" or "ingredient manufacturer assessment" are chosen, the feed mill publishes and shares with ASC an up-to-date summary report using the template provided on the ASC website.

Auditing considerations

The auditor will verify the that the feed mill maintains a list of ingredients as per the Standard Requirements and relevant information is published. The auditor will also verify that the reporting requirements to ASC have been completed.

The auditor refers to the Due Diligence Sampling Calculator to determine how many DD assessment reports to sample from each pathway. For each report sampled, the auditor verifies the following:

1. That the fishery of origin (if applicable) is as determined by the feed mill as per the following process:
    a. Review all available traceability documents, for example: bills of lading, invoices, delivery notes, health certificates/veterinary checks, catch certificates, purchase orders, and packing list/loading records for every change of ownership;
    b. If the raw material is sourced from a certified or scheme approved fishery, then in place of point a), the auditor verifies the validity of all certificates of certified organisations in the supply chain that legally owned the certified products from the fishery to the mill (i.e., verify the Chain of Custody is maintained).
2. That the country/region of origin (if applicable) is as determined by the feed mill as per the following process:

a. Review all available traceability documents, for example: bills of lading, invoices, delivery notes, purchase orders, and packing list/loading records for every change of ownership;
b. If the raw material is sourced from a certified or scheme approved farm(s), then in place of point a), the auditor verifies the validity of all certificates of certified organisations in the supply chain that legally owned the certified products from the farm(s) to the mill (i.e., verify the Chain of Custody is maintained).

3. That the risk level determined by the feed mill is supported by the Due Diligence pathway used and the evidence provided.
4. That for ingredients determined not to be low risk, the feed mill has implemented appropriate measures to achieve low risk before sourcing.

The auditor will also verify that a monitoring program has been implemented and that Due Diligence is repeated when required as per the Standard (not applicable for initial audits).

Useful resources

AFi guidance on Supply Chain Engagement and Monitoring & Verification: https://accountability-framework.org/contents-of-the-framework/monitoring-and-verification/

AFi guidance on Achieving Commitments Through Collaboration (including jurisdictional initiatives): https://accountability-framework.org/operational-guidance/achieving-commitments-through-collaboration/

Seafish Guide to Illegal, Unreported and Unregulated (IUU) Fishing: https://www.seafish.org/document/?id=64546167-9781-464a-a1dd-29bb5e0ef3f0

OECD-FAO Guidance for Responsible Agricultural Supply Chains: https://mneguidelines.oecd.org/rbc-agriculture-supply-chains.htm

Majority Sustainability Level

Majority Sustainability Level

Which Feed Standard Criterion does this apply to?

Criterion 4.1 - The UoC increases the majority sustainability level of its (whole-fish) marine ingredients.

What is the intent of this Criterion?

The feed mill increases the majority sustainability level (MSL) of its (whole-fish) marine ingredients over time, moving up a level from the entry level (EL) every three years towards the maximum level (L4). This drives improvement in responsible sourcing of marine ingredients (Principle 4).

How do I interpret the Requirements?

Scope of the MSL calculation

The MSL is for whole-fish marine ingredients only (including krill, squid and shellfish, etc.). Calculations, therefore, are based on all of the whole fish marine ingredients the mill sources for aquafeed and are expressed according to the majority proportion (i.e., ≥50%) of material received. Marine by-product ingredients (derived either from fisheries or aquaculture, and including by-catch retained under a regulatory landing obligation in the EU) are not included in the MSL calculation (i.e., they do not need to be specifically calculated out).

Note that all whole fish marine ingredients must also meet the Due Diligence (DD) requirements under Principle 2 and Annex 3 of the Feed Standard.

Whole-fish derived marine ingredients outside of sustainability categories 1-4, may be used by feed mills in the minority proportion (i.e. <50%) of marine ingredients. Please note that these ingredients, however, will not count towards the mass balance eligible volume (see Annex 5 of the Feed Standard).

Verifying the sustainability category (4.1.1)

The ASC understands the practicalities of feed mill operation and notes that feed mills often have a number of different sources of marine ingredients. Where whole-fish marine ingredients from multiple fishery sources (e.g., basic FIP and comprehensive FIP) are received in a mixture, and the proportion of the ingredients from each of these sources is known, the quantities will be allocated to the relevant source in proportion to the actual content. If the proportion of the ingredients from each of these sources is not known, the

whole quantity will be allocated to the source which falls within the lowest sustainability category of the material in the mixture.

Note that any batches/lots need to also meet the requirements of schemes listed in the sustainability categories. For example, MarinTrust compliant batches cannot contain 'non-approved' MarinTrust material such as that which cannot be traced back to a fishery or has not been sourced from a MarinTrust approved fishery.

Weights used in the MSL calculation relate to the weight of the ingredient during receiving.

Verification of whole fish marine ingredients as per the sustainability categories can be conducted as per the following table.

Table 24: Verification of sustainability categories

Sustainability Category	Verification Process
1	a) The fishery is listed as active (basic) on Fishery Progress website, and; b) The fishery is listed as 'approved' on the MarinTrust website and is matched to the traceability acceptance document from the ingredient manufacturer/ supplier; c) If the fishery is not listed as approved on both websites, compliance cannot be assumed unless confirmation is received from the missing publisher (MarinTrust or Fishery Progress). d) The ingredient manufacturer is a MarinTrust Improver Programme accepted site; e) The supply chain actors between the ingredient manufacturer and the feed mill hold a valid MarinTrust Chain of Custody (CoC) certification and documentation (delivery/purchase records) accompanying the raw material confirms its CoC certified status from factory to feed mill; OR f) The feed mill can demonstrate a third-party verified traceability system from factory to mill.
2	a) The fishery is listed as 'approved' on the MarinTrust website and is matched to the traceability certificate from the ingredient manufacturer/ supplier; b) The ingredient manufacturer holds valid MarinTrust certification (or equivalent as per footnote 202 in the ASC Feed Standard); c) The supply chain actors between the ingredient manufacturer and the feed mill hold a valid MarinTrust Chain of Custody (CoC) certification

	and documentation (delivery/purchase records) accompanying the raw material confirms its CoC certified status from factory to feed mill; OR d) The feed mill can demonstrate a third-party verified traceability system from factory to mill.
3	a) The fishery is listed as active (comprehensive) on Fishery Progress website, and; b) The fishery is listed as 'approved' on the MarinTrust website and is matched to the traceability certificate from the ingredient manufacturer/ supplier; c) If the fishery is not listed as approved on both websites, compliance cannot be assumed unless confirmation is received from the missing publisher (MarinTrust or Fishery Progress). d) The ingredient manufacturer holds valid MarinTrust certification (or equivalent as per footnote 202 in the ASC Feed Standard); e) The supply chain actors between the ingredient manufacturer and the feed mill hold a valid MarinTrust Chain of Custody (CoC) certification and documentation (delivery/purchase records) accompanying the raw material confirms its CoC certified status from factory to feed mill. OR f) The feed mill can demonstrate a third-party verified traceability system from factory to mill.
4	If the feed mill sources directly from a fishery: a) the fishery is listed as 'certified' on the MSC 'track a fishery' website; b) the ingredient(s) used by the mill is listed on the MSC fishery certificate as certified (or equivalent as per footnote 205 in the ASC Feed Standard); c) all the records are matching in the traceability documents (e.g., bills of lading, invoices, delivery notes, health certificates/ veterinary checks, catch certificates, purchase orders, and packing list/loading records). If the feed mill sources from an MSC Chain of Custody (CoC) certified organisation: a) the ingredient manufacturer/supplier holds a valid MSC CoC certificate and is listed as certified in the MSC 'find a supplier' website; b) the ingredient(s) used by the mill is listed on the certificate as certified and are included in the scope sub-categories for trading fish meal and trading fish oil;

	c) all the records are matching in the traceability documents (e.g., bills of lading, invoices, delivery notes, health certificates/ veterinary checks, catch certificates, purchase orders, and packing list/loading records).

Example MSL calculations

The tables below provide example calculations of the MSL.

Table 25: Illustration of a range of examples for the MSL

Whole fish ingredients classification	Volume in tonnes									
Volume of whole-fish ingredients scoring at Category 1	0	600	450	100	100	50	50	0	0	0
Volume of whole-fish ingredients scoring at Category 2	0	0	150	500	100	200	100	50	300	250
Volume of whole-fish ingredients scoring at Category 3	0	0	0	0	300	300	430	50	100	100
Volume of whole-fish ingredients scoring at Category 4	0	0	0	0	20	50	70	350	300	350
Volume of whole-fish ingredients that	300	400	550	400	350	350	350	200	100	100

does not score at Category 1-4										
Total whole fish ingredients	300	1000	1150	1000	870	950	1000	650	800	800
MSL	**0**	**1**	**1**	**2**	**1**	**2**	**3**	**4**	**3**	**3**

Table 26: Example MSL calculation

Marine Raw Material (whole)	ASC Category	% of annual total (whole fish)
Meal from whole Anchoveta *E. ringens* (FAO 87, Chilean EEZ Regions IV-XV)	2 (MarinTrust)	35%
Oil from whole Anchoveta *E. ringens* (FAO 87, Chilean EEZ Regions V-X)	2 (MarinTrust)	20%
Meal from whole Araucanian Herring *S. benticki* (FAO 87, Chilean EEZ Regions V-X)	2 (MarinTrust)	25%
Oil from whole Chilean Jack Mackerel *T. murphyi* (FAO 87, Chilean EEZ Regions X-XV)	4 (MSC)	10%
Meal from whole Japanese Anchovy *E. JaponicusChina*	0	5%
Other whole fish ingredients	0	5%
MSL	**2**	

Calculating the Entry Level and maintaining/increasing the MSL (4.1.2, 4.1.3 and 4.1.4)

The Entry Level (EL) reflects the MSL as assessed and calculated over the 24 months prior to the initial audit. It is not possible for the feed mill to choose a lower EL if whole fish ingredients meet the requirements of multiple sustainability categories such as MarinTrust as well as MSC. The highest score is used to calculate the EL, not the lowest so

as to simply use the other certification to comply with the requirement to increase its MSL for each subsequent certificate cycle. For example, if a feed mill's current level is 2, they cannot choose to start at 1.

The MSL is calculated annually (January to December) and maintained from year to year (verified at surveillance audit) and at the 3 year certificate cycle end, the next level needs to be met to achieve recertification. The table below provides examples of MSL maintenance under various hypothetical scenarios.

Table 27: Examples of MSL maintenance under various hypothetical scenarios

	Initial audit March 2023	Surv. audit March 2024	Surv. audit March 2025	Re-cert. audit March 2026	Surv. audit March 2027	Surv. audit March 2028	Re-cert. audit March 2029
MSL Calculated period	Feb 2021 – Feb 2023	Jan 2023 – Dec 2023	Jan 2024 – Dec 2024	Jan 2025 – Dec 2025	Jan 2026 – Dec 2026	Jan 2027 – Dec 2027	Jan 2028 – Dec 2028
MSL Scenario A	2	2	2	3	3	3	4
MSL Scenario B	2	3	2	3	3	4	4
MSL Scenario C	0*	1	1	2	2	2	3
MSL Failed Scenario D	2	2	2	2			
MSL Failed Scenario E	1	1	1	2	2	1	

Failed scenarios D and E are shown in red.

**As long as compliance as per footnote 162 of the ASC Feed Standard (Indicator 4.1.3) is demonstrated as follows:*

- The most likely path will be for feed mills to demonstrate that they have secured sourcing contracts for category 1 compliant raw material but might still be in the process of using up old stock/contracted supplies and will be switching over to the new source within the first year of certification.
- In other cases, the feed mill may have been working together with their supply chains for some time, and may be in the final stages of the following processes:
    - Raw material is currently under assessment for MarinTrust IP and basic FIP (and other conditions of Category 1 are met), and there is reasonable expectation that this material will be available within the next 12 months, and

- The ingredient manufacturer is currently under assessment to become a MarinTrust Improver Programme Accepted Site (and other conditions of Category 1 are met).

Possible exceptions to maintaining/increasing the MSL (4.1.3 and 4.1.4)

During surveillance audits, the feed mill demonstrates elements of a procurement strategy that shows that they are on route to achieve a higher MSL by the next recertification cycle. Some exceptions to compliance as detailed in footnote 163 of the ASC Feed Standard (Indicator 4.1.4) may occur, for example:

- If a feed mill sources the majority of its marine ingredients from a single fishery which is in a FIP, but which has not yet managed to move from a comprehensive FIP to MSC certification within the 3-year ASC certification cycle, then the feed mill could maintain its MSL 3 for another 3-year period and continue sourcing from that FIP, in anticipation that the FIP will reach MSC certification within that period, and that therefore the mill will move to MSL 4 within the second 3-year cycle. Where such a scenario occurs, it is only acceptable once.
- If a feed mill is dependent on a single MSC certified fishery in order to maintain its MSL 3, and that fishery temporarily drops out of MSC certification and into a comprehensive FIP, then the mill could maintain its MSL 3 for another 3-year period and continue sourcing from the FIP, in anticipation that the FIP will reach MSC certification and therefore the mill will move to MSL 4 within the second 3-year cycle. Where such a scenario occurs, it is only acceptable once.

  Note, the dependency in this example is that the feed mill had planned and had reasonable expectations to move from MSL 3 to MSL 4 (e.g., has sourcing contracts to gradually increase its volume from the MSC fishery, and has documentation to support this). If, however, any of the other marine ingredients received by the feed mill score at sustainability category 4 and for which an increased volume is potentially available, then the mill is considered not to be dependent on the MSC fishery and the extension would not be allowed.

  Note, if a mill is at MSL 4 and is sourcing ≥50% from a MSC certified fishery which loses its certification, the mill drops to MSL 3 and would therefore likely lose its ASC feed certification. Feed mills should consider the consistency of supply and try to source from multiple MSC fisheries providing raw material for marine ingredient production in their procurement strategies in order to mitigate any risk of reduction in MSL.

  Note that where claimed, any dependency on a specific fishery must be demonstrated by purchase records indicating historical deliveries to the mill over a time period in excess of three years. Such feed mills should also

present a case that indicates that importing other raw materials are not a practical or economically viable option (i.e., causes significant delays in production or increases in costs of production), such evidence could include, for example: logistical issues with deliveries; particular nutritional factors related to those marine ingredients specifically; production of certain marine ingredients and their delivery according to the scheduling of production cycles.

- Where a feed mill sources most of its marine ingredients from a single fishery which is in a basic FIP (and meets the other requirements of Category 1), and which has not progressed as planned, and the mill has no obvious relationship with the fishery e.g., is not working with/sponsoring the fishery to progress, and there are other similar fisheries (species, logistics, availability) which would fulfill the mills moving up the MSL ladder as required, then this mill is considered to be not dependent on that fishery, and consequently is not allowed to extend its cycle on the current MSL for another 3 years.

Reporting templates (4.1.5 and 4.1.6)

A reporting template is provided on the ASC website through which the feed mill can calculate the MSL from the various sources of whole-fish marine ingredients used, for the majority proportion (i.e., ≥50%) of whole – fish marine ingredients.

The MSL and the total volume of the marine ingredients used is published on the Feed mill's website prior to initial certification and prior to subsequent re-certification.

Note that purchasing raw materials certified or approved to any scheme listed in a Sustainability Category does not necessarily entitle the feed mill to make any claims relating to that scheme. Feed mills wishing to make claims should contact the scheme owner for further information on their requirements.

Auditing considerations

The auditor verifies that the sustainability categorisation was performed correctly by sampling records, including at least one sample per sustainability category. The records to be checked are listed in table 24. The auditor checks that only whole-fish derived ingredients were used for the calculation.

The auditor verifies that the Majority Sustainability Level was calculated correctly by reviewing the volume totals used for the calculations.

The auditor will also verify that the reporting requirements to ASC have been completed.

Deforestation/ conversion-free Supply Chain

Deforestation/conversion-free Supply Chain

Which Feed Standard Criterion does this apply to?

Criterion 5.1 - The UoC works towards a deforestation/conversion-free supply chain.

What is the intent of this Criterion?

The feed mill conducts further Due Diligence on primary plant raw material production and commits to transition towards deforestation and conversion free supply chains.

Which RUoC sections need considering?

4.1 Feed mill staff competency requirements

4.2 Ingredient Approval Process

Annex C Competency Requirements

How do I interpret the Requirements?

Public commitment and cut-off date (5.1.1)

A commitment could also be known as a policy or pledge.

The feed mill sets a cut-off date which is no later than June 2021. Clearance of natural forest or natural ecosystems after the cut-off date renders the affected area or production unit, and the primary raw material produced there, non-compliant with no-deforestation/conversion commitments.

✓ ***What do better practices look like?***

Feed mills may wish to align their cut-off dates with the proposed EU Deforestation Regulation which sets a deforestation cut-off date of 31st December 2020 for soy and palm oil.

A cut-off date of 1st January 2020 would align with global goals to halt deforestation by 2020, as specified in the New York Declaration on Forests and in Target 15.2 of the United Nations Sustainable Development Goals.

Plant supply chain categorisation (5.1.2)

For Category 2 ingredients, this applies to ingredients which collectively make up the majority of the total plant ingredient volume, i.e., ≥ 50%, after Category 1 (soy and palm) have been deducted. Individual plant ingredients with the highest volumes make up the collective majority volume. See the example tables below.

Table 28: Example Plant Category 1

Raw Material Ingredient	Raw material	Plant Ingredient Category	Received Quantity (tons)	% of total Category 1
Soy protein	Soy	Category 1	70,000	93%
Soy oil	Soy	Category 1	5,000	7%
Total (tons) Category 1			75,000	

Table 29: Example Plant Categories 2 and 3

Raw Material Ingredient	Raw material	Plant Ingredient Category	Received Quantity (tons)	% of total excl. Category 1
Pea Protein	Peas	Category 2	30,000	46%
Rapeseed Oil	Rapeseed	Category 2	20,000	31%
Linseed Oil	Linseed	Category 3	10,000	15%
Maize Gluten	Maize	Category 3	5,000	8%
Total (tons) excl. Category 1			65,000	

Primary plant raw material production Due Diligence (5.1.3, 5.1.4, 5.1.5 and 5.1.6)

The feed mill follows the guidance for conducting Due Diligence under Principle 2. If using pathway 2, for 'Step 2: Assessing the Risk', the feed mill uses the following Indicators of low risk for the risk factor.

Table 30: Indicators of low risk for environmental risk factor of plant-based primary raw material

Risk Factor	Indicator of low risk	Sources and processes used to assess risk
The risk that primary raw material originates from areas resulted from legal deforestation/conversion.	The farm is not located near or within remaining natural forest land or other natural ecosystems (e.g., savannahs, grasslands, peatlands and wetlands).	- Geospatial data - Validation through site based ecological mapping, document review and interviews with key stakeholders
	The farm is located in an area with a low rate/incidence of legal deforestation and/or land conversion	- Remote sensing (e.g. satellite or radar) data, - Deforestation alerts - FAO Forest Resources Assessment series - Independent or community forest monitors. - Local communities, Indigenous Peoples and civil society organisations - Country or landscape risk assessments. - Information collected through grievance mechanisms
	The extension of the production of the primary raw material is unlikely to cause deforestation or land conversion.	- Studies of deforestation drivers and monitoring, reporting and verifying (MRV) reports

Sources: OECD-FAO Guidance for Responsible Agricultural Supply Chains (2016)

What do better practices look like?

ASC has higher requirements for higher risk ingredients. For this reason, the plant ingredients have been divided into 3 different categories. Having traceability and information down to the farm level in order to perform plant risk assessments for category 3) is in many cases not yet feasible (due to small quantities and the inclusion of smallholders). Nevertheless, where this is possible, the Feed Standard intents to motivate such risk assessments through Indicator 5.1.4. It is likely that future versions of the Feed Standard will require the category 3) risk assessments to become mandatory, after which auditing would penalize high risk outcomes.

Note that if low risk cannot be demonstrated for Category 2) plant ingredients, they are still considered an eligible ingredient if they are covered by the public commitment and action plan to achieve low risk. If they are not covered by the public commitment and action plan, they cannot be sourced.

If low risk cannot be demonstrated for Category 1) plant ingredients (i.e., soy/palm oil), they are considered a non-eligible ingredient (can be used in Mass Balance Production Model feed but do not count towards the total mass balance eligible volume) if they are covered by the public commitment and action plan to achieve low risk. If they are not covered by the public commitment and action plan, they cannot be sourced.

Public Action Plan (5.1.7)

The feed mill sets a target date by which it intends to have fully achieved or adhered to its commitment (as stated in 5.1.1) as quickly as is feasible, while also recognising the importance of inclusion (e.g., smallholders) and potential differing capacities for implementation. If implementation is to be phased across different primary raw materials within each risk category or levels of suppliers, a time-bound schedule is specified per segment.

? *Cut-off dates and target dates*

A feed mill has a March 2021 cut-off date and a January 2025 target date for their no-deforestation/conversion commitment. This signifies the following:

- *The cut-off date indicates that the primary raw material covered by the commitment may not be produced on land that has been subject to deforestation or conversion since March 2021.*
- *The target date indicates that by January 2025 the feed mill commits to have fully achieved its commitment—i.e., to have no primary raw material volume in its supply chain that was produced on land subject to deforestation or conversion since March 2021.*
- *To fulfil its commitment, by no later than January 2025 the feed mill would need to manage its operations and supply chain to avoid inclusion of material produced on land subject to deforestation or conversion after March 2021.*

✓ *What do better practices look like?*

A target date set no later than 2025 aligns with the Accountability Framework initiative's (AFi) consensus recommendation that companies set a target date for eliminating deforestation and ecosystem conversion from their supply chains no later than 2025. This decision reflects the urgent need for action to avoid forest and biodiversity loss and reduce emissions in support of the Paris Agreement.

Due Diligence and Pathways Report (5.1.12)

Feed mills use the template provided to annually report to ASC an overview of the outcome of the Due Diligences carried out and the respective pathways chosen.

Participation in multi-stakeholder platforms (5.1.13)

The Tropical Forest Alliance has several suggested platforms which may be relevant to the commodities/geographies used by a feed mill.

Auditing considerations

The auditor will verify the that the feed mill has made a public commitment as per the Standard Requirements and that the reporting requirements to ASC have been completed.

The auditor refers to the Due Diligence Sampling Calculator to determine how many DD assessment reports to sample from each pathway. For each report sampled, the auditor verifies the following:

1. That the country/region of origin (if applicable) is as determined by the feed mill as per the following process:
    a. Review all available traceability documents, for example: bills of lading, invoices, delivery notes, purchase orders, and packing list/loading records for every change of ownership;
    b. If the raw material is sourced from a certified or scheme approved farm(s), then in place of point a), the auditor verifies the validity of all certificates of certified organisations in the supply chain that legally owned the certified products from the farm(s) to the mill (i.e., verify the Chain of Custody is maintained).
2. That the risk level determined by the feed mill is supported by the Due Diligence pathway used and the evidence provided.
3. That for ingredients determined not to be low risk, the feed mill has developed a public action plan to achieve its commitment (not applicable at initial audit).

The auditor will also verify that the feed mill is participating in a multi-stakeholder platform.

Useful resources

AFi guidance on cut-off dates: https://accountability-framework.org/operational-guidance/cutoff-dates/

Ingredient Accounting System

Ingredient Accounting System

Which Feed Standard Criterion does this apply to?

Criterion 3.1 - The UoC implements an ingredient in-coming and out-going accounting system.

What is the intent of this Criterion?

Compliance with the sustainability Indicators in the Standard requires accurate classification and accounting of ingredients coming into the mill. To produce feed under the Mass Balance Production Model, feed mills need to have an ingredient accounting system in place to ensure volumes of incoming eligible ingredients cover the volumes of outgoing ASC Mass Balance feed produced.

Which RUoC sections need considering?

4.3 Ingredient Accounting System

4.4 Shared Ingredient Accounting System (if applicable)

Additional supporting information for feed mills relating to the Ingredient Accounting System can be found in the Feed RUoC document. This is to provide additional clarity to ensure consistent implementation by mills of the Production Models. In a future version, this information may be transferred into the standard itself.

Reference to specific parts of the RUoC requirements are detailed in relevant sections below.

How do I interpret the Requirements?

The Ingredient Accounting System

The Ingredient Accounting System (IAS) is a tool the mill will use to account for incoming and outgoing volumes of Eligible Ingredients in product produced under the Mass Balance Production Model.

The ASC does not prescribe what format the IAS takes, it could be as sophisticated as to be incorporated into the mills inventory system (e.g., SAP Software system or ERP Inventory Management System) or as basic as an excel spreadsheet (with restricted access). Each option is acceptable provided it meets the requirements set out in RUoC Section 4.3 and (where applicable) Section 4.4.

(RUoC 4.3.1.3) The IAS is updated on a continual basis. It is expected that the mill will have robust procedures in place to verify the eligibility status of all incoming volumes prior to entering into the IAS (i.e., ensure it is an eligible ingredient) and to ensure the volume (i.e., quantity) is correct.

(RUoC 4.3.1.3 a & b) 'Upon Receipt' means where there is physical delivery of the ingredient within the accounting period. Payment / invoicing or purchase contract for the ingredient not physically on site or Intention to purchase an eligible volume is not sufficient to enter a volume into the IAS as the mill will verify the ingredient as eligible prior to entering the volume into the IAS and as per requirements in RUoC 4.2 Ingredient Approval Process.

Recording ingredients received

(Standard 3.1.1 & 3.1.2) Records of each incoming delivery and outgoing product should be carefully maintained. This may be completed manually in paper records or electronically via other software programmes. Either way the information recorded should be accurate, maintained and data easily retrievable by relevant personnel. (See RUoC Section 4.2 – 4.4).

(Standard 3.1.3 & 3.1.4) Please refer to RUoC Section 4.5.4 – 4.6.

Auditing considerations

Sampling the IAS: (See also CAR section 15 & RUoC Section 4.3)

(CAR 15.1) The auditor may use their professional discretion when selecting the 5% sample of Eligible Volume entered into the IAS. The auditor will cross reference this volume against supporting documentation to verify the volume entered correlates to the volume of Eligible Volume supplied (e.g., delivery dockets, supplier invoices, contract & Due Diligence assessments). The same process can be completed against Eligible Volume deducted from the IAS which could be done by reviewing despatch documents, invoices or contracts for ASC product sold under the Mass Balance Production Model.

This review could be completed either before the audit as part of the desk review and/or during the audit itself. Auditors can use a risk-based approach to sampling, for example by reviewing any unusual or large input volumes, review a broad range of time within the accounting period, including different suppliers & customers. Additional reviews can also be added to the 5% sample at the auditor's discretion, for example where the auditor sees gaps or has additional queries on records provided.

The auditor may also ask to follow-up questions to determine who is responsible for entering data into the IAS; Is there more than one person trained? What happens if that person is ill, away, or unavailable? Is the IAS protected from accidental or deliberate altering of data?

Eligible Ingredients and ASC Production Models

Eligible Ingredients and ASC Production Models

Which Feed Standard Criterion does this apply to?

Criterion 3.2 - The UoC determines eligible ingredients and calculates its mass-balance eligible volume.

What is the intent of this Criterion?

The ASC recognises that it is most unlikely that there are currently sufficient volumes of sustainably certified raw materials to produce ASC feed. Until then, and as a first step, feed mills can use one or both of the two accepted ASC Production Models to produce ASC compliant feed.

ASC feed may come in two forms:

- Product produced under the Segregation Production Model which contains only Eligible Ingredients **OR**
- Product produced under the Mass Balance Production Model which may contain both eligible and Non-eligible Ingredients.

Which RUoC sections need considering?

Additional supporting information for feed mills relating to Eligible Ingredients and Production Models can be found in the Feed RUoC document. The reason for this is to provide additional clarity to ensure consistent implementation of the Production Model requirements. In a future version this information may be transferred into the standard itself.

Reference to specific parts of the RUoC requirements are detailed in relevant sections below.

How do I interpret the Requirements?

The ASC Production Models. (RUoC Section 4.5)

> ? ***Take note:***
>
> *It is important to make the distinction that the ASC Production Models summarised below are not to be confused with other Chain of Custody models that are commonly seen within other industry Standards e.g., RSPO and RTRS Chain of Custody. The scope of the ASC Production Models does not extend into the supply chain and only applies to ingredients and feed product while they are within the control of the mill. The mill is however required to have appropriate traceability records in place to demonstrate the Due Diligence outcome of low risk. (See RUoC 4.2.1).*

Mass Balance Production Model (RUoC Section 4.5.3)

The Mass Balance Production Model is a system for administratively accounting for the inputs of Eligible Ingredients and outputs of ASC complaint feed. It is not linked to the physical product and there is no physical traceability requirement.

When using the Mass Balance Production Model, unlike the Segregation Production Model, the physical product is not necessarily made up exclusively of Eligible Ingredients, instead the mill will have an Ingredient Accounting System (IAS). The purpose of the IAS is to record input volume of incoming Eligible Ingredients and deduction (or output) of ASC compliant feed.

The Mass Balance Production Model allows the physical mixing of Eligible Ingredients and Non-eligible Ingredients at any stage in the feed production process, provided overall quantities are monitored via the IAS. This results in a claim on a part of the output volume (ASC Product), proportional to the input volume of Eligible Ingredients purchased.

There is no minimum quantity of Eligible Ingredients required under the Mass Balance Production Model. So, in effect a bag / batch of ASC feed produced under the Mass Balance Production Model could physically contain no Eligible Ingredients in that bag / batch of feed, conversely it could also contain 100% Eligible Ingredients.

In simple terms, the mill can only make an ASC claim on a volume of finished product, based on the same volume of Eligible Ingredients purchased within the Accounting Period. The Accounting Period for the Mass Balance Production Model is 12 calendar months and runs from January to December. Think of the IAS as a bank account for Eligible Ingredients, it means that the mill can 'over-draw' from their bank account *within* the 12-month accounting period, however, by the end of the accounting period (i.e., December 30th of that year) the bank account (IAS) must be balanced.

This will require some forward planning by the mill to ensure the account can be balanced by the end of the Accounting Period and also requires communication between

departments to ensure there is a sufficient volume of purchased Eligible Ingredients in the IAS to cover production needs.

To reduce the risk of the accounting system being overdrawn at the end of the accounting period, the mill may wish to review their account balance on a more regular basis, for example every month or every quarter, this way if there is a potential short fall in eligible volume, there is sufficient time to arrange purchase of additional Eligible Ingredients.

(RUoC 4.5.3.3) The mill may overdraw volume during the 12-month accounting period as long as overall quantities are monitored (via the IAS) and the volume is balanced by the end of the accounting period.

In any production environment there will be production yields. These yields will have been considered under RUoC Requirement 4.3.1.4. When conducting the end of year balancing calculation, it is unlikely the account inputs and outputs will be 100% balanced. With this in mind, it is suggested that there should be a compliance window of up to a maximum of 5% tolerance. This means the mill accounting system can be overdrawn by a maximum of 5% before a non-conformance may be considered.

In the example below (figure 6) there are ten ton of feed ingredients purchased by the feed mill, of the ten-ton, six ton are determined by the mill to be from Eligible Ingredients and four ton are from non-eligible ingredients. The Mass Balance Production Model allows for eligible and non-eligible ingredients to be mixed within the production process; however, the feed mill is only permitted to produce and make a claim on six ton of ASC product (based on the purchase volume of eligible ingredients).

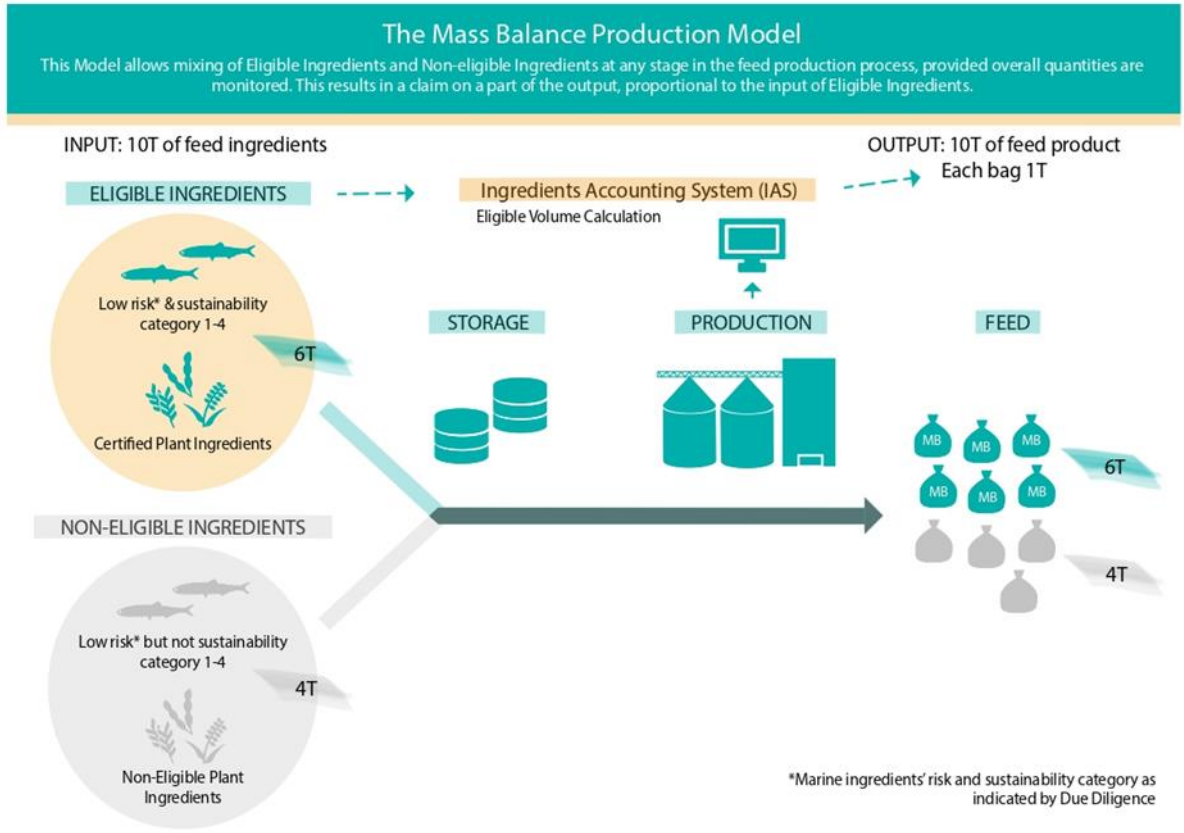


Figure 6: The Mass Balance Production Model

Standard 3.2.1 Calculation of Eligible Volume.

The calculation of the balancing summary occurs within the same 12-month Accounting Period i.e., the calculation for incoming eligible volume fully overlaps timewise with the calculation for outgoing volume. ASC acknowledges there is commonly a delay between receiving and production. However, comparing the same time periods as well as working with volumes actually received increases the auditability & consistency between feed mills and simplifies balance calculations.

The goal is to calculate eligible volume, So for incoming eligible ingredient volumes to match outgoing ingredient volumes. However, where a mill does not have the technology in place to calculate outgoing volume by ingredient, the outgoing volume can also be calculated by product (feed). In both cases, the total overall volume is compared rather than the volume of (for example) incoming pea meal versus the volume of outgoing pea meal.

Initial audits

During the Initial audit, the auditor verifies by sampling, that volumes entered into the IAS since the start of the calendar year (i.e., January) are eligible.

For a feed mills initial audit, the accounting period is from the date of initial certification (for example June) until December of that year.

For all initial audits, the mill will not be required to demonstrate the IAS is balanced. This is because the full duration of the accounting period has not yet been completed. Verification of the Balancing Summary of the IAS will be competed at the next (i.e., surveillance) audit. See also the RUoC section 4.5.2.1 & 4.5.3.1 for more detail.

However, as part of the prerequisites for an initial audit, the feed mill is required to have conducted at least one Ingredient Accounting System balancing exercise resulting in accurate calculation prior to the initial audit with records maintained for review. (See RUoC 6.2). This exercise should be able to demonstrate that the Ingredient Accounting System is functioning effectively and accurately.

Eligible volume can only be deducted from the IAS once the mill has received notification from their CAB with a positive certification decision. (e.g., Certificate issue date / Certification Decision date.

(Standard 3.2.2) Mass Balance Calculation

Please refer to RUoC Section 4.5.2 & 4.5.3

(Standard 3.2.4) Annual reporting

The mill is required to report annually to ASC the total volume of product sold under the Mass Balance Production Model. The volume reported will be verified through sampling of records during the audit by the ASC auditor.

The following are some examples to help demonstrate how the IAS will develop over the audit cycle.

Animal Feed Inc. (AFI) a feed mill is interested in seeking ASC Feed certification. Due to space limitations within the feed mill, AFI's Management Team have decided to operate under the Mass Balance Production Model. They will implement an Ingredients Accounting System (IAS) to record intake of eligible ingredient volume as well as the volume of ASC compliant product sold under the Mass Balance Production Model.

In collaboration with their chosen CAB, the initial audit date is agreed for March 2023.

Initial Audit March 2023:

Overview of the IAS at the initial audit in March 2023

At Initial audit, the auditor verified, by sampling, that eligible volumes received at the UoC and entered into the IAS since the start of the calendar year (i.e., January 2023) were eligible.

This can be done by

- *reviewing Due Diligence reports to verify the eligible ingredients in question meet the ASC Standard requirements to demonstrate low risk.*
- *cross refence with associated invoices and incoming records to verify the ingredient assessed is the same ingredient received.*

The auditor will also review the last IAS balancing exercise conducted by the UoC to demonstrate that that the mill is confident the IAS is operating effectively and accurately.

Remember at initial audit, the mill will not be required to demonstrate the IAS is balanced (RUoC 4.5.3.1). This is because the full duration of the Accounting Period 2023 has not yet been completed. Verification of the Balancing Summary of the Accounting Period 2023 will be competed at the next (surveillance) audit in 2024.

Table 31: Example IAS balancing at initial audit

Accounting Period 2023 (January to December)	Received Eligible Ingredients 2023 (MT)	Sold ASC Product 2023 (MT)	Carryover to next Accounting Period
1	0	0	
2	1000	0	
3	0	0	
4	200	0	
Feed mill Certified May 2023			
5	N/A	N/A	
6	N/A	N/A	
7	N/A	N/A	
8	N/A	N/A	

9	N/A	N/A	
10	N/A	N/A	
11	N/A	N/A	
12	N/A	N/A	
Total	N/A	N/A	N/A

1st Surveillance audit 2024:

At surveillance audit in March 2024, the auditor will verify, by sampling, that volumes entered into the IAS during the previous year accounting period (i.e., January – December 2023) were eligible.

Table 32: Example IAS balancing at 1st surveillance audit

Accounting Period 2023 (January to December)	Received Eligible Ingredients 2023 (MT)	Sold ASC Product 2023 (MT)	Carryover to next Accounting Period
1	0	0	
2	1000	0	
3	0	0	
4	200	0	
Feed mill Certified May 2023			
5	500	500	

6	300	300	
7	0	500	
8	1,200	300	
9	600	500	
10	500	300	
11	700	500	
12	0	700	
Total	**5,000**	**3,600**	
Carryover:			**1,400MT**

Question: *Is the IAS at the end of the Accounting Period 2023 Compliant?*

Answer: *Yes,*

Reason: *because the mill has received a higher volume of eligible ingredients (5,000MT) than ASC Mass Balance Production Model product sold (3,600MT) within the accounting period 2023.*

In addition, 1,400MT of Eligible Volume can be carried over into the next Accounting Period (RUoC 4.5.3.4).

2nd Surveillance audit 2025:

(Assume all purchased eligible ingredients are in fact eligible ingredients)

Table 33: Example IAS balancing at 2nd surveillance audit

Accounting Period 2024 (January to December)	Received Eligible Ingredients 2024 (MT)	Sold ASC Product 2024 (MT)	Accounting Period 2024 (January to December)
1	0	200	
2	1200	300	
3	0	1500	
4	1,000	300	
5	500	500	
6	300	300	
7	0	500	*1400*
8	1,200	1300	
9	600	1500	
10	500	700	
11	700	500	
12	0	700	
Total	**6,000**	**8,300**	
Total inc. Carryover	**7,400**		

Question: *Is the IAS at the end of the Accounting Period 2024 Compliant?*

Answer: *No*

Reason: *Within the Accounting Period of 2024, the feed mill has sold more ASC Mass Balance Production Model product (8,300MT) than Eligible Volume purchased plus Eligible Volume carried over from the previous year which is 7,400 MT in total. (RUoC 4.5.3.2 / 4.5.3.3).*

This equates to the IAS being overdrawn by 900MT (or 12%) and in this example the auditor would raise a major non-conformity as per CAR requirement 21.5.2.3 (c)

Segregation Production Model. (RUoC Section 4.5.4)

Within the Segregation Production Model, all Eligible Ingredients are kept physically segregated from all Non-eligible Ingredients while under the control of the mill.

This model allows those taking ownership of product (ASC feed) to be assured that Eligible Ingredients contained within have been kept physically segregated through all stages under the control of the mill from Non-eligible Ingredients of the same type.

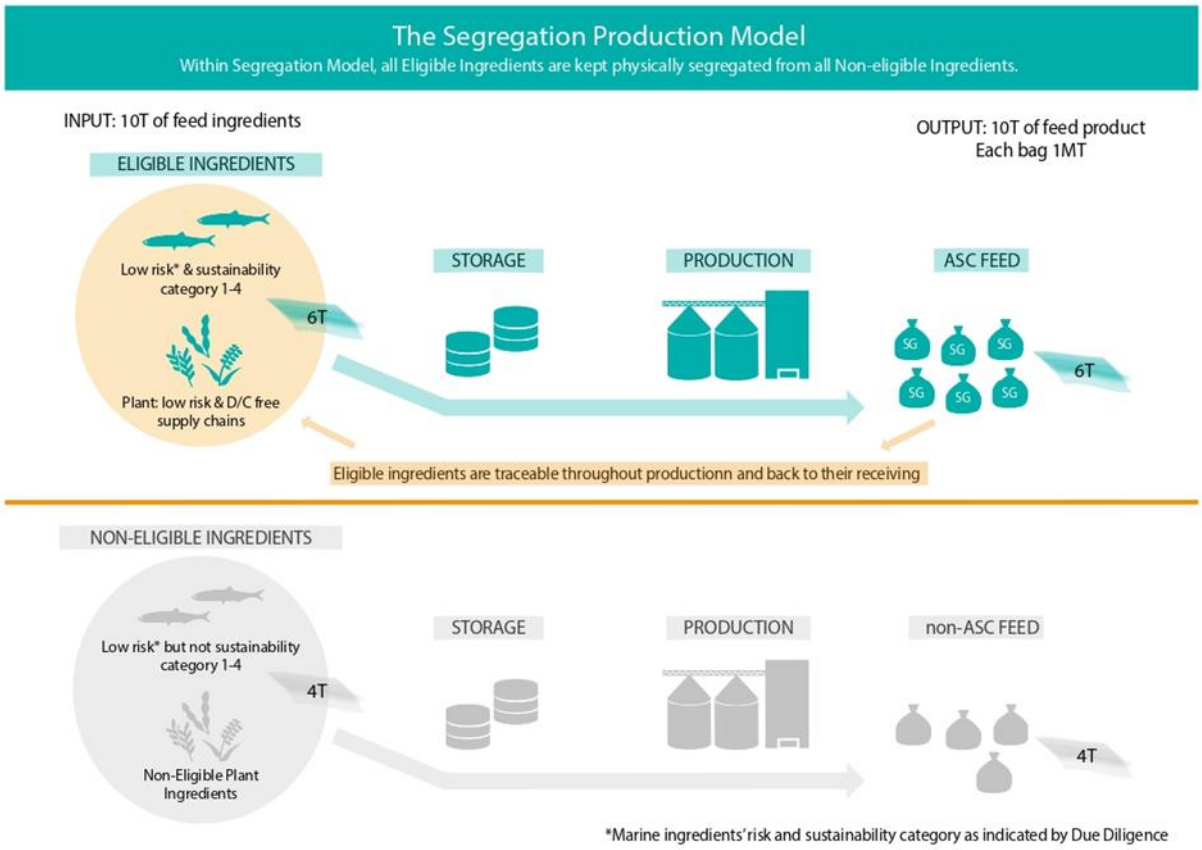


Figure 7: The Segregation Production Model

When using the Segregation Production Model, the outgoing product, (or feed), is made up exclusively of Eligible Ingredients (excluding feed additives), for this reason a segregation and traceability system within the facility is needed to identify and keep Eligible Ingredients segregated from ingredients which are not classified as Eligible Ingredients but may also be brought on site by the feed mill.

The mill is required to report annually to ASC the total volume of product sold under the Segregation Production Model. The volume reported will be verified through sampling of records during the audit by the ASC auditor.

In the example above (figure 7), a feed mill has purchased ten ton of feed ingredients. Following the Due Diligence process, six of those ten ton were determined to be Eligible Ingredients (upper part of the diagram). Four ton of those ingredients were determined to be Non-eligible Ingredients (lower part of the diagram). This means that six ton of ASC compliant product can be produced under the Segregation Production Model.

Under the Segregation Production Model, all Eligible Ingredients are kept physically segregated from all non-eligible ingredients throughout all processes under the control of the feed mill and are traceable throughout production and back to their receiving.

The feed mill will be required to have sufficient capacity (e.g., separate silos / containers) and processes and procedures in place to always ensure physical segregation of the eligible ingredients and subsequent feed product while under their control.

Production scheduling guidance when producing product under the Segregation Production Model:

There are a number of different methods that could be employed at the mill to ensure segregation of eligible ingredients from non-eligible ingredients. The size and capacity of the mill will have an impact on which method would work best.

The mill may conduct a risk assessment (RUoC 4.5.4.2) to develop controls and procedures for handling raw material ingredients, intermediate material and finished product to reduce (and, where possible, remove) the risk of substitution or uncontrolled mixing between Eligible Ingredients and Non-eligible Ingredients.

Below are some examples of controls that could be implemented:

Physical segregation: Eligible Ingredients will be physically segregated from non-eligible ingredients. In addition, subsequent ASC product produced under the Segregation Production Model is physically segregated from product produced under the Mass Balance Production Model or non-ASC products. This could involve, for example, dedicated silos, dedicated storage areas, dedicated (e.g., colour-coded) production equipment, and the use of dedicated production lines.

Time segregation: Where products must be handled in the same factory areas or on the same production lines, consideration can be given to the use of time segregation. This may be used in mill settings that do not have sufficient space or capacity for a dedicated production line. Production planning can be used to schedule production in order of risk. This can also minimise the frequency of changeovers by scheduling, for example, ASC Segregation Production Model products first, followed by ASC Mass Balance Production Model product and then non-ASC aquaculture products could be scheduled to the end of a day/shift or before cleaning operations.

Purging / Flushing the system: If there is a closed production system with only minimal dry-cleaning process, flushing or purging the feed processing equipment can prevent contamination between feed batches. The transfer of residues from one batch to the subsequent batch is sometimes referred to as carryover. Flushing the equipment is one method used to remove any potential carryover from the previously produced product in the system.

The mill could purge or flush the production line between (for example) a batch of non-ASC product, changing over to a batch of ASC Segregation Production Model Product. The line can be flushed with product containing only Eligible Ingredient. This flushed product is then designated as 'non-eligible' (because it will contain a mix of eligible and non-eligible product). It can be stored separately and could later be used in a product produced under the ASC Mass Balance Production Model or a non-ASC product.

The mill could conduct a volume calculation to determine an appropriate volume of product needed to flush the system. The calculation may consider several factors e.g., length and diameter of the pipes, run rate/line speed. If the mill decides to do this calculation, they may wish to add an additional volume as a buffer, such as 5% more than needed to flush the system to ensure no carryover or mixing between eligible and non-eligible ingredients. The mill may retain details of the calculation as evidence to verify the flush volumes based on their production line and equipment.

> ? ***Take note:***
>
> *Flushing / purging the processing equipment between flows of eligible ingredients and non- eligible ingredients can be used as a control measure, but physical cleaning between batches / products is not required for the ASC Feed Standard.*

> ? ***Take note:***
>
> *For detail on action to take in the event of accidental / unintentional mixing of Segregation Production Model Product with non-eligible ingredients, please refer to the non-conforming product procedure detailed in Section 17 of the RUoC.*

How to conduct a verification test of the traceability system

(RUoC 4.5.4.3 & 4.5.4.4) As per the RUoC, the mill is required to perform a traceability verification test. This is similar to a vertical traceability audit performed by the ASC auditor,

but it places the responsibility of demonstrating an established traceability & segregation system on the mill.

The mills traceability system will provide traceability 'forwards' and 'backwards'; therefore, the system should be tested in both directions. For example, a specific batch (and known volume) of an eligible ingredient could be selected and traced forward through the production process to despatch to determine in which final products it was used.

The ability to trace forward would be required for example, when a mill discovers that an employee has used the wrong ingredient when formulating a batch. It could also occur if the mill changes an ingredient supplier and fails conduct Due Diligence to determine the ingredient is an Eligible Ingredient. The mill will be able to identify their immediate customer who received the product and the location of any affected product within its own facility.

An ASC product produced under the Segregation Production Model can also be selected and traced backwards to demonstrate all the eligible ingredients (and batch codes) that were used to produce it.

The tests should include identifying which customers received the finished products and which suppliers provided the Eligible Ingredients.

The mill will need to demonstrate that it can account for the whereabouts (location and volume) of a particular ingredient (or ingredients) through a traceability test. The tests could also include a quantity check. Depending on the complexity of the product, it is not expected that the quantity check exercise would always be achievable within 4 hours. The objective is to be able to account for the usage of a full batch of an eligible ingredient. This helps to ensure that the traceability systems are capable of operating effectively should an issue or product withdrawal be required based on that particular ingredient.

The forward traceability and quantity check is usually undertaken as follows:

- Select a batch code of a particular specific Eligible Ingredient.
- Identify the Ingredient Manufacturer and quantity of the Eligible Ingredient supplied under that batch code.
- Identify the feed formulations in which the eligible ingredient under that batch code were used.
- Use production schedules and production / batch records to calculate the quantity of the selected batch of ingredient used in each product.
- Calculate the quantity of any unused part of the batch in the warehouse.
- Finished product lot/batch identification and quantity produced and despatched to each identified customer under the Segregation Production Model
- Quantity of waste produced
- Location and quantities of final product still within the mills control

- Reconcile the quantity delivered against the amounts used plus any unused stock.
- Start and finish time of the exercise.

In some instances, quantity checks may take a great deal of time and resource to complete successfully. It is unlikely that the traceability test will be able to account for all materials to 100% accuracy. However, the mill needs to justify any discrepancies and demonstrate understanding of the nature of the variance. This may be inherent in the product characteristics (e.g., extraction or addition of water), or be attributed to typical wastage on equipment. In addition to this, the mill may also be able to produce documentation for products (or associated ingredients) that don't end up in normal distribution channels. This could include ingredients or finished products removed for testing of ingredients, work in progress or finished products, and promotional samples. The purpose of including volumes and accounting for these losses in volume is to demonstrate that the mill can account for all of a specific lot of product or ingredient which is especially important in the event that a lot has been determined to be mislabelled or contain non-eligible ingredients in error. Quantity verification within the traceability test is a useful measure of the traceability effectiveness and highlights areas for improvement.

Receiving records such as bills of landing with lot codes or another unique identifiers will establish the identity of ingredients received. Ingredient warehouse storage records with the same unique identifier will establish the location of ingredients within the warehouse. Warehouse 'pick' records will document the removal from the warehouse and delivery to the batching and/or production areas. Batch records, if properly created, will document the use (and volume) of ingredients in each lot of finished product. Each of these records establishes a traceable link to the previous production step. The mill could also create a stronger record of the label or code used by saving a physical sample of the label or by taking a picture of the label or code used.

Bulk ingredients such as fishmeal or fish oil also present a traceability challenge for feed manufacturers. In large facilities, these ingredients are often received into storage silos or tanks without a clear designation of (or break between) lots. Using gravity, they are filled from the top and emptied from the bottom. These storage facilities may be emptied and cleaned infrequently, making it impossible to have a clear break between lot/batches of raw material. Mills who use bulk ingredients may have larger amounts of product at risk of being withdrawn and may have more difficulty in tracing a product or ingredient. However, this can be common practice in a large feed mill and the mill may establish a process for identifying verifiable breaks between lots and keep a record of dates silos or tanks are topped up to establish a timeline for new lots / batches.

During the ASC audit, the auditor may ask the mill to complete a full 'vertical' audit. This will include the traceability of a specific batch of product produced under the Segregation Production Model through the mills production processes, and a review of the site records related to the product or ingredients. Records can include, for example, supplier approval,

Due Diligence records demonstrating eligibility status of the ingredients, goods-in receipts, process records, and dispatch records. However, the traceability audit is not expected to include records that would only be held at other points in the supply chain (e.g., the ingredient supplier's processing records).

(RUoC 4.5.4.5 & 4.5.4.6). The RUoC requires mills to conduct a test of their traceability systems at a least once per year.

It is expected that the traceability exercises can be conducted in four hours. This is to ensure that potentially non-conforming product can be identified in a timely manner.

Having a robust, documented system to ensure traceability will assist the mills in meeting the ASC Requirements for producing product under the Segregation Production Model and help to quickly identify affected products in the event of detection of non-conforming product (e.g., the mixing of eligible and non-eligible ingredients during the production process).

Labelling

Labelling

Which Feed Standard Criterion does this apply to?

Criterion 3.3 - The UoC labels products correctly.

What is the intent of this Criterion?

The aim of this Criterion and associated RUoC Requirements is for ASC product to be easily identifiable, in a constant way, whether it is in a sealed feed bag or in bulk format e.g., Silo or tanker.

Which RUoC sections need considering?

RUoC Section 4.6 – Identification

RUoC Section 21 Use of the ASC Logo, trademarks and claims.

How do I interpret the Requirements?

(3.3.1) The mill is required to physically identify sealed bagged product produced under the Mass Balance Production Model. Where the product is not identified physically (e.g., bulk tankers or silos), the batch/lot number on product should also link to the accompanying sales documentation such as the invoice, which clearly includes the allowable feed claim on the relevant line item.

See the ASC Feed Logo claims use guidance for further information.

(3.3.2 & RUoC 4.6) The mill is required to physically identify product produced under the Segregation Production Model. Where the product cannot be labelled physically (e.g., bulk tankers / silos), the batch/lot number on product should link to the line item in the accompanying sales documentation such as the invoice, which clearly includes the allowable feed claim.

See the ASC Feed Logo claims use guidance for further information.

In addition to this, the mill will provide the distinct feed names of all products produced under the Segregation Production Model to the CAB. The CAB will then include a list with each feed name on a schedule or annex to the certificate.

Declarations

Declarations

Which Feed Standard Criterion does this apply to?

Criterion 3.4 - The UoC is transparent on product characteristics.

What is the intent of this Criterion?

The aim of this Criterion is to assist buyers of ASC product in calculating their downstream impacts in the supply chain.

How do I interpret the Requirements?

(3.4.1) The nitrogen (N) content can also be calculated by dividing the protein content by 6.25.

(3.4.3) This Indicator relates to situations where the mill specifically adds medication rather than ingredients sourced by the mill potentially containing or being contaminated with medication.

Medicinal feed additives could be a range of antibiotics or parasiticides amongst others. This follows the definition of the EU on what a medicament is and does not relate to other functional ingredients such as antioxidants, vitamins, vitamin pre-cursors, pro-biotics etc.

Useful resources

Regulation (EU) 2019/4 of the European Parliament and of the Council of 11 December 2018 on the manufacture, placing on the market and use of medicated feed, amending Regulation (EC) No 183/2005 of the European Parliament and of the Council and repealing Council Directive 90/167/EEC https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32019R0004

REGULATION (EC) No 1830/2003 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 22 September 2003 concerning the traceability and labelling of genetically modified organisms and the traceability of food and feed products produced from genetically modified organisms and amending Directive 2001/18/EC https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32003R1830&qid=1548346684302&from=EN

Annex 1: Risk Management Framework

Annex 1: Risk Management Framework

Annex 6 of the ASC Feed Standard presents a flow chart setting out the steps needed to manage risk. The aim is to determine the appropriate risk level (low, medium or high) for a particular topic, identify and implement measures to lower the risk level, to define Indicators to monitor the risk, and Indicator thresholds to initiate action. The overall goal is to ensure that any risks that are medium or high are reduced to a low risk level through the development of appropriate measures or actions.

An effective risk assessment is conducted by members of staff with relevant experience, qualifications and competencies. These are outlined in Annex C, Table E of the RUoC for health and safety assessments specifically. The three tables below were developed by UNDP in their Social and Environmental Screening Procedure (2016)[25].

Table 34: Rating the 'Impact' of Risk

Score	Rating	Social and environmental impact
5	Critical	Significant adverse impacts on human populations and/or environment. Adverse impacts high in magnitude and/or spatial extent (e.g. large geographic area, large number of people, transboundary impacts, cumulative impacts) and duration (e.g. long-term, permanent and/or irreversible); areas impacted include areas of high value and sensitivity (e.g. valuable ecosystems, critical habitats); adverse impacts to rights, lands, resources and territories of Indigenous Peoples; involve significant displacement or resettlement; generates significant quantities of greenhouse gas emissions; impacts may give rise to significant social conflict
4	Severe	Adverse impacts on people and/or environment of medium to large magnitude, spatial extent and duration more limited than critical (e.g. predictable, mostly temporary, reversible). The potential risk impacts of projects that may affect the human rights, lands, natural resources, territories, and traditional livelihoods of Indigenous Peoples are to be considered at a minimum potentially severe.
3	Moderate	Impacts of low magnitude, limited in scale (site-specific) and duration (temporary), can be avoided, managed and/or mitigated with relatively uncomplicated accepted measures

[25] https://www.undp.org/publications/undps-social-and-environmental-screening-procedure-sesp

2	Minor	Very limited impacts in terms of magnitude (e.g., small affected area, very low number of people affected) and duration (short), may be easily avoided, managed, mitigated
1	Negligible	Negligible/no adverse impacts on communities, individuals, and/or environment

Table 35: Rating the 'Probability' of Risk

Score	Rating
5	Expected
4	Highly likely
3	Moderately likely
2	Not likely
1	Slight

Table 36: Determining 'Significance' of Risk

Impact (table 34)	**5**					
	4					
	3					
	2					
	1					
		1	**2**	**3**	**4**	**5**
	Probability (table 35)					
Green = Low, Yellow = Medium/Moderate, Red = High						