

ASC Public Consultation

Stakeholder Consultation Feedback Report

Living Wage

September – October 2023

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1. Summary of Feedback Methods

In addition to feedback received via online survey, ASC collected feedback in three other ways:

- Online public workshops and in-person targeted workshops with regional and international partners
- Direct one to one meetings and phone calls
- Emails with written feedback

Feedback Method	Individual participants*	Stakeholders**
Workshops (CAB & General)	37	22
1:1 meetings and phone calls	9	6

2. Workshops

2.1 2.1 General Workshops

Workshop #1

3.8.2: how significant a burden is the measurement and verification likely to be in terms of cost and complexity for farms?

- [REDACTED] does this only apply for large scale shrimp farmers? How will this be relevant for smallholders?
 - Then you use living income calculations. This first version focusses on living wage for workers of large farms but we will be looking into living income in future versions of the standard.
- [REDACTED]: our farm is using contract workers.
 - They would be included under these requirements.

3.8.3:

- [REDACTED]: the benchmark list of the website is only for some countries, what about the countries that are not listed there? (e.g. Norway)
- We are looking for other benchmark methodologies, and the Ankers are building up a new method for the EU based on minimum and median wage. We expect that to be covered by the time the standard is launched.

3.8.4:

- Should ASC include fixed time requirements? No 2, No opinion 1

- Is it reasonable to expect farms to close the LW gap without support from retailers: No 2, No opinion 1
- Any suggestions to engage brands and retailers? Venticia: brands like Unilever in palmoil in Indonesia gave a donation for small farmers to help them implement farm improvements.

3.8.5:

- No comments

3.8.8:

- Norway: by law there is paid maternity leave for several months (employer or state pays). Father also has a required 15 weeks of paid leave.
- Indonesia: 3 months maternity leave, paid by the employer not by the state.
- Could maternity leave lead to sex discrimination? Thanh: It is possible to unintentionally create sex selection. Because the recruitment can refuse to hire on the grounds that ability is not gender, there is no evidence for this but it should consider

█: gov't have living wages they adjust every year. I use these government living wages and compare them with what we pay, without bonus and overtime. We have Norwegian laws and agreements with trade unions (minimum wage) and we know we are always a bit over. Trade unions wage is a bit higher than the living wage, and then the local trade unions going a bit above that.

█: we have a living wage nationally but that is quite low. In Indonesia we pay for healthcare and education, it is not free. There are regional living wages set by the government.

Do you foresee challenges in complying with the LW requirements?

█: no

█: no

Workshop #2

█: How does the tool work?

█: What is the definition of 'local' if people live somewhere with their family and then live offshore or in dormitories to work on the farm, there may be different living wages for those places. The production site may also not be the same as the head office. So bottom line is you need to make sure you account for migrant workers. UoC as the basis of the LW calculation seems fair to me. But where you have multi-site and group certification this may be challenging too.

3.8.2

█: it would be adding cost complexity.

3.8.3

█ : take the best of the standards and not refer to other standards. How will you put this in? Is it going to be your tool? It is both the benchmark and the tool. The normative document will become bigger and bigger if you refer to others. So it will become more complex if you refer off to other standards. If it is on your website then it is ok.

3.8.4

█ : if you are above the LW benchmark is there a requirement that you maintain this level? If you are already 20% above and you realise I am paying too much.

█ : do you mean there is a risk involved in that?

- It is a good point of █ as we are in a high inflationary cycle. So over time your purchasing power can erode. So you would not be reducing wages but you would be eroding wages over time to be closer to the benchmark.

█ : there needs to be an understanding from the supply chain that prices will go up.

█ : at this moment the situation is reverse. Prices are decreasing in south America therefore Asian markets are struggling.

If in Ecuador wages have to improve a lot, me as a buyer would see that my supplier has to raise wages and will increase prices for the product.

It is unlikely that the supplier would get all data.

If you have 5 years to start paying the living wage, does it mean that you are non-compliant until then?

Reasonable requirement: 5 years?

█ : i also voted yes. As CAB it is better to have a set criterion to operate globally in an equal way. 5 years might be too long but at least 1 year certification cycle could be the timeline. Economical situations in the countries can change very frequently for long term timelines. So it is more practical to do this in a 1 year plan even if the gap is very large.

Reasonable? 5 participants score average 2.4 (so somewhat disagree).

Suggestions: make it clear what support means? It needs to be financial support. Be bold on that. Require financial support from eth supply chain. Fairtrade stands for living income, so if you implement something like this it has to be equally big. Fair wages are already included now so how does ASC communicate about this?

Richard: why is it not going to be public? We need to be clear on who owns that data?

3.8.8

█ | the message that this sends? It should possibly be parental leave. ASC is aspirational so it seems a little outdated that you are only picking up on maternity

leave while other jurisdictions are moving towards parental leave. I would encourage to go above and beyond C183 and call it parental leave.

█ | how do you handle seasonal work with parental leave. If it is a minimum of 14 weeks and you leave 3 weeks before end of season. How do you answer that.

Workshop #3

General questions

█ – what does SDG stand for?

█ - Is there guidance available already that explains the methodology? Why is the original methodology not used?

█ – work permitted under labour laws allow averaging. So workweeks are over 2 weeks. Is it based on an annual wage?

3.8.3

█ – are benchmarks by geographical region as cost of living will vary a lot across a country. All shrimp farms are probably in coastal rural areas but that will not be the case for processing plants (if it applies to that).

█: when do you think when other countries will have benchmarks? Will there be consultations on the benchmarks? (we can provide insights on how to engage in those discussions).

█: living wage in Adhra Pradesh is only for one particular district so maybe the living standards that are related to tabaco farming is different from shrimp areas.

3.8.4

1 no – it is fair to understand the gaps first, understand the gaps

3 yes

2 don't know

█: Not sure about timelines

It is reasonable to expect farms to close the living wage gap: average score 2.4

█: when it comes to LW gap, unless there is support from supply chain actors, the shrimp farmers cannot afford it, as they are already stretched by disease and other economic issues.

Suggestion of how to engage them:

█: ASC supporting branding and promotional activities to make that product worth more. An ASC fish is worth the same as a non-ASC. So ASC should continue marketing campaigns to create a price premium.

█: the fairtrade label expects consumers to pay more. ASC has an opportunity to carry similar values with a consumer facing labour. Retailers have to be involved in including these value sin the label and to be prepared to communicate this to the consumer. That is when the consumer may be willing to pay more. The increase in eth production costs, somebody has to pay for it so it should be passed to the consumers.

3.8.5

█ – data submission – usually will shrimp farming there is change of employees every season. Then there will be changes every quarter. How can reporting be done in that situation?

3.8.8

█; in Canada yes that 14 weeks is pretty standard and Canada provides the money. If you make a lot of money you will not get the 2/3. Is the expectation that the top-up the payment to make the 2/3 where state already pays. There might be a ceiling for this based on fairness. You could receive 55% of your earnings, up to a maximum of \$650 a week. <https://www.canada.ca/en/services/benefits/ei/ei-maternity-parental.html>

India: it is now 26 weeks leave, financial benefits I am not sure.

Chile: It does align already.

█: what about medical leave are they covered? (no only if it is related to accidents at work)

2.2 2.2 CAB Workshops

Workshop #1

Menti: How significant a burden is the measurement and verification likely to be in terms of cost / complexity for farms? **3.3 (3 votes)**

How significant a burden is the verification likely to be in terms of time / complexity for auditors? **3.7 (3 votes)**

What challenges to you forsee in terms of auditing this indicator? **No responses**

Should ASC include fixed time requirements to close living wage gaps? **Yes (2 votes)**

█: No regulatory time frame means no implementation.

If you agree that there should be a timeline to close gaps, what are the reasonable requirements?

█ No longer than a certification cycle - 3 years?

Do you have suggestions for how to engage retailers / brands in sharing responsibility for closing the living wage gap within the context of a Standards organisation?

Maternity leave: these requirements align with current practice in my country: **No responses**

█: Question about in-kind benefits being part of Anker methodology. Are producers going to end up 'cheating' people by giving them a lower salary and more in-kind benefits? He has seen it not only with food, but also treating access to fresh water as an in-kind benefit.

█: We should consider strengthening the requirements / guidance around this and also bring it to the Ankers. Re fresh water - this is a requirement in our standard, so this isn't allowed.

█: He finds it hard to audit the wage requirements. Sometimes he sees something that he knows is wrong (eg inclusion of food as an in-kind benefit) but there's nothing to raise an NC against. Sometimes you finish an audit with no NCs, but have a feeling that there should have been some and things aren't right.

Workshop #2

Time frames

Yes there should be a fixed timeline.

ASC should have 18-24 month timeline

Challenge: It could be too subjective so hard to audit.

Wage data reporting challenges

Data availability is a challenge, and data may be manipulated.

To make farmers to understand the requirements and the terminology and doing the calculations. It will require farmer-level training.

Maternity

Chile: 6 months of paid maternity leave by law

India: 6 months also

Anything missing?

For food the minimum calorie level – should be 2400 calories for men per day and 2000 calories for women.

In Chile there are ways to calculate living wage based on industry and region so it makes it very difficult. Farms should use peer reviewed or established sources. So it is good to have one way to calculate and compare.

The form or guideline from ASC to farm for input the data. Help them to understand the in-kind benefits. So a form to input the data is what is needed to help them calculate living wages.

3. One to One Meetings

Meeting #1

Meeting with

Generally, what is your experience of how much of a 'hot topic' living wage is among buyers and consumers?

- For buyers, right now they are not really taking it into account, but they are starting to think about it.
- They are not really taking living wage into account when they think about purchasing something.
- They are starting to work with the French supply chain – they work particularly with French dairy and meat producers. The main reason: problematic with volumes and products' availability, and French producer remunerations. In France there are less and less producers, so they need to create partnerships and trust by building a fair payment to Frenchy producers.
- For dairy, they are doing tripartite contracts : a methodology for evaluating price and remuneration of agriculture workers, for their dairy own brand.
- In cocoa and coffee, living wage is important too.
- They have a wider offer because coffee is a daily product. It's a staple product so they need to have both a basic product and premium product available. They use the Max Havelar label, but not on all their products, only on the premium products like coffee capsules. On their discounted offers they don't look too deeply into all the requirements – they need to have an accessible offer everyone. Purchasing power is important.
- On their own brand, a lot of work is done. For other brands : it seems that they are less aware and pay less attention to this question.
- With the Due Diligence laws, awareness will increase.

What is your involvement in living wage in other commodities? How do you approach this?

- [REDACTED] have an internal policy for coffee and cocoa.
- They want to work on bananas, but they are late on the subject because it's not their own brand.
- They have a risk-based approach – evaluating countries for risks. They are working with specifications of requirements for bananas and the goal is to finish by the end of the year.

Do you think retailers will have to comply with requirements around living wages in supply chains at some point due to regulatory requirements? If so, what do you think that timeline is likely to be?

- The EU Due Diligence laws will have a. impact on the supply chain, and will force retailers to work on it. But the law is blurry and not precise : so it's

open for interpretation. The law asks for an assessment of the risks on human rights, but don't specify a living wage requirement.

- [REDACTED] interpret the Due Diligence like this and go further that what is required.
- [REDACTED] doesn't believe that the EU Due Diligence will push (for the moment) for a better integration of living wage in the supply chain. It will take years, and if the law is clearer (for the moment it's too blurry)

What is your perspective on the current state of the seafood sector in terms of commitment to a living wage?

- Seafood buyers don't talk about it really.
- Exception made for French fishermen: buyers are aware of the issues that French fishermen are facing (inflation, fuel price increased a lot etc.) so they are paying lot of attention to the price in order to be sure that fishermen have a decent payment.
- For Aquaculture in general: nothing
- For shrimp sector: they are working on social risk in general because there are a lot of potential problems that can impact the image of the brand.
- For the moment, for seafood buyers, most important thing is to find volume and so these questions are less important and not taken into account.

How do you see the role of the various companies in the supply chain in accomplishing this?

- Each company has its role to play --> the value needs to be shared between each actor of the supply chain.
- It is important to keep in mind that price is an important factor --> they need to have accessible product at a decent price for consumers.
- They always evaluate the consumer price.
- The living wage will be important to strengthen relationships between producers and the retailers. In many sectors, there is a lack of products due to economic context, global warming etc. Supply will be problematic - and this topic will be important to build trust with suppliers.
- But price accessibility is important.

What is your opinion on this approach (of indicators)?

- [REDACTED] hadn't heard of the IDH salary matrix or of the GLWC.
- In the dairy sector, for producer remuneration, the methodology is based on the cost of the producer (not the need like the proposition made by ASC). In their methodology, the price is constant and doesn't really fluctuate - so when global milk price is raising, their producers are not necessarily more paid : but most of the time Système U price are higher than conventional.
- [REDACTED] says that ASC approach is great - and work from the need of producer is a good approach.

Meeting #2

██████ in the sustainability team, works on social issues and living wage.

- Hasn't used the SM herself but wants to as has heard lots of feedback from banana producers. She knows that IDH is trying to make it easier to use. One problem is that it's set up to be filled in from the perspective of the worker, so sometimes producers find it difficult to use. She always tries to encourage producers to take the training.
- Takes time to get producers to get used to the methodology.
- It's important to move forward with the SM, because it's important to have a standardised tool, but it does need to be simplified and some work to make it more accessible for producers.
- It's important for her to not use 6 different tools, but to have one tool across commodities.
- Is it a hot topic?
 - o Consumers don't even know that it's a topic or an issue – they assume it's already fixed, they don't even think about it. When consumers are shopping they aren't thinking about wages of whoever in wherever.
 - o If you do go deeper and talk to them about what living wage really is, sometimes the response is 'well, in Netherlands there is poverty as well'.
 - o Also difficult because if we say 'we fixed it', then they will say 'why wasn't it fixed before?'
- What is impetus for ████████ to work on LW?
 - o We started on it before the DD requirements. Poverty is not something that is easy to tackle and learnt about living wage and thought it was an important topic to step into. They did some pilots and then realised that it's not a topic they can address by themselves. This is a topic you should work on with others.
 - o With a business conduct community in NL, they came together to choose one key product (bananas) and see what happens if they work together. That's how the banana project came about.
 - o Important for producers to work with buyers so that there can be a price that enables producers to pay a living wage.
- Really happy that we are looking to take it up in our standard because it makes it more normal.
- There are several places where they take LW into account, but it's not standardised yet. As just ████████ working on this, they aren't going to bring significant change. Working in coalition is necessary.
- LW is topic in EU DD so they have to work on it.
- What is your perspective on the current situation with the seafood sector?
 - o Don't know much about seafood as that's handled by another colleague.
- What is role of everyone in LW:
 - o Communication is very important – as a retailer they have to be able to explain to all the different parts of the supply chain why it's important to them.

- Transparent supply chain is really important.
- It's not going to be fixed in one year. You need to have a good relationship with the producer so that they understand you're really going to work on it.
- Producers should also be thinking about how they can be more effective. Work on this should be going on on both sides.
- Indicators feedback:
 - It's fine to not have timelines on the wage improvement plan. This is the first step in pushing the boat off.
 - CBA: in some places they have a CBA instead of a minimum wage.
 - It's important to bring CB into it, but it's a difficult discussion. Who is going to be the one to talk about the methodology to trade unions and worker representatives? The standard? The producers?
 - This should be a topic that comes up in the development of CBAs.
- Really pleased that it's in our standard and important that we do it properly rather than quickly.