

# IDH ASC Salary Matrix Pilot Summary

This report presents the results of a pilot project that tested the IDH Salary Matrix tool within the Aquaculture Stewardship Council (ASC) certification framework. Conducted from December 2022 to May 2024, the project aimed to evaluate the tool's effectiveness in calculating living wage gaps using the Anker methodology across several ASC certified farms in Ecuador, Vietnam, and India. Funded by IDH with in-kind contributions from ASC and other partners, the initiative sought to assess the tool's usability, cost, and complexity for both farms and auditors.

## Introduction

ASC is committed to a long term plan to ensure that certified farms and feed mills pay their workers a [living wage](#). As part of this commitment, ASC will include requirements on wage measurement in its Farm Standard, effective in 2025. These requirements will mandate that certified farms measure actual wages against [regional living wage benchmarks](#) using a uniform methodology developed by [the Anker Research Institute \(ARI\)](#), providing a clearer understanding of any wage gaps.

The [IDH Salary Matrix](#) is a tool designed to help companies measure these wage gaps and develop strategies to close them. This pilot project aimed to test the tool's suitability in the aquaculture sector in regions of Ecuador, Vietnam, and India, evaluating the tool's usability by farms of different scales and management types and assessing the cost and complexity of using the tool for verification by auditors.

## Key Activities

1. [Recruitment of farms to participate in the pilot](#): ASC worked with four retail and importer partners interested in learning more about living wage to recruit their suppliers for the pilot. These suppliers, often processors, then recruited ASC certified farms to participate.
2. [Training of local trainers](#): In each country a local organisation was recruited to provide training to farm management on living wage and the Salary Matrix. These trainers underwent a "train-the-trainer" program led by IDH consultants to equip them with the skills to support farms.

3. Training of farms: Recruited farms received half- or full-day training in their local language on living wage and how to use the Salary Matrix, delivered by local trainers.
4. Recruitment and training of verifiers: Verifiers (ASC auditors, ASI staff and ASC assurance personnel) were trained in the IDH verification methodology for the Salary Matrix through a two-day online course.
5. Farms fill out the Salary Matrix: After the training, farms were provided with follow-up support as they used the tool to calculate the living wage gap on their farms, using actual payroll and benefit data.
6. On-site verification of the Salary Matrix: Verifiers conducted on-site verifications for farms that completed the Salary Matrix to assess if the tool was filled out correctly.
7. Debriefing with farms and verifiers: Farms and verifiers joined a debrief interview or survey with ASC (and in some cases IDH) staff to discuss the process and results of the steps in the pilot project, including training, tool use, and appropriateness of ASC's living wage requirements.

## Findings

The pilot showed that the Salary Matrix, while initially challenging for some farms in the pilot, is a potentially effective tool for measuring wage gaps with the right support. ASC will recommend its use for wage measurement and reporting in the ASC Farm Standard, working with partners, including IDH to provide necessary resources and training.

Country context significantly influenced the ease of understanding and calculating of living wage gaps. The tool was more accessible for farms in regions familiar with living wage concepts, such as Ecuador, where national legislation mandates payment of a 'salario digno' following a methodology similar to the Anker approach.

Conversely, farms in Vietnam and India, where the concept of a living wage is less understood, faced greater challenges in completing the Salary Matrix. In these and other priority countries with numerous ASC certified farms and potential wage gaps, broader industry outreach and education on living wage concepts are needed to foster a deeper understanding of the importance of living wages for workers and the global marketplace.

To support accurate data entry in these regions, local-language guidance on regulations affecting wage calculations is essential, along with the establishment of a network of local expert trainers. Additional training on management systems

and payroll and benefits recording may also be necessary for smaller farms with informal recordkeeping systems before introducing the Salary Matrix.

Verifiers will also need support to understand living wage as a concept, and robust training to integrate the Salary Matrix into social audits, ideally delivered in the auditors' native languages and tailored to the local context.

The pilot identified potential improvements to the tool and communication around updates to enhance its transparency and clarity for users. It also highlighted concerns about data confidentiality that should be addressed to reassure farms.

Finally, the pilot underscored the importance of clarifying ASC's focus on wage measurement and improvement, rather than the immediate payment of a living wage. Despite repeated communications, many pilot participants misunderstood the ASC living wage requirements, fearing non-compliance if they weren't paying a living wage. As ASC rolls out these requirements, it will be crucial to communicate the shared responsibility among supply chain participants to bridge the gap between actual and living wages and engage more broadly with retailers and importers to foster collaboration in these efforts.

Overall, the IDH ASC Wage Pilot demonstrated the Salary Matrix's potential as a valuable tool for identifying and addressing living wage gaps in the aquaculture sector, while emphasising the need for tailored support and clearer communication. As ASC implements its living wage requirements, ongoing collaboration with stakeholders and a focus on context-specific training and support will be key to ensuring successful adoption across diverse farming regions.