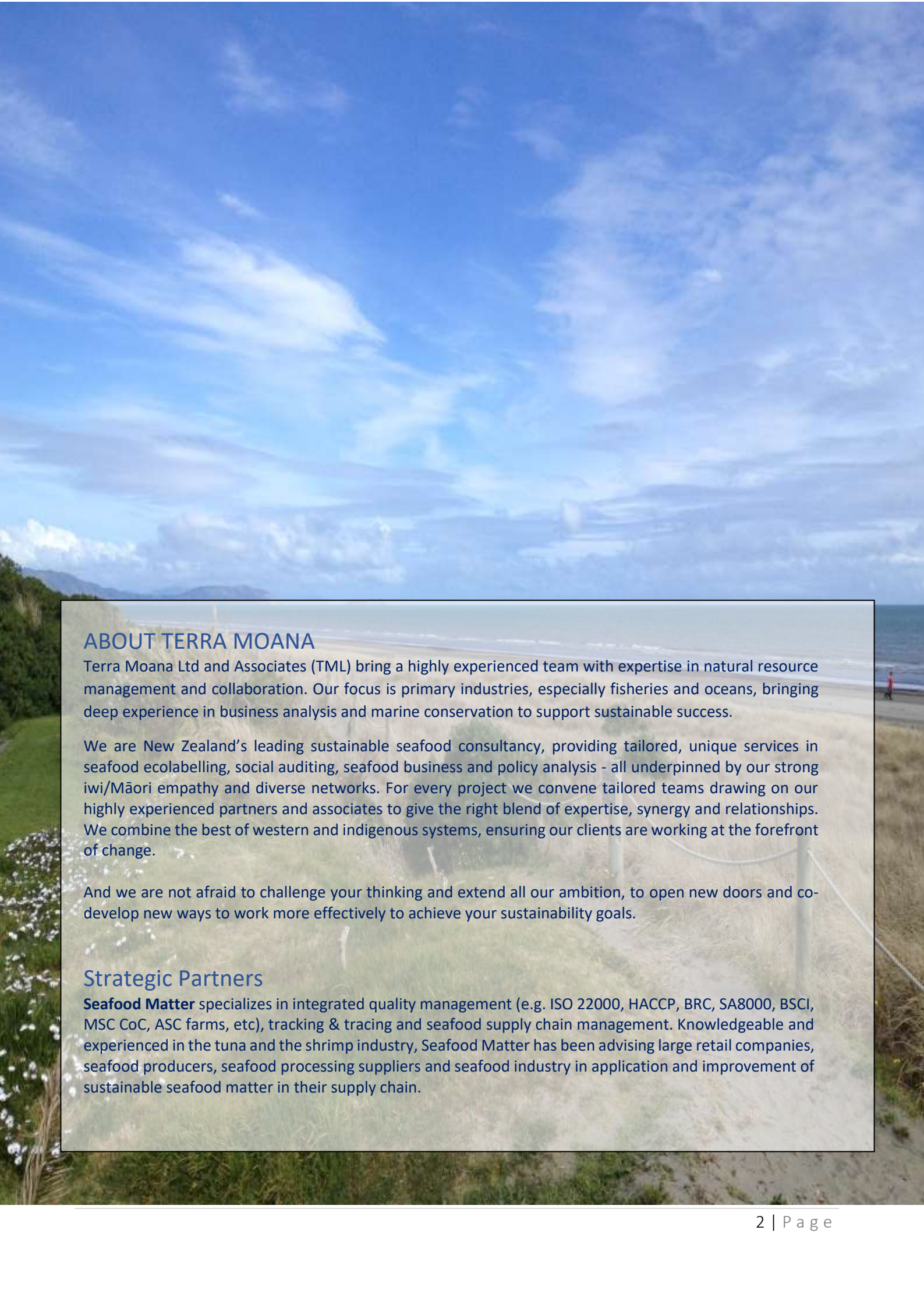# TERRA MOANA
natural capital know how

PHASE 2. AUSTRAL FISHERIES SOCIAL RESPONSIBILITY MANAGEMENT SYSTEM

REVIEW, ASSESSMENT AND VERIFICATION

Process and report by Terra Moana & Seafood Matter

May 2019

SEAFOOD MATTER

ABOUT TERRA MOANA

Terra Moana Ltd and Associates (TML) bring a highly experienced team with expertise in natural resource management and collaboration. Our focus is primary industries, especially fisheries and oceans, bringing deep experience in business analysis and marine conservation to support sustainable success.

We are New Zealand's leading sustainable seafood consultancy, providing tailored, unique services in seafood ecolabelling, social auditing, seafood business and policy analysis - all underpinned by our strong iwi/Māori empathy and diverse networks. For every project we convene tailored teams drawing on our highly experienced partners and associates to give the right blend of expertise, synergy and relationships. We combine the best of western and indigenous systems, ensuring our clients are working at the forefront of change.

And we are not afraid to challenge your thinking and extend all our ambition, to open new doors and co-develop new ways to work more effectively to achieve your sustainability goals.

Strategic Partners

Seafood Matter specializes in integrated quality management (e.g. ISO 22000, HACCP, BRC, SA8000, BSCI, MSC CoC, ASC farms, etc), tracking & tracing and seafood supply chain management. Knowledgeable and experienced in the tuna and the shrimp industry, Seafood Matter has been advising large retail companies, seafood producers, seafood processing suppliers and seafood industry in application and improvement of sustainable seafood matter in their supply chain.

Contents

1 Acronyms

ASC	Aquaculture Stewardship Council
BCG	Boston Consulting Group
CSRMPP	Corporate and Social Responsibility Manuals, Policies and Procedures
FTUSA	Fair Trade USA
GFSI	Global Food Safety Initiative
GSRA	Global Seafood Rating Alliance
GSSI	Global Sustainable Seafood Initiative
ILO	International Labour Organisation
ISSF	International Seafood Foundation Initiative
MBA	Monterey Bay Aquarium
MPPMS	Manuals, Policies, Procedures & Management System
MS	Management System
MSC	Marine Stewardship Council
NGO	Non-government organization
QMS	Quality Management System
SAI	Social Accountability International
SDG	Sustainable Development Goals
SOMO	Centre for Research on Multinational Corporations
SRMS	Social Responsibility Management System
SSCI	Sustainable Supply Chain Initiative
UNODC	United Nations Office on Drugs and Crime
WWF	World Wide Fund for Nature

2 Definitions

Blacklisting: Denying people employment for an explicit reason, such as political affiliation, involvement in trade union activity, or a history of whistle-blowing.

Child: Any person under the age of 18. (Source: UN).

Child labour: Work that is inappropriate for a child's age, affects their education, or, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children (e.g. heavy lifting disproportionate to a person's body size, operating heavy machinery, using dangerous equipment, night work).

Contract: a written agreement that is legally binding.

Contract substitution: When workers are obliged to accept different and worse contract conditions on arrival in the destination country to what they had been promised before departure. (Source: ILO).

Consent: when someone agrees, or gives permission, for something to happen.

Collective bargaining: a process where an organized group of employees negotiates terms and conditions with an employer.

Compliance (comply): non-compliance being in conformance with something; not being in conformance with something.

Crew: employees of the vessel company and anyone working on board the vessel inclusive of engineers, fishers, cooks, deckhands.

Disciplinary actions: a process that will be followed when an employee's actions or performance do not meet the standards expected.

Discrimination: Any distinction, exclusion, or preference made based on race, colour, sex, religion, political opinion, immigration status, national extraction, disability, family responsibilities, sexual orientation, HIV/Aids status, trade union membership, trade union activities, or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation.

Employed: Working for another party for payment of any kind, including indirect employment, for instance helping an employed worker to contribute to productivity earnings, and working for in-kind (non-cash) payment. A child working (paid or unpaid) alongside her relative is indirectly employed if that relative is employed. If the relative is not employed, for instance is working on their own farm or boat, a child working alongside that relative not considered employed.

Fish: A collective term that includes any species or sub-species of aquatic (marine, freshwater and estuarine) animal or plant. Does not include mammals, seabirds, or reptiles. (Source: FTUSA).

Fisher's work agreement: means a contract of employment, articles of agreement or other similar arrangements, or any other contract governing a fisher's living and working conditions on board a vessel.

Forced (Compulsory) labour: All work or service that is extracted from any person under the menace of any penalty for which a person has not offered themselves voluntarily or for which such work or service is demanded as a repayment of debt. "Penalty" can imply monetary sanctions, physical punishment, intimidation or punishment of family members, or the loss of rights and privileges or restriction of movement (e.g. withholding of identity documents).

Freedom of association: the right to gather in groups to protest, defend, negotiate, unionize or associate on a common issue without interference.

Freedom of movement: someone is permitted to move location of their own free will.

Grievance mechanism: A formal, legal or non-legal (or 'judicial/non-judicial') complaint process that can be used by individuals, workers, communities and/or civil society organizations that are being negatively affected by certain business activities and operations. (Source: SOMO). A formal process to raise a complaint, concern or issue.

Hazardous child labour: Work which exposes children to physical, psychological or sexual abuse; work

underground, under water, at dangerous heights or in confined spaces; work with dangerous machinery, equipment and tools, or which involves the manual handling or transport of heavy loads; work in an unhealthy environment which may, for example, expose children to hazardous substances, agents or processes, or to temperatures, noise levels, or vibrations damaging to their health; work under particularly difficult conditions such as work for long hours or during the night or work where the child is unreasonably confined to the premises of the employer. (Source: ILO R190).

Human trafficking: The recruitment, transportation, transfer, harboring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation (Source: UNODC 2013).

Health and safety: the consideration and actions taken to ensure places of work are sanitary, able to prevent accidents and safeguard the wellbeing of employees.

Inhumane treatment: not humane; cause of suffering, harm and devoid of compassion.

Lifesaving equipment: equipment that is used to rescue and assist persons.

Modern Slavery: In the context of this report, modern slavery covers a set of specific legal concepts including forced labour, debt bondage, forced marriage, slavery and slavery-like practices, and human trafficking. Although modern slavery is not defined in law, it is used as an umbrella term that focuses attention on commonalities across these legal concepts. Essentially, it refers to situations of exploitation that a person cannot refuse or leave because of threats, violence, coercion, deception, and/or abuse of power. For example, their passport might be taken away if they are in a foreign country, they might experience or be threatened with violence, or their family might be threatened. Different countries use different terminologies to describe modern slavery, including the term slavery itself but also other concepts such as human trafficking, forced labour, debt bondage, forced or servile marriage, and the sale or exploitation of children. These terms are defined in various international agreements (treaties), which many countries have voluntarily signed on and agreed to[1].

Medical equipment: equipment that is used in the treatment, diagnosis or monitoring of a person's health.

Minimum age for employment:

On-shore: 15 years of age, unless local minimum age law stipulates a higher age for work or mandatory schooling, in which case the higher age would apply. If, however, local minimum age law is set at 14 years of age in accordance with developing country exceptions under ILO convention 138, the lower age applies.

Off-shore: The minimum age for work on board a fishing vessel is 16 years of age, unless the competent authority has authorized a minimum age of 15 for persons who are (a) no longer subject to compulsory schooling as provided by national legislation, and who are engaged in vocational training in fishing or (b) performing light work during school holidays. (Source: ILO C188).

Personal Protective Equipment (PPE): Equipment worn to minimize exposure to workplace injuries and illnesses that may result from contact with chemical, radiological, physical, electrical, mechanical, or other workplace hazards (Source: US Department of Labour). It includes any item a worker needs to wear for their own protection. PPE may include but is not limited to clothing, footwear, eye protection, ear protection, gloves, masks, and personal flotation devices. (Source: FTUSA).

Repatriation: the transportation of an employee from the place of a vessel that they are working on back to their home or a specified location on land.

Resignation: when an employee willingly submits a request to terminate their contract.

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[1] https://www.globalslaveryindex.org/

Risk: something that could pose a threat, hazard or danger.

Risk assessment: an evaluation that investigates potential risks in the workplace.

Skipper: means the fisher having command of a fishing vessel.

Unique vessel identifier (IMO): a number that is exclusively created for a vessel when it is constructed that stays with it to the time that it is decommissioned and dismantled.

Worker: Any permanent, part-time, and temporary/seasonal personnel employed on a farm or vessel, including directly contracted workers, subcontracted workers, and those earning based on a share of production or catch.

Young worker: Any person who has attained the minimum age for employment, as defined above, but is younger than 18 (or the age of legal adulthood as defined by national law, if higher).

3   Executive Summary

Austral Fisheries and its fleet / subsidiaries, hereafter referred to as Austral, are committed to the safe and fair treatment of personnel. A credible improvement path began mid-2016 with a risk assessment of the social conditions on board undertaken by Terra Moana and Seafood Matter. Austral aims to maintain its place as a globally leading, transparent and sustainable seafood company adhering to and where necessary, further developing the full range of sustainable seafood policies, tools, procedures and practices.

Recognising international best practice arrangements were mainly based on shore-based factories and not at-sea fishing operations, Austral engaged Terra Moana and Seafood Matter to conduct and provide a desk-top review, and recommendations.   That report was provided in November 2016 and identified the need to encapsulate Austral's 'actions' into policies and procedures that were readily available and demonstrable for their crews, and to provide clarity for internal and third-party auditors, should they pursue that approach.

Following two years of revisions to Austral's internal processes, Terra Moana and Seafood Matter were re-engaged to review Austral's operations against international social accountability indices, perform training for Austral personnel as internal auditors and conduct on-vessel audit including interviewing crew and reporting on any opportunities for improvement.

In the intervening years, an additional international best practice guideline was released by non-government organisations called the Framework for Social Responsibility in the Seafood Sector (Certification and Ratings Collaboration, Jan 2018).   To include this and provide a methodical assessment framework, Seafood Matter and Terra Moana Ltd developed a unique Seafood Sector Social Footprint Scoring Framework with which to assess Austral's operations in this second review. To our knowledge, there are no other vertically integrated seafood companies yet assessed against all these measures in this integrated manner.

A significant Austral framework for social accountability, it's Social Responsibility Management System (SRMS) has evolved and now includes a full suite (70+) of Corporate and Social Responsibility Manuals, Policies and Procedures i.e. it's management system (MS) (Manuals, Policies and Management System (MPMS), see Appendix 2). Austral's codes of conduct for labour on board and their sub-clauses have been tailored to apply to fishing vessels to reflect the unique conditions of working at sea. Austral's intention is that their implementation will provide guidance to fishing vessel crew to improve the labour and working practices across the fleet.

Furthermore, exemplifying Austral's commitment to sustainability, social justice leadership and innovation and to demonstrate transparency, their use of blockchain technology was showcased at the World Economic Forum in Davos, Jan 2019. These are underpinned by this Phase 2 review, assessment and report whereby Terra Moana and Seafood Matter updated the unique Seafood Sector Social Footprint Scoring Framework developed for Austral in 2016 and re-assessed Austral's policies and procedures. An on-board vessel assessment and audit occurred in March along with internal personnel training and capability building.

> Furthermore, in making this report public, and with respect to social conditions on-board, Austral is going above and beyond what is currently required in any customer relationship, legislation or global agreement *and* Austral is the only seafood company globally currently doing so.

The Scoring Framework, capability building, and report underpin recommendations from Terra Moana and Seafood Matter to Austral to continue to deepen the company's social responsibility practice within its direct operations and subsequently within its supply chain. Austral will continue to audit, review, and enhance its programs and strive to ensure that its values of safety, teamwork, transparency, authenticity, understanding, leadership, attitude, and respect remain as central elements of the values it applies to its workers and workplace.

Seafood Matter and Terra Moana Ltd are confident that Austral remains committed to ensuring the highest possible standards of social conditions for their crews, as assessed and rated against international best practice. Austral have confirmed that they will again use this second report as a benchmark for further progress.

"Just having put ourselves through this process over the last two years has created positive change within Austral."

Martin Exel, General Manager Environment and Policy

3.1 Recommendations:

Note: In any assessment risk exists that some issues may not have been detected due to the limitation of getting verifiable evidence, and which may be identified in future assessments. The analysis only highlights examples and other areas may arise to be explored further, checked for problems and corrected as necessary.

The foundation to effectively combat human trafficking in the seafood supply chain is to create and develop strong management systems with the right policies and procedures. Placing clear expectations in contracts and other supplier agreements, at least one step along the supply chain, is essential to change behavior throughout Austral's supply chain and Austral must model their expectations of supplier and subcontractor interactions. In tandem through Austral creating a Social Responsibility Management System (SRMS) to implement its Social Responsibility Policy, Austral will be meeting the increasing demands of their premium markets to improve working conditions.

From this second review we recommend that Austral Fisheries:

1. Review the Austral Social Responsibility Management System (SRMS) Scope to describe the extent of the scope and ensure crew (via partnership arrangements) on-board are appropriately inducted to understand the company policies.

2. Incorporate in the relevant Austral Manuals, Policies and Management System:
   a. the types of assessment that can be carried out for different stakeholders and levels of audit.
   b. the ethical business components assessed with the benchmark labour assessment tool because of the high level of alignment and to increase the follow up of ethical business.
   c. a definition section of related terms for labour and crew welfare that are commonly used in all Austral social policies, manuals and procedures.

3. Describe how Austral will map the first level of services providers and/or subcontractors to assess the Austral social policies and procedures against the subcontractor components.

4. Ensure Austral's key personnel, responsible for the Social Responsibility Management System, undergo training. This may be aided by establishing an internal working group. Seafood Matter in conjunction with Terra Moana Ltd can advise options, including developing tailored training (and materials) given there are not yet commercially available SA compliant training options for fishing operations. This would be a sector leading initiative.

5. Provide personnel working in Austral operations (and its supply chains) with access to an independent, confidential mechanism to air their concerns about modern slavery risks with no risk or fear of retribution.

6. Code each form, procedure and manual. Currently documents are aligned with ISO9001 and include review version, responsible, prepared by, effective date, reviewed. Add a document code to locate the manual, policy or procedure. A code accompanied by a short descriptive statement provides an evidence reference instead of writing the entire name of the document. For instance:

   Name of the document: Austral Anti-harassment and Anti-discrimination procedure, version 2.0
   Document code: **AHADP 001 V2.0** – This is the ISO9001 guidance for document codification.

7. Address the non- vessel audits conformances summarised below:

As a result of the onsite labour onboard audit the Seafood Matter lead auditor raised the following:

Non conformity (NC) degree	Quantity	To be addressed
Major	2	12 months
Minor	0	
Opportunity for Improvement (OfI)	4	12 months*

If Austral decides to adopt it

Austral Fisheries were informed about the NCs during the Closing Meeting. Only Opportunities for Improvement (OFI) were communicated due to overall time constraints to assess and inform. The Major NCs were not communicated during the closing meeting. It is important to note that the two (2) Austral trainee internal auditors were informed about these findings during the tour around the two (2) F/V.

Social Fingerprint Scores

2016 Score

Social Indicators

2019 Score

Social Indicators
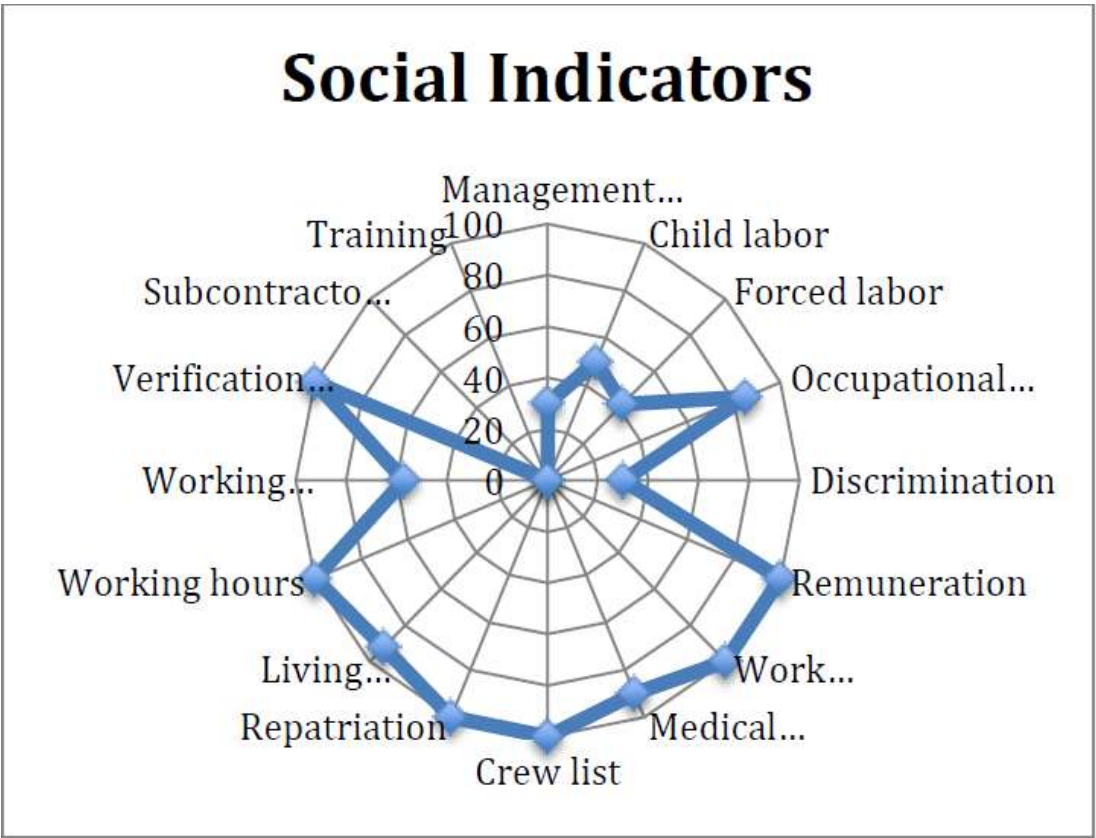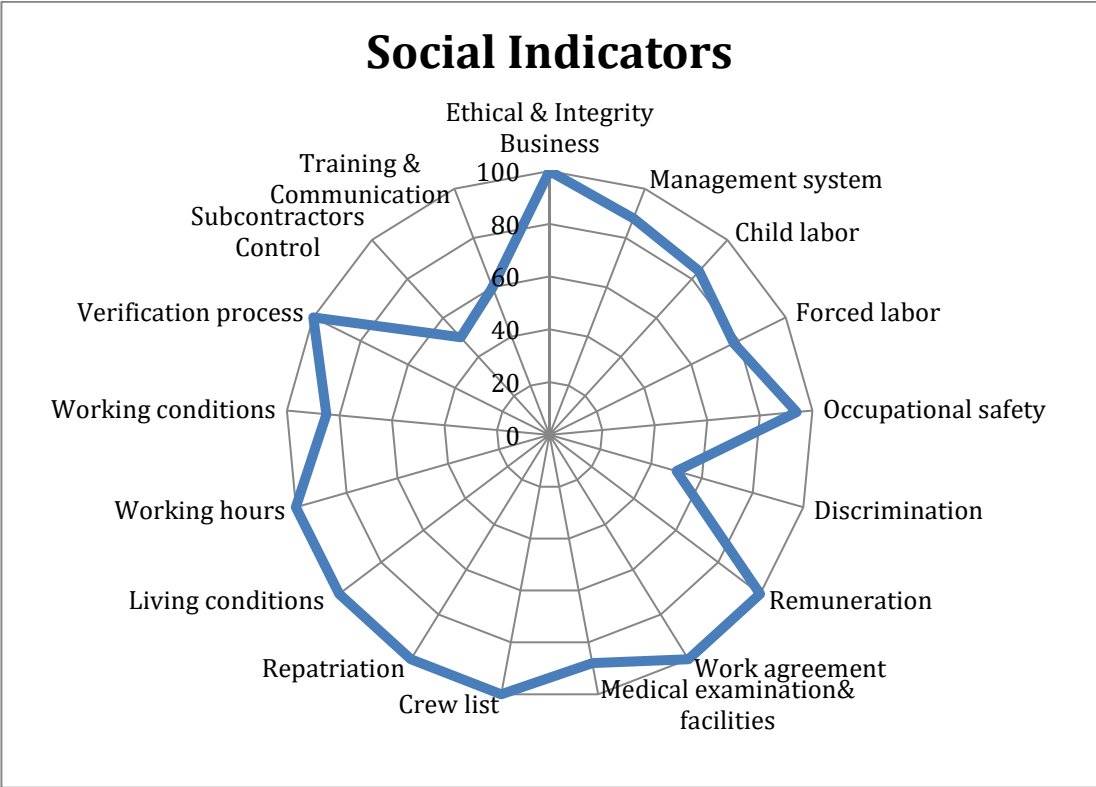
4 Caring for Austral's People

Austral Fisheries Pty Ltd (Austral) is committed to supporting the eradication of modern slavery and slave-like conditions in global supply chains. This includes human trafficking, forced labour and child labour. Austral is committed to promoting ethical and lawful business practices with all business partners, including employees, crew via partnership arrangements, customers and suppliers in compliance with International Labour Organisation (ILO) conventions and relevant Australian legislation and regulations.

In relation to eradicating modern slavery, the purpose of this policy, and supporting procedures, are to:

- Ensure Austral conducts all business operations to give effect to, and comply with, relevant international conventions, and Australian laws and regulations enacted (along with those in development), to eradicate modern slavery and the exploitation of workers in slave-like conditions.
- Ensure that management and all personnel are aware of Austral' s obligations and responsibilities in company operations and in its supply chains.
- Ensure organisations within Austral's supply chains are aware of their ethical obligations and responsibilities.
- Outline a risk assessment framework for identifying risks within Austral's operations and supply chains.
- Outline methods to investigate and manage any non-conformance with this policy and its supporting procedures within Austral's operations and supply chains.
- Establish a framework for transparency, including reporting modern slavery risks to the relevant reporting body as required under the new the *Modern Slavery Act 2018 (Cth).*

Austral commits to actively assess modern slavery risks within its operations and supply chains through annual internal audit undertaken by the Human Resources Manager against Australian laws and international conventions enacted and established to eradicate modern slavery, slave-like conditions, human trafficking and the exploitation of women and children. From time to time, as determined appropriate, Austral may verify internal audits through third-party audit of its operations, policies and procedures. Furthermore, over time Austral will transparently report its progress in maturing up the SAI Social Maturity Index.

Modern slavery risks within Austral's supply chain shall be assessed by requiring suppliers to complete both checklists assessing their modern slavery risks *(Modern Slavery Checklist for Austral's Supply Chain* and signed declarations *Human Rights Compliance Form)* demonstrating their commitment to help eradicate modern slavery, slave-like conditions and human trafficking. Austral also retains the right to require organisations within its supply chain to verify their compliance with relevant modern slavery legislation and conventions, through third party audit of their operations.

Any identified modern slavery risks shall be treated as an incident and investigated in accordance with the *Austral Fisheries Incident Reporting and Investigation Standard ST 002.*

Suppliers

Austral values and seeks to work with existing and future suppliers who commit to and conduct business with the same ethical integrity, and who ensure that their workplace practices and those of their suppliers:

- Do not make use of slave labour, illegal child labour or forced labour;
- Provide voluntary terms of employment;

- Adhere to all applicable local legislation and regulations in relation to employment including ensuring that the age of employment for all employees and/or crew via partnership arrangements is verified and in compliance with the relevant legislation.

Austral's *Modern Slavery Policy and Procedure* requires all suppliers to demonstrate compliance with it. Austral has made it clear that it may request periodic checks or to conduct independent investigations to verify that its suppliers meet these obligations, and that they will evaluate and address any risks of slavery and human trafficking.

Any claim or indication that a supplier is engaged in slave or child labour or human trafficking will be promptly investigated. Where an investigation confirms that a supplier has engaged in slave or child labour or human trafficking, or where a supplier has been successfully prosecuted for such offences, Austral reserves the right to terminate any existing contracts or arrangements with the offending supplier with no penalty, loss or damages payable by Austral. Austral also reserves the right to provide time for the supplier to rectify the problems and will require that supplier to operate under random audit conditions for a period of time to ensure their rectification.

Building the Social Responsibility Management System of Austral Fisheries

- 2020 Public Report of progress
- 2020 Third Party Audit
- 2019 Second Party Audit

Improved transparency; confirmation of ethical business practices in labour issues.

- 2019 Management system review (annual)
- 2019 Internal audit (annual)
- 2018 Implementation via communication
- 2018 HR Audit Report
- 2018 Policy, procedures and systems

Set up a robust and verifiable management system and undertake on board assessments.

- 2016 Terra Moana & Seafood Matter Gap Analysis

Labour policies and procedures pre-assessment.

By 2020 Austral Fisheries Social Responsibility Management System will be at least at level # 4 across the business.

5	Developed and implemented mature management system with continual improvement of the system
4	Developed management system, implemented consistently and regularly
3	Developed management system, but not fully implemented
2	Partially developed management system, but implementation is reactive, inconsistent and mostly ineffective
1	No awareness of SA8000 or any system in place to manage social performance

Social Accountability International Social Fingerprint Maturity Index

6   Introduction

Globally fishing vessels and fleets are the foundation of the wild capture-based seafood industry. Making sure that seafood comes from supply chains that are free from forced labour, slavery, slave-like conditions, human trafficking, the exploitation of women and children, discrimination and other welfare concerns is a priority for the responsible commercial sector. In recent years, reported incidents in the seafood industry internationally have instigated sectoral discussions and initiatives to prevent human rights infringements and to establish decent working conditions on board fishing vessels. Seafood operations are also under increasing scrutiny of their labour practices from non-government organization (NGO) advocacy and supply chain customers, particularly those in premium markets.

Responding to this as well as increasing scrutiny from shareholders, stock-markets and other financial entities, responsible seafood companies are increasing their levels of transparency including annual reporting using leading frameworks such as the Global Reporting Initiative and International Integrated Reporting Council. These enable companies to internally capture and synthesise data, summarise and communicate a one-stop-picture of all improvement processes, including demonstrate delivery to the Sustainable Development Goals if so desired.

In 2018 Australia had been scored a High Risk by the Monterey Bay Aquarium (MBA) Slavery Risk assessment because Australia has not ratified ILO Convention Number 138 on minimum age for admission to employment. The MBA assessment was changed to Low Risk[2] following review by the MBA team as it confirmed that Australia had enacted and brought into force equivalent national legislation to prohibit non-hazardous work on board vessels before 16 years old, and hazardous work before 18 years old. The Australian legislation is consistent with ILO Convention 188 on Work in Fishing provisions on minimum age and thus satisfies the intent and content of ILO Convention 138. Australia also has legislation to prohibit and criminalize forced labour and human trafficking and it is generally enforced although there are significant challenges around victim identification and protection according to the U.S. Department of State.

The need to prove that Australian legislative provisions at least met, and in many cases exceeded international Conventions, demonstrated to Austral the need to be able to verify that Austral fulfils the required labour practices under Australian law, and that it can demonstrate consistency with international Conventions.

In November 2018, Austral sought to undertake phase two following the 2016 Gap Analysis which includes a benchmark assessment against:

- i.) Formal social responsibility guidelines,
- ii.) ILO conventions, and;
- iii.) other relevant social standards,

This culminated in having an internal audit tool (Seafood Sector Social Footprint Scoring Framework) developed by Seafood Matter and Terra Moana Ltd which can be used in the audit of at least one Austral

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[2] http://www.seafoodslaveryrisk.org/profiles/?q=Australia

fishing vessel and to provide a framework for training Austral staff.

Furthermore, this project provides guidance, support and capability building for Austral to be able to implement an internal audit program and train internal auditors to assess labour on-board practices. This is key to fully internalise and sustain the Social Responsibility Management System over time.

7   Context Update

Since the 2016 review of Austral's operations the context for social responsibility in seafood has continued to rapidly evolve around the world. Below are the key developments internally within Austral, Seafood Matter and Terra Moana Ltd, and externally.

7.1   External

- The NGO Certification and Ratings Collaboration has released a "Framework for Social Responsibility in the Seafood Sector" (See detail in Section 12.). This unites the global programs of the Aquaculture Stewardship Council, the Marine Stewardship Council, Fair Trade (USA), the Monterey Bay Aquarium Seafood Watch program, and the Sustainable Fisheries Partnership, and is designed to coordinate tools and increase impact.

- The NGO Global Seafood Rating Alliance (GSRA) was established in 2016 to create consistency across each organizations' individual methodology and is developing guidelines for core elements/principles which must be considered when evaluating the environmental performance of both wild and farmed products. Next it will develop element performance thresholds and process requirements. Ultimately, the Alliance aims to pursue a Global Seafood Sustainability Standard (common methodology) which accommodates the unique regional and/or cultural considerations.

- The Marine Stewardship Council has decided to incorporate social requirements related to child and forced labour, as part of its assessments of sustainability.

- Other than Fair Trade which is set up more for artisanal scale operations, no globally accepted social responsibility certification program or brand exists for social issues on-board fishing vessels.

- The Sustainable Development Goals #8 (Decent Work) and #14 (Life Under Water) are now the highest-level globally agreed political agenda for social conditions in sustainable seafood operations.

- The seafood sector Sustainable Supply Chain Initiative joined the Global Sustainable Seafood Initiative to launch a Social and Labour Benchmark Tool to assess fishery standards and fishing operations.

- Leading responsible seafood companies demonstrate their sustainability credentials through using Integrated Reporting to transparently report progress against their objectives.

- the Social Accountability International (SAI) Social Fingerprint (see Section 12) evaluation tool has an approach to evaluate maturity (Figure 1.). This highlights critical social performance continuous improvement areas and enables assessors and business owners to understand where they sit on the journey. SAI is the official holder of the SA8000 standard, which is the leading social certification standard for factories and organizations globally. This means that there are several elements which would not apply to fishing vessel operations.

5	Developed and implemented **mature management system** with **continual improvement** of the system	
4	Developed management system, implemented **consistently and regularly**	
3	Developed management system, but **not fully implemented**	
2	Partially developed management system, but implementation is **reactive, inconsistent** and mostly **ineffective**	
1	No awareness of SA8000 or any system in place to manage social performance	

Figure 1: SAI Social Fingerprint Maturity Index

7.2   Internal - Seafood Matter and Terra Moana

Seafood Matter's Principle Marcelo Hidalgo is at the leading edge of advancing seafood social accountability internationally through currently being:

- on the Marine Stewardship Council (MSC) Labour Working Group,
- the Aquaculture Stewardship Council (ASC) Standards Coordinator;
- on the Thai Seafood Taskforce verification group on behalf of ASC, and,
- on the Sustainable Supply Chain Initiative (SSCI) Labour Issues Stakeholder Working Group (harvesting, processing and retailing).

Furthermore, in 2017 Marcelo served as an Expert member in evaluating social conditions in the Global Sustainable Seafood Initiative (GSSI). In 2018, he audited 3 tuna purse seiners (Taiwanese and North American flags) at Port of Kaohsiung, Taiwan against human rights, IUU and labour conditions on-board indicators.

The assessment, benchmark and audit capability building tools (the Seafood Sector Social Footprint Scoring Framework) developed for Austral in this Phase 2 are entirely unique and world-leading due to Marcelo's exposure to leading edge seafood social accountability and Terra Moana's sustainable seafood advisory capability including the NGO Ratings Collaboration *Framework for Social Responsibility in the Seafood Sector*. To our knowledge, there are no other vertically integrated seafood companies yet assessed against all these measures in this manner. Thai Union's system comes close, but they do not operate fishing vessels. Consequently, we urge that Austral carefully consider developing tailored and proactive outreach and communications, including capability building of any key partners and/or audiences to ensure understanding of Austral's commitment and leadership in this space and to encourage others to similarly promote the safety and well-being of all labour involved in the seafood sector.

7.3   Internal - Austral

Austral has thoroughly reviewed its policies and procedures and has:
- Identified and acknowledged system gaps, devised and begun implementing remediation strategies.
- Prepared over 70 separate policies enshrining existing and updated Austral practices addressing social responsibility for employees, contractors, crew (via partnership arrangements), sub-contractors and others.
- Developed a positions matrix and evaluated relevant role remuneration throughout the organisation across its vessels, to ensure that everyone is fairly recompensed, at levels at least above their country of origin minimum living wage.

- Evaluated alternative mechanisms to demonstrate its commitment to socially responsible practices at all company levels.
- Enhanced its traceability and transparency in all aspects of its catching, processing and sale of seafood products including trialling blockchain.
- Continued its commitment to the highest level of sustainable fishing in all business aspects and maintained their use of independent, third party fisheries certification to ensure demonstrable adherence to company principles.
- Developed clear organisation values statements through a comprehensive process of engagement with employees, and the initial distribution and discussion of those values throughout all sectors of its business, including vessel crew (via partnership arrangements).
- As noted on page section 7, Austral, along with the Australian government and peak seafood industry body (Seafood Industry Australia), successfully engaged the Monterey Bay Aquarium Seafood Watch program to correct their rating of Australia's Seafood Slavery Risk.
- Increased the level of assessor quality control as outlined in ISO17065 by addressing their competence, qualifications and product delivery quality control.
- Demonstrated their continued global sustainable seafood leadership (including social responsibility, sustainability, traceability, carbon neutral elements) at the 2019 World Economic Forum in partnership with the World Wide Fund for Nature (WWF) and the Boston Consulting Group (BCG), particularly highlighting their toothfish block-chain traceability trials and platform development to track fish products from capture to plate.

Austral, Terra Moana, and Seafood Matter all recognise that becoming a credible, demonstrably ecologically and environmentally sustainable, and socially responsible business is a journey. Austral has many strategies in place and underway to do so, including third party certification (e.g. MSC) and government certification such as Carbon Neutral status under the Australian National Carbon Offset Scheme.

8   Phase 1 Recap

This 2016 project reviewed Austral's operations against the formal standards under ILOC188, ILOC183, SA8000 as well as the emerging context for e.g. where the Marine Stewardship Council was considering whether to enter the social standards arena as well as the many NGO social condition advocacy programs. A unique and leading-edge "Seafood Sector Social Footprint Scoring Framework" was developed incorporating these. Austral's 2016 baseline score is represented in Figure 2. and was accompanied by a detailed commentary in the 2016 report. Overall Austral was found to be a 1/5 (on the SAI Maturity Index) and was advised that it could be moved to at least 4/5 if key elements were implemented, such as incorporating 'standard practice' into formal written procedures and policies. Furthermore, Austral had key internal queries related to appropriate remuneration levels and sought independent guidance and analysis from Seafood Matter and Terra Moana Ltd which was provided.
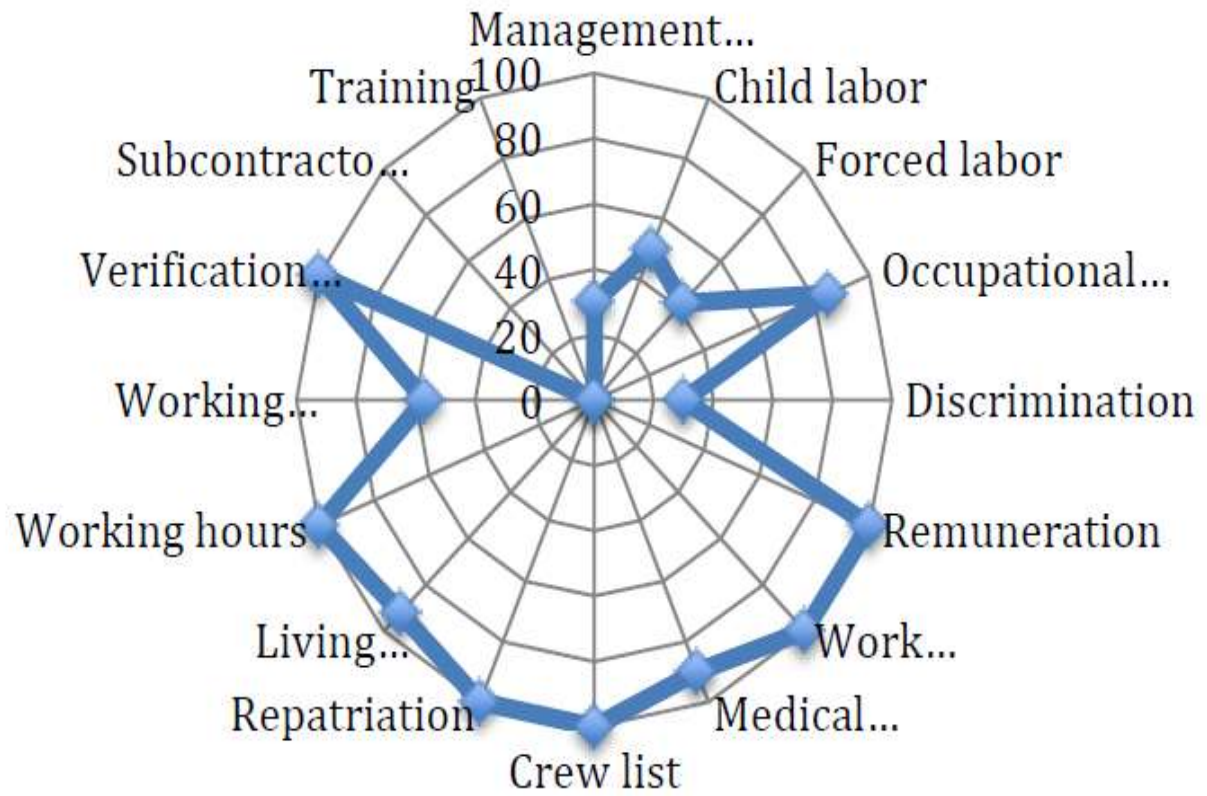
Figure 2: Initial Social Footprint 2016

Phase 1. Summary Recommendations:

1. Develop and implement a **Social Responsibility Management System** that shall include an **auditable Social Responsibility Policy** addressing child labour, discrimination, disciplinary, subcontractor and forced labour.

2. Carry out an **occupational safety risk assessment** to identify any risks not yet managed and to assess the level of effectiveness of the currently implemented systems.

3. **Improve worker agreements** in terms of how they are communicated to workers, especially in providing agreement in crew languages to ensure crew are informed on-board about their rights and obligations within the company.

4. Establish a **wage policy**, including reviewing crew home country minimum and living wages.

5. Ensure the **Social Responsibility Management System** extends to subcontractors and sub-suppliers given under SA8000, companies must monitor suppliers, subcontractors and sub-suppliers to ensure they also address and move toward compliance with SA8000. Initially, the company may focus on the qualifications and performance of primary suppliers and subcontractors and those where it has a significant amount of control or influence. It is important to seek evidence that those procedures are used and show progress over time. Written commitment is only one indicator of supplier, subcontractor and sub-supplier willingness to comply with the standard. The company should also have criteria and concrete measures to monitor and evaluate actual performance.

6. Ensure Austral's key **personnel** responsible for the Social Responsibility Management System **undergo training**. This may be aided by establishing an **internal working group**. Seafood Matter in conjunction with Terra Moana Ltd can advise options, including developing tailored training given there are not yet commercially available SA compliant training options for fishing operations. This would be a sector leading initiative.

7. We strongly recommend Austral crosscheck the 16 indicators on site by carrying out an audit to re-assess all indicators and obtain a score that more accurately reflects the actual working conditions of the crew and the fleet. Given Austral has 3 vessels, one vessel and her crew onboard are enough for accurate sampling.

9 Phase 2 2018 Review Objectives

Objective 1: Assess the level of implementation of Phase 1 Recommendations – desk based.

a) Review the current Austral Manuals, Procedures and relevant Management Systems (MPMS[3]) and compare with ILOC188, ILOC183, SA8000, MSC labour standards and the NGO Certification and Ratings Collaboration Framework. This review will include worksheets, procedures, manuals, policies, management systems and any relevant documentation developed for Austral about labour on board and crew welfare.

b) Produce a succinct Gap Analysis Report (this report) of what is *not* included in the Austral MPMS in relation to Phase 1 recommendations and evolving best practice since.

Note: Appendix 1. contains the full Objectives and Approaches for this Phase 2. Project.

9.1 Scope

This report documents a desktop assessment of Austral's toothfish fleet crew (via partnership arrangements) conditions only, not any commercial or business content and reviewed:

- ✓ information provided by the client,

- ✓ guidance for personnel,

- ✓ relevant social accountability standards applicable to the fishery,

- ✓ Austral Manuals, Policies, Procedures and Management Systems

- ✓ The NGO Certification Ratings and Collaboration for Social Responsibility in the Seafood Sector

- ✓ conformance with key social principles and criteria for on-board labour practices.

Note: the on-board audit in March 2019 is reported upon separately to Austral.

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[3] Noted as SRMS and MPMS in this report.

10 Assessment Types

10.1 Internal Audit (Self-Assessment)

Internal audit is an independent, objective assurance activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Key advantages to doing this are:

1. preparing for a third-party audit and for the company to start to address any identified non-compliances before such an assessment occurs;

2. demonstrating performance against the Austral MPMS to any key stakeholders.

3. the results of internal audits raise awareness and increases Austral's ability to control its key performance indicators in relation to human and labour rights.

4. demonstrating continuous improvement.

To be effective, the internal audit must have qualified, skilled and experienced people who can work in accordance with Austral's Code of Ethics and MPMS.

The internal audit checklist is not designed to replace a third-party audit rather it provides a guide to identify progress towards achieving goals, along with any prominent non-compliances against the Austral MPMS which would need to be addressed before contracting a third-party audit.

10.2 Second-party

A second-party audit is when a company performs an audit of a supplier to ensure that they are meeting the specified contract requirements. These requirements may include special control over certain processes (labour conditions, freedom of movement), requirements on traceability of parts (knowing which parts are used in which products), requirements for special cleanliness and hygiene standards, requirements for specific documentation, or any of many other items of special interest to that customer. These audits can be done on-site, preferably when the fishing vessel is in port by reviewing the processes on-board and through interviews. Key documents including Austral policies should be submitted to its clients/buyers by email. The client can audit all or part of the contract – whatever they see a need to audit. It is important to understand that a second-party audit is between the client and the supplier and is not a certification.

It can be deemed that second-party audits are not necessary once a company is certified to a labour standard by a certification body, however this is not necessarily true. Even if a fishing company is certified by a third-party audit, key customers and clients may still want to perform a second-party audit to understand how elements of their contract are being implemented by the fishing company. For example, some of Austral's United States customers currently require that Austral prove that it is not using slave labour. Austral currently provides its policies and procedures but could also provide this report in the future. Austral is developing a summary Social Responsibility Statement, *Austral Cares* which will reference the relevant coded documents, procedures, IMO vessel numbers, Australian law requirements etc.

10.3 Third-party audit

Third-party audit is when an organization contracts an independent third-party auditing body to assess their operations against a standard. For instance, MSC is third-party and increasingly this approach is expected amongst premium seafood supply chains. The International Seafood Foundation Initiative (ISSF) has developed their own policies for ISSF members. In order to evaluate the member's compliance against the ISSF policy, ISSF contracts the services of certification bodies or third-party auditing bodies to assess the ISSF policy. ISSF makes public the third-party audit reports and results as part of the transparency policy.

Given the independence and rigor of third-party audit, it is advisable that Austral commissions a rolling program of independent third-party auditing of its fishing vessels or fleet.

Audits would be completed in accordance with industry best practice standards and result in an audit report that will assess compliance of the vessel(s) with the Austral MPMS and evaluate whether an improvement program needs to be initiated. The presentation format of the audit results would enable the vessel(s) to readily understand the proposed corrective actions that they would be required to complete under an improvement program, in agreement with the auditor. These corrective actions would have the expected timescales of completion outlined and agreed. Individual vessel audit results will be kept confidential between the vessel Captain, the auditors and Austral and, only aggregated and anonymized audit results would be shared publicly, in agreement with Austral.

11 Methodology

The first 2016 review produced an initial assessment of Austral's position with respect to international guidelines and standards. Then Seafood Matter and Terra Moana developed a unique, leading-edge Seafood Sector Social Footprint Scoring Framework which has been updated for the 2018 review to include the new NGO Certification and Ratings Collaboration Framework for Social Responsibility in the Seafood Sector.

11.1 Benchmark Tool

The revised 2018 Seafood Sector Social Footprint Scoring Framework uses two benchmarking tools for labour and social responsibility and was developed collaboratively using criteria agreed with Austral to collect, record and assess current worker and working conditions on-board the Southern Ocean fleet against international criteria.

The tool was used to assess the 77+ Austral Policy, Manuals and Management Systems developed before, during and after the 2016 review, of which at least 10 are specifically for vessel operations. These were evaluated against more than 170 indicators in the Seafood Social Footprint benchmark tool. This updated framework enables an apples-with-apples comparison.

The forthcoming on-board audit will enable the findings to be verified and explored further through checking operational conformance against Austral's policies, manuals and procedures.

This unique benchmark tool draws on the relevant ILO and the SA8000 standard and has the same structure and base as the benchmark tools used by the:

1. Global Sustainable Seafood Initiative – https://ourgssi.org/ GSSI assesses sustainable standards against the sustainable impact and scope.

2. Global Food Safety Initiative – https://www.mygfsi.com/ GFSI assesses food safety standards against

the food safety and processing

3. Sustainable Supply Chain Initiative –
   https://www.theconsumergoodsforum.com/initiatives/sustainable-supply-chain-initiative/ SSCI
   assesses social responsible standards against the best practices for labour and human rights

11.2 Personnel Involved

- Martin Exel – Austral Fisheries, General Manager Environment and Policy
- Lesley Leyland – Austral Fisheries, Human Resources Manager
- Marcelo Hidalgo – Seafood Matter, subject matter expert social aspects and sustainability.
- Katherine Short – Partner, Terra Moana Ltd, sustainable seafood adviser.
- Tony Craig - Partner, Terra Moana Ltd, sustainable seafood adviser.
- Karen Lo - Business Manager, Terra Moana Ltd.

11.3 Documents Provided by Austral for Review (for full list see Appendix 2)

1. Organizational development - HR/HI Audit report, June 2018 (based on Fair work act 2009).
2. Recruitment and Selection (5 documents)
3. Employment Conditions & Industrial Relations (12 documents)
4. Leadership & Performance Management (4 documents)
5. Culture & Retention (10 documents)
6. Learning and Development (4 documents)
7. Remuneration & Reward (3 documents)
8. Health and wellbeing (3 documents)
9. Payroll and Administration (3 documents)
10. Modern Slavery Policy and Procedure
11. Corporate Social responsibility Policy and Procedure
12. Vessel Safety Management System Manuals: Isla Eden, Atlas Cove and Corinthian Bay

12 International Agreements, Guidelines, Ratings Collaboration and Standards

The 29 international labour conventions and protocols listed below are part of the NGO Seafood Rating Collaboration and the SA8000 Social Accountability Standard that were used to assess and evaluate the current Austral SRMS. In some instances, the exact definitions and phrasing from these internationally-agreed documents are used. However, because many of these documents are designed for use by governments, some adaptation of the concepts to the fishing operational context was needed.

- ILO core conventions (Declaration on Fundamental Principles and Rights at Work): Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)

- Right to Organise and Collective Bargaining Convention, 1949 (No. 98)

- Forced Labour Convention, 1930 (No. 29)

- Abolition of Forced Labour Convention, 1957 (No. 105)

- Minimum Age Convention, 1973 (No. 138)

- Worst Forms of Child Labour Convention, 1999 (No. 182)

- Equal Remuneration Convention, 1951 (No. 100)

- Discrimination (Employment and Occupation) Convention, 1958 (No. 111)
- ILO General principles & operational guidelines for fair recruitment, 2016
- ILO Work in Fishing Convention, 2007 (No. 188)
- ILO Maritime Labour Convention 2006 (No. 186)
- ILO Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143)
- ILO Protocol of 2014 to the Forced Labour Convention, 1930 (P029)
- ILO Recommendation Concerning the Prohibition and Immediate Action For the Elimination of the Worst Forms of Child Labour, 1999 (No. 190)
- ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, 2017
- International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, 1990
- International Covenant on Civil and Political Rights, 1966
- International Covenant on Economic, Social and Cultural Rights, 1966
- FAO Code of Conduct for Responsible Fisheries, 1995
- UN Convention on the Elimination of All Forms of Discrimination against Women, 1979
- UN Convention on the Rights of the Child, 1990
- UN Declaration on the Right to Development, 1986
- UN Declaration on the Rights of Indigenous Peoples, 2007
- UN Declaration on the Rights of Persons Belonging to National or Ethnic, Religious, and Linguistic Minorities, 1992
- UN Guiding Principles on Business and Human Rights, 2011
- UN Universal Declaration of Human Rights, 1948
- UN Protocol to Prevent, Suppress, and Punish Trafficking in Persons Especially Women and Children, 2003
- SA8000 Social Accountability Standard
- Framework for Social Responsibility in the Seafood Sector: Seafood Certification and Rating Collaboration, 2018

The Certification and Ratings Collaboration Framework for Social Responsibility in the Seafood Sector

Established in 2015, the Certification and Ratings Collaboration is an effort among five global non-government organization seafood certification and ratings programs to increase efficiency, address challenges, and help more fisheries and fish farms achieve environmental sustainability and social responsibility. The participating organizations are the Aquaculture Stewardship Council, Fair Trade USA, Marine Stewardship Council, Monterey Bay Aquarium Seafood Watch, and Sustainable Fisheries Partnership.

One of the main activities of the Collaboration has been developing a framework to help the seafood industry define seafood sector social responsibility. While there is a good shared understanding of the core elements of environmental sustainability in seafood, the issues of human rights, working conditions, and socio-economic responsibility are relatively new for many stakeholders. Firstly, in developing their framework the Collaboration reviewed the relevant tools and initiatives being used to improve social responsibility in seafood supply chains and interviewed NGOs, buyers, and government agencies to understand issues and gaps.

Recognizing during that first research phase that there are many other organizations around the world working on different elements of social responsibility in seafood, the Collaboration decided that a new standard was not needed. The group decided to use the high-level principles presented in the recent paper in Science, "Committing to socially responsible seafood," by Kittinger et al. (June 2017[4]), which were publicly adopted by more than two dozen businesses ahead of the UN Oceans conference, as a base, developing practical indicators for measuring performance on each principle.

A draft of the resulting Framework was presented in private and public consultations in 2017/18, and a final version is presented Kittinger et al. The framework presents a narrative of performance levels ranging from worst to best practice and indicates which tools and standards are relevant to assess performance at a particular level. The Collaboration hopes that the Framework can serve the needs of many different stakeholders, for instance:

- *Certification and ratings bodies: to inform the development of their own standards.*

- *NGOs, governments, and inter-governmental organizations: to provide an overview of the issues and highlight where there is a need for interventions and/or the development of tools.*

- *Producers and buyers: to help them understand the issues and point to currently available tools for both assessing and improving performance, as well as to identify where there is a need for interventions.*

The Framework is not intended as a new standard or to be used for auditing purposes, but instead to provide a broad overview of the salient topics for social responsibility in seafood, and indicate what tools are available to assess or improve performance.

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[4] *"Committing to socially responsible seafood"*. John N. Kittinger, Lydia C. L. Teh, Edward H. Allison, Nathan J. Bennett, Larry B. Crowder, Elena M. Finkbeiner, Christina Hicks, Cheryl G. Scarton, Katrina Nakamura, Yoshitaka Ota, Jhana Young, Aurora Alifano, Ashley Apel, Allison Arbib, Lori Bishop, Mariah Boyle, Andrés M. Cisneros-Montemayor, Philip Hunter, Elodie Le Cornu, Max Levine, Richard S. Jones, J. Zachary Koehn, Melissa Marschke, Julia G. Mason, Fiorenza Micheli, Loren McClenachan, Charlotte Opal, Jonathan Peacey, S. Hoyt Peckham, Eva Schemmel, Vivienne Solis-Rivera, Wilf Swartz, T.'Aulani Wilhelm. Science. 02 jun 2017: 912-913 url: http://science.sciencemag.org/content/356/6341/912

The Framework describes different performance levels for wild capture fisheries and fish farms on various socio-economic components and uses the principles presented in the Kittinger et al. (2017) paper:

1. Protect Human Rights, Dignity, and Access to Resources

1.1 Fundamental human rights are respected, labour rights are protected, and decent living and working conditions are provided, particularly for vulnerable and at-risk groups.

1.2 Rights and access to resources are respected and fairly allocated and respectful of collective and indigenous rights.

2. Ensure Equality and Equitable Opportunity to Benefit

2.1 Recognition (standing), voice, and respectful engagement for all groups, irrespective of gender, ethnicity, culture, political, or socioeconomic status.

2.2 Equal opportunities to benefit are ensured to all, through the entire supply chain.

3. Improve Food and Livelihood Security

3.1 Nutritional and sustenance needs of resource-dependent communities are maintained or improved.

3.2 Livelihood opportunities are secured or improved, including fair access to markets and capabilities to maintain income generation.

13 Evaluation Results

13.1 Summary

The SAI Social Fingerprint metrics (Table 1 below) assess a company's social accountability and considers stakeholder evaluations of performance, establishing KPIs to measure social and human rights performance, and publicly reporting on social impacts, even when the news is not all good.

This review has found that Austral's Social Responsibility Management System: Corporate and Social Responsibility Manual, Policies and Procedures (CSRMPP) has improved substantially since 2016. Currently the Austral MPMS Social Fingerprint Rating meets the criteria required under levels three (3) and four (4) for the ten (10) areas critical to continuous improvement in social performance considered in the Social Accountability International (SAI) 9 Aspects below. In general, Austral has developed written policies and procedures on labour issues and communicated them internally, however their level of implementation remains to be assessed through the in-situ vessel audit and interviews. The system is still relatively new (July – August 2018) and not yet fully implemented. Indeed, this review forms part of that implementation, with Austral using this to help guide it implementation and ensure the company remains on track to achieve their goals.

5	Developed and implemented **mature management system** with **continual improvement** of the system
4	Developed management system, implemented **consistently and regularly**
3	Developed management system, but **not fully implemented**
2	Partially developed management system, but implementation is **reactive, inconsistent** and mostly **ineffective**
1	No awareness of SA8000 or any system in place to manage social performance

(Table 1 overleaf) has drawn on assessment of Austral and their responses to the Benchmark Tool Checklist (i.e. this review was not a stakeholder review) to classify the degree of compliance with SAI's 9 Social Aspects:

1. Management Systems
2. Internal Social Performance Team
3. Worker Involvement & Communication
4. Compliant Management & Resolution
5. Level and Type of Non-conformance
6. Progress on Corrective Actions
7. External Verification and Stakeholder Engagement
8. Training and Capacity Building
9. Management of Suppliers & Subcontractors

SA8000: 2014 Social Fingerprint Rating Chart

Rating	Policies, Procedures & Records	Social Performance Team (SPT)	Identification & Assessment of Risks	Monitoring	Internal Involvement & Communication	Complaint Management & Resolution	External Verification & Stakeholder Engagement	Corrective & Preventative Actions	Training & Capacity Building	Management of Suppliers & Contractors
5	All components of Level 4 AND: SA8000 policies and procedures regularly reviewed and updated. SA8000 implementation tied to business strategy and planning. Demonstrated continual improvement and process review.	All components of Level 4 AND: Senior management regularly reviews the SPT's effectiveness. Team members' involvement in SPT is part of their performance review.	All components of Level 4 AND: Risk assessment process regularly reviewed and updated for continual improvement, with emphasis on transparency. Risk assessment results used in business strategy and planning.	All components of Level 4 AND: Monitoring process regularly reviewed and updated for continual improvement. Monitoring results used to review performance to meet objectives set as part of overall business strategy and planning.	All components of Level 4 AND: Communication procedures regularly reviewed and updated, based on evaluations of workers' understanding of SA8000. Worker input incorporated into annual improvement plans in order to improve SA8000 implementation.	All components of Level 4 AND: Complaint management system regularly reviewed and updated to ensure that it is trusted and widely accessible. Complaints routinely reviewed to identify root causes and areas for continual improvement.	All components of Level 4 AND: Regular, proactive engagement and communication with interested parties for continual improvement of SA8000 implementation.	All components of Level 4 AND: Corrective and preventive action process regularly reviewed and updated for continual improvement. Risk assessment used to predict potential issues and pre-empt them.	All components of Level 4 AND: Training plan regularly reviewed and updated for continual improvement and to ensure that it is building the necessary capacity amongst personnel. Capacity building facilitated for business partners to prevent issues from occurring.	All components of Level 4 AND: Business partners' SA8000 implementation connected to sourcing decisions, with incentives for high performance. Local groups engaged to improve supply chain transparency.
4	Routine implementation of SA8000 policies and procedures, as evidenced by records. Policies and procedures communicated internally and externally. Management review conducted.	Peer-selected Social Performance Team with balanced representation of managers and workers responsible for SA8000 implementation.	SPT responsible for risk assessment of internal processes and significant business partners. Risk assessment includes root cause analysis and consultation with interested parties. SPT recommends actions to senior management to address risks and root causes.	SPT responsible for routine monitoring of SA8000 implementation, including facilitating formal internal audits.	Regular communication about SA8000 between managers and all workers. Evaluation of workers' understanding of SA8000.	Formal complaint management system in place. System includes multiple ways to lodge a complaint and is confidential, non-retaliatory and available to interested parties. Complaint resolutions are reviewed by senior management and results are available upon request to interested parties.	Full cooperation with external auditors. Stakeholder identification and mapping conducted to proactively engage with interested parties for SA8000 implementation.	SPT facilitates corrective actions and preventive actions, monitoring timelines and allocation of resources. Root cause analyses identify necessary preventive actions to avoid recurrence.	On-going training for all personnel on SA8000 implementation and specialized training for SPT. Training records maintained and effectiveness of training measured. Capacity building facilitated for business partners to fix problems.	Communication with business partners about SA8000 and expectations for performance. Supply chain mapping and risk assessment conducted to prioritize certain business partners for further engagement. labour risks considered in selection of new business partners.
3	Written policies and procedures on labour issues developed and communicated internally. Records maintained.	A team of several managers and at least one worker representative responsible for labour practices.	One or more designated managers responsible for risk identification, assessment and prioritization related to internal processes.	Procedures in place to monitor labour practices in the workplace. Monitoring conducted irregularly.	Regular, formal communication about labour standards between management and directly employed workers.	Written complaint management procedures in place to receive and respond to complaints from internal and external sources. Procedures identify various channels personnel can use to lodge a complaint.	Procedures in place to cooperate with external auditors, as well as to identify and respond to interested parties.	Procedures in place for corrective actions. Corrective action process primarily the responsibility of HR and OHS departments. Records of actions maintained.	Training plan in place for all personnel to receive some training on labour issues, with specialized training for those managing labour practices. Training conducted irregularly.	Business partners informed of labour standard requirements and must convey acceptance. Supply chain mapped to identify high risk areas and monitor the most significant business partners' activities.
2	Some separate policies and procedures related to specific labour issues. Limited record-keeping.	Individuals in HR or OHS department primarily responsible for labour practices, with focus on legal or customer code compliance.	Risk assessments conducted for specific areas, such as OHS, as required by law or customer codes.	Monitoring conducted for specific areas, such as OHS, in response to regulatory body or customer requests.	Informal communication, mostly verbal, about labour standards between management and some workers.	All complaints addressed on a case-by-case basis, usually by direct supervisor.	External auditors provided with access to workplace as required. Approach to interested parties is primarily reactive.	Progress on corrective actions driven by customers or regulatory bodies.	Some mention of labour policies, such as OHS, during new employee orientation.	Business partners informed of labour standards requirements, but engagement is primarily reactive or driven by customers.
1	No policies, procedures or records related to labour standards.	No formally assigned responsibility for labour practices.	No formal identification and assessment of risks.	No formal monitoring of labour practices.	No communication channels related to labour standards.	No formal complaint management system.	Little or no engagement with external auditors or interested parties.	Little or no plan to improve labour practices.	No mention of labour practices or standards in training. Workers and managers receive job-related training.	Little or no consideration of labour risks in the supply chain.

Table 1: SAI Social Fingerprint Metrics

13.2 Outcomes of the desktop review of Austral's SRMS

Part A: Policies and Procedures

Austral has a comprehensive pool of documents supporting the Austral SRMS globally (i.e. mentioning Mauritius and Australia operations). These documents follow most of the requirements of ISO9001 for management systems.

Note: "ISO 9001 certified" means an organization has met the requirements in ISO 9001. It defines an ISO 9000 Quality Management System (QMS). ISO 9001 evaluates whether your Quality Management System is appropriate and effective, while forcing you to identify and implement improvements.

Continuous improvement assures that your customers benefit by receiving products/services that meet their requirements, and that you deliver consistent performance. Internally, the organization will profit from increased job satisfaction, improved morale, and improved operational results (minimises redundancy and increases efficiency).

The Austral Social Responsibility Management System is based upon the following laws and guidance.

Law/Convention	Origin	Reference
Criminal Code	Commonwealth of Australia Legislation	Divisions 270 and 271
Fair Work Act 2009	Commonwealth of Australia Legislation	
Immigration Act 1971	Commonwealth of Australia Legislation	
International Convention to Suppress the Slave Trade and Slavery	United Nations, Geneva (1926)	[1927] ATS 11
ILO Convention (No. 29) concerning Forced or Compulsory Labour	United Nations, Geneva (1930)	[1933] ATS 21
Supplementary Convention on the Abolition of Slavery, the Slave Trade, and Institutions and Practices similar to Slavery	United Nations, Geneva (1956)	[1958] ATS 3
International Covenant on Civil and Political Rights	United Nations, New York (1966)	[1980] ATS 23
Convention on the Rights of the Child	United Nations, New York (1989)	[1991] ATS 4
Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime	United Nations, New York (2000)	[2005] ATS 27
Optional Protocol to the Convention on the Rights of the Child on the Sale of Children, Child Prostitution and Child Pornography	United Nations, New York (2000)	[2007] ATS 6
ILO Convention (No. 182) concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour	United Nations, Geneva (1999)	[2007] ATS 38

Austral's SRMS has a high level of compliance against SA8000 and these international requirements.

Some indicators from the Seafood Sector Social Footprint tool were assessed in the audit onboard (interviews and observations) and visit to the site office in the Republic of Mauritius Islands, and are noted in the confidential assessment spreadsheets. The Footprint (Figure 3 below) updates Figure 2.
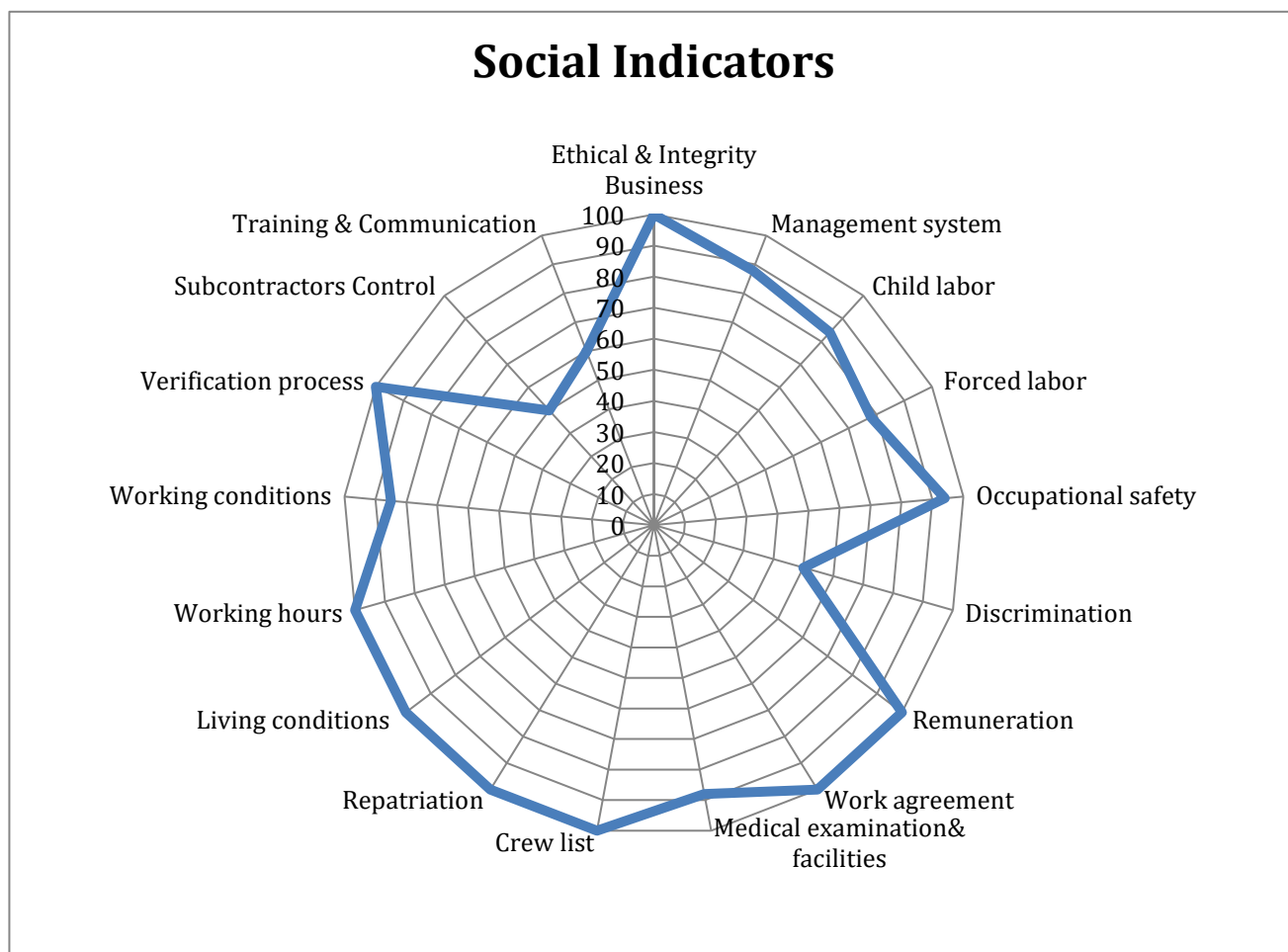

Figure 3: Updated Social Footprint 2019

Currently the Austral SRMS scope includes, full time, part time and casual employees and crew via partnership arrangements.

If the SRMS scope includes workers on-board or crewmembers, it shall be written in the scope of the document. Austral vessel crew are via partnership arrangements and this and the SRMS scope are clear in the documentation.

Part B: The Austral fleet manuals:
1. Safety Management Manual of Atlas Cove – page 78
2. Safety Management Manual of Corinthian Bay – page 78
3. Safety Management Manual of Isla Eden – page 78

These documents describe the fishing operation management system for vessels and crew on-board. The Scope of these Manuals includes: Expectations of staff, crew (via partnership arrangements) and contractors.

Austral's CSR Manuals, Policies, Procedures & Management System for social responsibility onboard demonstrate a high degree of compliance with ILO conventions, and SA8000 principles.

Part C: Assessment Against the NGO Ratings Collaboration Framework for Social Responsibility in the Seafood Sector

The review found that Austral has a high degree of compliance with the applicable parts (See Table 2 below) of the NGO Ratings Collaboration Framework for Social Responsibility in the Seafood Sector (as described in Section 11). The last section (land-based aquaculture) of that Framework is not applicable to Austral. For the elements below Austral scores Levels 3 and 2. In a few instances, Austral scores Level 4. For each indicator in the Collaboration assessment, this is a good level of alignment given that level 4 is state of the art. Table 2 below denotes the levels. Each principle includes several components, for which five levels of performance are described wherever possible:

Level Zero Worst Practice	Level One	Level Two Legal Minimums	Level Three	Level Four Best Practice
- There is a high generic risk of irresponsible practices and no evidence of risk mitigation. - There is evidence that performance must be greatly improved for the fishery or farm to be considered responsible.	- There are medium-low generic risks of worst practices. - In high-risk regions, management has assessed local risks but has not yet taken action.	- Local and national legal requirements are followed. - Major risks of worst practices are absent. - Major risks of worst practices are present but are being addressed.	- Policies and practices are in place to minimize risk of worst practices.	-The fishery or farm supports policies and practices with training, targeted programs, and/or empowerment of workers and fishermen to support the implementation of good practice. - Performance indicators (education, health, food security, etc.) are excellent.

Table 2: Indicators in collaboration assessment

Part D. Relevant Protocols, Conventions and Guidance

The international conventions and protocols listed on page below were used to develop the principles and framework of the Seafood Sector Footprint. In some instances, the exact definitions and phrasing from these internationally-agreed documents are used. However, because many of these documents are also aimed at governments, they have also been adapted.

- ILO core conventions (Declaration on Fundamental Principles and Rights at Work): Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)
- Right to Organise and Collective Bargaining Convention, 1949 (No. 98)
- Forced Labour Convention, 1930 (No. 29)
- Abolition of Forced Labour Convention, 1957 (No. 105)
- Minimum Age Convention, 1973 (No. 138)
- Worst Forms of Child Labour Convention, 1999 (No. 182)
- Equal Remuneration Convention, 1951 (No. 100)
- Discrimination (Employment and Occupation) Convention, 1958 (No. 111)
- ILO General principles & operational guidelines for fair recruitment, 2016
- ILO Work in Fishing Convention, 2007 (No. 188)

- ILO Maritime Labour Convention 2006 (No. 186)
- ILO Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143)
- ILO Protocol of 2014 to the Forced Labour Convention, 1930 (P029)
- ILO Recommendation Concerning the Prohibition and Immediate Action For the Elimination of the Worst Forms of Child Labour, 1999 (No. 190)
- ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, 2017
- International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, 1990
- International Covenant on Civil and Political Rights, 1966
- International Covenant on Economic, Social and Cultural Rights, 1966
- FAO Code of Conduct for Responsible Fisheries, 1995
- UN Convention on the Elimination of All Forms of Discrimination against Women, 1979
- UN Convention on the Rights of the Child, 1990
- UN Declaration on the Right to Development, 1986
- UN Declaration on the Rights of Indigenous Peoples, 2007
- UN Declaration on the Rights of Persons Belonging to National or Ethnic, Religious, and Linguistic Minorities, 1992
- UN Guiding Principles on Business and Human Rights, 2011
- UN Universal Declaration of Human Rights, 1948
- - UN Protocol to Prevent, Suppress, and Punish Trafficking in Persons Especially Women and Children, 2003

In order to assess the alignment of the Austral SRMS against international best practice across these frameworks, it needs to be benchmarked against the ILO conventions above and the SA8000 standard and which has been done using the new, unique Seafood Sector Social Footprint Scoring Framework developed by Seafood Matter and Terra Moana Ltd.

13.3 Benchmark Tool Results

Within this Seafood Sector Social Footprint Scoring Framework there are two tools:

1. Labour Benchmark Tool

2. Social Responsibility Benchmark Tool

13.3.1 Benchmark Labour Tool Results[5]

Furthermore, the benchmark tool uses two colours to denote reference (light green) and company information (light blue) where Austral's MPMS evidence is provided to demonstrate alignment with the Labour Benchmark Tool component. This tool has 17 areas of comparison that include human rights, ILO conventions and SA8000 requirements. Alignment is indicated by green for alignment and red for poor alignment.

To justify the Austral policy alignment assessment, we provide the following evidence:

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[5] Detailed results confidential to Austral

- Document name.
- Relevant page numbers where the component is mentioned.
- Location if it is needed.
- Links or website for supporting references.

The Austral MPMS demonstrates a high alignment with only two components unaligned;

1. control of subcontractors and:
2. training of CSR responsible person.

The Benchmark Labour Tool provides clear justification for each component. Some components need to be assessed or evaluated on-site with interviews and observations and which will occur in Mauritius in March. This has been noted in each relevant component. See the results below:

13.3.2 Benchmark Social Responsibility Tool Results

The benchmark tool (separate spreadsheet) has two parts, the reference (light green) and company information (light blue) and 3 areas of comparison:

1. Protect human rights, dignity, and access to resources
2. Ensure equality and equitable opportunity to benefit
3. Improve food and livelihood security

As per above, green = alignment, red = poor alignment. A second green color indicates the level of alignment; level 4 = best practices and level 0 = worst practices.

To justify the Austral Policy alignment assessment the evidence provided includes:
- Document name
- Relevant page numbers where the component is mentioned
- Location if it is needed.
- Links or website for supporting references.

The Austral MPMS demonstrates high alignment with only particular components not aligned because of a lack of assessment and information at this point. On the other hand, some components also need to be assessed or evaluated on site with interviews and observations. This is noted in each relevant component. The Social Responsibility Benchmark Tool provides clear justification for each component.

14 Recommendations

Note: In any assessment risk exists that some issues may not have been detected due to the limitation of getting verifiable evidence, and which may be identified in future assessments. The analysis only highlights examples and other areas may arise to be explored further, checked for problems and corrected as necessary.

The foundation to effectively combat human trafficking in the seafood supply chain is to create and develop strong management systems with the right policies and procedures. Placing clear expectations in contracts and other supplier agreements, at least one step along the supply chain, is essential to change behavior throughout Austral's supply chain and Austral must model their expectations of supplier and subcontractor interactions. In tandem through Austral creating a Social Responsibility Management System (SRMS) to implement its Social Responsibility Policy, Austral will be meeting the increasing demands of their premium markets to improve working conditions.

From this second review we recommend that Austral Fisheries:

8. Review the Austral Social Responsibility Management System (SRMS) Scope to describe the extent of the scope and ensure crew (via partnership arrangements) on-board are appropriately inducted to understand the company policies.

9. Incorporate in the relevant Austral Manuals, Policies and Management System:

    d. the types of assessment that can be carried out for different stakeholders and levels of audit.

    e. the ethical business components assessed with the benchmark labour assessment tool because of the high level of alignment and to increase the follow up of ethical business.

    f. a definition section of related terms for labour and crew welfare that are commonly used in all Austral social policies, manuals and procedures.

10. Describe how Austral will map the first level of services providers and/or subcontractors to assess the Austral social policies and procedures against the subcontractor components.

11. Ensure Austral's key personnel, responsible for the Social Responsibility Management System, undergo training. This may be aided by establishing an internal working group. Seafood Matter in conjunction with Terra Moana Ltd can advise options, including developing tailored training (and materials) given there are not yet commercially available SA compliant training options for fishing operations. This would be a sector leading initiative.

12. Provide personnel working in Austral operations (and it's supply chains) with access to an independent, confidential mechanism to air their concerns about modern slavery risks with no risk or fear of retribution.

13. Code each form, procedure and manual. Currently documents are aligned with ISO9001 and include review version, responsible, prepared by, effective date, reviewed. Add a document code to locate the manual, policy or procedure. A code accompanied by a short descriptive statement provides an evidence reference instead of writing the entire name of the document. For instance:

    Name of the document: Austral Anti-harassment and Anti-discrimination procedure, version 2.0

Document code: **AHADP 001 V2.0** – This is the ISO9001 guidance for document codification.

14. Address the non- vessel audits conformances summarised below:

As a result of the onsite labour onboard audit the Seafood Matter lead auditor raised the following:

Non conformity (NC) degree	Quantity	To be addressed
Major	2	12 months
Minor	0	
Opportunity for Improvement (OfI)	4	12 months*

If Austral decides to adopt it

Austral Fisheries were informed about the NCs during the Closing Meeting. Only Opportunities for Improvement (OFI) were communicated due to overall time constraints to assess and inform. The Major NCs were not communicated during the closing meeting. It is important to note that the two (2) Austral trainee internal auditors were informed about these findings during the tour around the two (2) F/V.

Appendix 1 – Review Objectives and Approaches

Objective 1: Assess the level of implementation of Phase 1 Recommendations – desk based.

Approach:

a) Review the current Austral Manuals, Procedures and relevant Management Systems (MPMS)[6] and compare with ILOC188, ILOC183, SA8000, MSC labour standards and the Certification and Ratings Collaboration Framework. This review will include worksheets, procedures, manuals, policies, management systems and any relevant documentation developed for Austral about labour on board and crew welfare.

b) Produce a succinct Gap Analysis Report of what is *not* included in the Austral MPMS in relation to Phase 1 recommendations and evolving best practice since.

Objective 2. Consolidate and improve the Austral Crew Policies and Procedures – desk based.

Approach:

a) Review, revise, update and where necessary create written policies and procedures in consultation with Austral, including any recommended management system changes to be consolidated into final Manuals, Policies and Procedures. *Note, subject to budget Austral personnel may need to assist with the writing. Terra Moana can provide writing support as well as desktop publishing, to make an attractive manual, again depending on budget.*

Objective 3: Vessel Audit – Field/Port based

Approach:

a) Develop an Audit Tool, simple monitoring program and key metrics (suitable for use in a Balanced Scorecard framework). The audit tool will include: audit checklist, definition of non-conformities, pre-requirements before an audit on-board, sample questions for crew interview.

b) Conduct an on-board audit together with Austral's responsible people for social responsibilities. This is part of a labour auditing training for internal auditors in relation to crew-labour issues.

c) Conduct initial Austral personnel training during the on-board vessel audit visit where Marcelo Hidalgo recommends relevant Austral personnel shadow the audit. **Preferable and recommended**, this would take the form of a workshop to be conducted before the audit on-board, at the same location.

Objective 4: Future Proofing

Approach:

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[6] Subsequently formally called the Corporate Social Responsibility Manuals, Polices and Procedures (CSRMPPs) and Social Responsibility Management System in brief.

a) Recommend what a 'where to from here program' could encompass for Social Responsibility to be assured in Austral and including how to communicate Austral's Sustainability and Responsibility credentials:

   i. Memo summarising where to from here to confirm approach.
   ii. Develop a public Austral Fisheries Social Responsibility Code of Conduct (1 pg public statement).
   iii. Through an online voluntary Sustainable Development Goals (SDG) (8 & 14) commitment.
   iv. To the Certification and Ratings Collaboration about Austral's management framework and performance against the Framework for Social Responsibility in the Seafood Sector
   v. Integrated Reporting.
   vi. Bangkok Seafood Summit June 2019.
   vii. Developing a tailored Responsible Fisheries Awareness training program for staff and crew and which would include social responsibility.

Appendix 2 – Austral document list provided for review.

1. Organizational development - HR/HI Audit report, June 2018 (based on Fair work act 2009)
   Review Comment: only for office staff, it does not include fishing operation and crew onboard.

2. Recruitment and Selection:
   a. Induction checklist
   b. Phone screen
   c. Recruitment and selection – Review Comment: it is not clear if fishing operation is included.
   d. Reference form
   e. Sample interview questions – Review Comment: it is not clear if questions are included for fishing operation

3. Employment Conditions & Industrial Relations:
   a. Confidentiality
   b. Deed of release template
   c. Employee details form
   d. Exit Interview template
   e. Exit Interview checklist
   f. Leave application
   g. Leave procedure
   h. Probation period procedure
   i. Redundancy letter
   j. Termination of employment procedure
   k. Time off in Lieu form
   l. Time off in Lieu procedure

4. Leadership & Performance Management
   a. Counselling and warning procedure
   b. Formal counselling and verbal warning form
   c. Stage 2 warning form
   d. Stage 3 warning form (final warning)

5. Culture & Retention
   a. Anti-bullying procedure
   b. Anti-discrimination & Equal opportunity procedure
   c. Anti-Harassment procedure
   d. Conflict of Interest Procedure
   e. Employee Assistance program procedure
   f. Ethical and Professional behaviour procedure
   g. Grievance resolution procedure
   h. Grievance resolution guide
   i. Professional standard procedure
   j. Technology and media relations procedure

6. Learning and Development
   a. Managers training assessment form
   b. Training procedure
   c. Training feedback and evaluation form
   d. Training request form

7. Remuneration & Reward
   a. Gifts and gratuities procedure

b. Salary and Remuneration procedure
c. Performance and Salary review procedure

8. Health and wellbeing
   a. Health and wellbeing procedure
   b. Occupational Health and Safety procedure
   c. Smoking, Drugs and Alcohol procedure

9. Payroll and Administration
   a. Administration and Assets procedure
   b. Expenses claim form
   c. Travel and expenses procedure

10. Modern Slavery Policy and Procedure

11. Corporate Social responsibility Policy and Procedure

12. Safety Management System Manual of Isla Eden

13. Safety Management System Manual of Atlas Cove

14. Safety Management System Manual of Corinthian Bay