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**Exposure draft for
ESRS Agriculture, Farming and Fishing sector
FOR SR TEG DISCUSSION**

This working paper is still under review by the Central PMO of the EFRAG Secretariat and is therefore still subject to considerable changes.

DISCLAIMER

The exposure draft Agriculture, Farming and Fishing is set out in paragraphs X-X and the following Appendices, that have the same authority as the main body of the [draft] Standard.

- Appendix A: Defined Terms;
- Appendix B: Application Requirements;
- Appendix C: Sustainability matters; and
- Appendix D: NACE Codes Agriculture, Farming and Fishing.

Each Disclosure Requirement is stated in a bold paragraph that illustrates the objective of the disclosures. This exposure draft also uses terms defined in other [draft] ESRS and shall be read in the context of its objective.

Contents

Objective	5
Scope of application	5
Sector-specific materiality assessment guidance	6
Sector-specific material sustainability Matters	6
Reporting boundary	8
Navigation table	8
1. Sector-specific additional disclosure related to sector-agnostic Disclosure Requirements	10
Disclosure requirement related to [draft] ESRS 2 - SBM 1 Market position, strategy, business model(s) and value chain	10
Disclosure Requirement related to [draft] ESRS E1-7 – GHG removals and GHG mitigation projects financed through carbon credits.....	10
Disclosure Requirement related to [draft] ESRS E2-2 – Actions and resources related to pollution	11
Disclosure Requirement related to [draft] ESRS E2-3 – Targets related to pollution	11
Disclosure requirement related to [draft] ESRS E4-1 Transition plan on biodiversity and ecosystems... ..	11
Disclosure Requirement related to [draft] ESRS E4-2 Policies related to biodiversity and ecosystems ..	11
Disclosure requirement related to [draft] ESRS E4-3 – Actions and resources related to biodiversity and ecosystems	12
Disclosure Requirement related to [draft] ESRS E4-5 Impact metrics related to biodiversity and ecosystems change.....	13
Disclosure Requirement related to [draft] ESRS E5-5 Resource outflow	14
Disclosure Requirement related to [draft] ESRS E5-1 Policies related to resource use and circular economy	14
Disclosure Requirement related to [draft] ESRS E5-2 Actions and resources related to resource use and circular economy	14
Disclosure requirement related to [draft] ESRS S1-6 – Characteristics of the undertaking’s employees	15
Disclosure requirement related to [draft] ESRS S1-7 – Characteristics of the undertaking’s non-employees	15
Disclosure requirement related to [draft] ESRS S1-14 – Health and safety indicators	15
Disclosure requirement related to [draft] ESRS S1-1 - Policies related to own workforce.....	16
2. Sector-specific Disclosure Requirements	16
Disclosure requirement AFF 1-E2 – Metrics related to animal litter and manure production and use ...	16
Disclosure Requirement AFF 2-E3 – Water withdrawal	16
Disclosure Requirement AFF 3-E3 - Water discharge.....	17
Disclosure Requirement AFF 4-E3 – Non-compliance with water regulations.....	18
Disclosure requirement AFF 5-E4 – Use of fishing products in feed	18
Disclosure requirement AFF 6-E4 – Metrics related to land and natural resource rights.....	18
Disclosure requirement AFF 7-E5 – Metrics related to products and by-products.....	19
Disclosure requirement AFF 8-E5 – Metrics related to discards and bycatch	19
Disclosure requirement AFF 9-S1 – Approach to worker compensation	19
Disclosure requirement AFF 10-S1 – Risks of child labour	20
Disclosure requirement AFF 11-S2 – Policies and actions related to value chain workers - Informal economy	20
Disclosure requirement AFF 12-S3 – Human rights defenders	20
Disclosure Requirement AFF 13-S3 – Resettlement.....	20
Disclosure Requirement AFF 14-S4 – Approach to food safety and GMOs.....	21
Disclosure requirement AFF 15-S4 – Food safety recalls	21
Disclosure requirement AFF 16-G1 – Animal health and welfare focus.....	22
Disclosure requirement AFF 17-G1 – Health and safety non-compliance incidents.....	22
Disclosure requirement AFF 18-G1 – Sourcing from small producers	23
Disclosure requirement AFF 19-G1 – Certification of production	23
Disclosure requirement AFF 20-G1 – State aid and competition	23

Appendix A: Defined terms	24
Appendix B: Application requirements	26
1. Application Requirements related to sector-agnostic Disclosure Requirements.....	26
Application Requirement related to [draft] ESRS 2 - SBM 1 Market position, strategy, business model(s) and value chain	26
Application Requirement related to [draft] ESRS 2 – SBM 3 – Material impacts, risks and opportunities with their interaction with strategy and business model(s).....	27
Application Requirement related to [draft] ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities	27
Application Requirement related to [draft] ESRS E1-6 – Gross scopes 1, 2, 3 and total GHG emissions .	29
Application Requirement related to [draft] ESRS E2-4 – Pollution of air, water and soil.....	30
Application Requirement related to [draft] ESRS E4-1 Transition plan on biodiversity and ecosystems	30
Application Requirement related to [draft] ESRS E4-3 Actions and resources related to biodiversity and ecosystems	32
Application requirement related to [draft] ESRS E4 – Geographical location.....	32
Application Requirement related to [draft] ESRS E5-3 Actions related to resource use and circular economy	33
Application Requirement related to [draft] ESRS E5-4 Resource inflow	33
Application Requirement related to [draft] ESRS S1-1 Policies related to own workforce	33
Application Requirement related to [draft] ESRS S1-6 Characteristics of the undertaking’s employees	34
Application Requirement related to [draft] ESRS S1-7 Characteristics of the undertaking’s non-employees	34
Application Requirement related to [draft] ESRS S1-14 Health and safety indicators	34
2. Application Requirements related to sector-specific Disclosure Requirements	34
Application Requirement related to AFF 2-E3 – Water Withdrawal	34
Application Requirement related to AFF 4-E3 – Non-compliance related with water management and use	35
Application Requirement related to AFF 9-1 – Approach to worker compensation	35
Application requirement related to AFF 10-S1 – Risks of child labour	35
Application requirement related to AFF 11-S2 – Policies and actions related to value chain workers - Informal economy	36
Application requirement related to AFF 12-S3 – Human rights defenders	36
Application requirements related to AFF 13-S3 – Resettlement	36
Application requirements related to AFF 14-S4 – Approach to food safety and GMOs	36
Application requirements related to AFF 15-S4 – Food safety recalls.....	36
Application requirement related to AFF 17-G1 – Health and safety non-compliance incidents	37
Application Requirement related to AFF 18-G1 – Sourcing from small producers	37
Application Requirement related to AFF 19-G1 – Certification of production.....	37
Appendix C: Sustainability matters.....	38
Appendix D: NACE Codes	49

Objective

1. The objective of this [draft] ESRS is to specify disclosure requirements that are applicable to any undertaking operating in the Agriculture, Farming and Fishing (the “Sector”) and that are additional to the sector-agnostic ESRS disclosures and application requirements. They address impacts, risks and opportunities not covered, or not sufficiently covered, by sector-agnostic Disclosure Requirements and have to be applied in conjunction with them.
2. This [draft] ESRS covers information enabling users of the sustainability statements to understand the undertaking’s material impacts, as well as its material risks and opportunities, arising with regard to a list of sustainability matters that are considered material for the Sector under this [draft] ESRS.
3. This [draft] ESRS requires therefore the undertaking to disclose:
 - (a) the actual or potential, positive or negative impacts which the undertaking assesses as material in relation to the environmental, social and governance matters that are considered material for the Sector under this [draft] ESRS;
 - (b) the nature, type and extent of the risks and opportunities related to its impacts and dependencies which the undertaking assesses as material in relation to the environmental, social and governance matters that are considered material for the Sector under this [draft] ESRS and how they manage them;
 - (c) the actions taken to prevent, mitigate or remediate those material actual or potential negative impacts, the actions taken to mitigate material risks and pursuing material opportunities, and the result of such actions; and
 - (d) the financial effects on the undertaking over the short-, medium- and long-term time horizons of those material risks and opportunities.
4. This [draft] ESRS specifies disclosure and application requirements as follows:
 - (a) sector-specific additional datapoints and application requirements related to sector-agnostic disclosure requirements are presented under Chapter 1. Sector-specific datapoints related to sector-agnostic Disclosure Requirements of the main body of this [draft] ESRS and under Chapter 1. Application Requirements related to sector-agnostic Disclosure Requirements of Appendix B to this [draft] ESRS.
 - (b) sector-specific additional Disclosure Requirements are presented under Chapter 2. Sector-specific Disclosure Requirements of the main body of this [draft] ESRS and under Chapter 2. Application Requirements to sector-specific Disclosure Requirements of Appendix B to this [draft] ESRS.

Scope of application

5. An undertaking is within the scope of application of this [draft] ESRS when Agriculture, Farming and/or Fishing is a significant sector according to paragraph 38 (b) and/or (c) of ESRS 2 *General Disclosures*, using the criteria in AR 12 of ESRS 2 to define a significant sector.
6. [draft] ESRS SEC 1 *Sector classification* defines the aggregation of activities (NACE codes) into sectors for the purposes of applying sector ESRS. The list of NACE codes that pertains to the Agriculture, Farming and Fishing sector are listed in Appendix D to this [draft] ESRS, consistent with SEC 1.
7. The sector is composed of Agriculture, Fishing and Farming Segments
8. The Agriculture, Farming and Fishing sector includes the production of crop and production of animal products, covering also the forms of organic agriculture, the growing of crops and the raising of animals. The sector includes growing of crops in open fields as well in greenhouses. It also includes service activities incidental to agriculture, as well as hunting, trapping and related activities. The sector also includes capture fishery and aquaculture,

covering the use of fishery resources from marine, brackish or freshwater environments, with the goal of capturing or gathering fish, crustaceans, molluscs and other marine organisms and products (e.g. aquatic plants, pearls, sponges etc.). Also included are activities that are normally integrated in the process of production for own account (e.g. seeding oysters for pearl production). Service activities incidental to marine or freshwater fishery or aquaculture are included in the related fishing or aquaculture activities.

9. The sector does not include activities covered in the ESRS Tobacco and ESRS Food and Beverage.

Presentation of sector-specific disclosures

10. When reporting on policies, actions, metrics and targets to manage material sustainability matters according to this [draft] ESRS, the undertaking shall include the information provided for in ESRS 2, respectively in *DC-P – Policies adopted to manage material sustainability matters*, *DC-A - Actions and resources in relation to material sustainability matters*, *DC – M - Metrics in relation to material sustainability matters* and *DC-T – Tracking effectiveness of policies and actions through targets*.
11. When preparing its sustainability statements, the undertaking shall group the disclosures by cross-cutting reporting area and, where applicable, by sustainability matter according to the provisions set out in [draft] ESRS 1 paragraph 117. Disclosures stemming from the [draft] *Oil and Gas* ESRS shall be presented alongside the disclosures required by the corresponding sector-agnostic ESRS.

Sector-specific materiality assessment guidance

12. This [draft] ESRS identifies a list of matters commonly applicable to the undertakings operating in the Sector. This list has the same status of the list in AR 12, Appendix B of ESRS 1 and shall be considered by the undertaking in its materiality assessment.
13. Irrespective of the outcome of its materiality assessment, the undertaking shall:
 - (a) apply the requirements in the main body and in Appendix B of this [draft] ESRS that relate to ESRS E1 Climate Change and ESRS 2 General Disclosures;
 - (b) apply the requirements in the main body and in Appendix B of this [draft] ESRS that relate to ESRS S1 Own workforce, DRs from 1 to 9, if it has 250 or more employees;
 - (c) include the datapoints that emanate from EU law listed in Appendix C of this [draft] ESRS.
14. In relation to each of its material matters, the undertaking shall apply paragraphs 33 to 39 of ESRS 1 *General requirements*.

Sector-specific material sustainability Matters

15. This [draft] ESRS sets out Disclosure and Application Requirements related to the sustainability matters which are commonly applicable to undertakings operating in the Sector, listed in the table below. Some of them are already listed in AR 12, Appendix B of ESRS 1. Detailed descriptions of sustainability matters are included in Appendix E.

Environmental	Social	Governance
E1: Climate change adaption (*)	S1: Working conditions (*)	G1: Corporate culture (*)
E1: Climate change mitigation (*)	S1: Equal treatment and opportunities for all (*)	G1: Animal welfare (*)
E1: Energy (*)	S1: Other work-related rights (*)	G1: Corruption and bribery (*)
E2: Pollution of Air (*)	S1: Seasonal, migrant and young employees	G1: Political engagement and lobbying activities (*)
E2: Pollution of Water (*)	S1: Seasonal, migrant and young non-employees	G1: Management of relationships including payment practices (*)
E2: Pollution of Soil (*)	S1: Health and safety (*)	
E2: Pollution of living organisms and food resources (*)	S1: Child labour (*)	
E2: Substances of concern	S2: Working conditions (*)	
E3: Water withdrawals (*)	S2: Equal treatment and opportunities for all (*)	
E3: Water consumption (*)	S2: Other work-related rights (*)	
E3: Water use (*)	S2: Informal economy	
E3: Water discharges in water bodies and in the oceans (*)	S3: Impact on human rights and environmental defenders	
E4: Habitat degradation and intensity of pressure on marine resources (*)	S3: Resettlement	
E4: Habitats and ecosystems (*)	S3: Communities economic, social, and cultural rights (*)	
E4: Direct impact drivers on biodiversity loss (*)	S3: Communities' civil and political rights (*)	
E4: Impacts on the state of species (*)	S3: Particular rights of indigenous peoples (*)	

Environmental	Social	Governance
E4: Impacts on the extent and condition of ecosystems (*)	S4: Information-related impacts for consumers and/or end users (*)	
E4: Impacts and dependencies on ecosystem services (*)	S4: Personal safety of consumers and end-users (*)	
E5: Resource inflows, including resource use (*)	S4: Food safety and GMOs	
E5: Resource outflow related to products and services (*)	S4: Health and safety (*)	
E5: Waste (*)		
Sustainability matters proposed above based on the list delivered in the topical sector-agnostic ESRS (see ESRS 1 Appendix B table in paragraph AR 12.)		
(*) Sustainability matter covered by Disclosure Requirements in the topical sector-agnostic ESRS		

Reporting boundary

16. Without changing the application of the requirements in Chapter 5. of ESRS 1 *Value chain*, the undertaking shall include in its sustainability statements information about the operational sites and assets that are under its financial and operational control.

Navigation table

17. The following table provides a holistic overview of the disclosure and application requirements of the [draft] ESRS Agriculture, *Farming and Fishing* and at which level they need to be reported.

Name of requirement	Level of disaggregation	Agriculture	Farming	Fishing
Sector-specific datapoints related to sector agnostic Disclosure Requirements				
ESRS 2 - SBM 1 Market position, strategy, business model(s) and value chain	NACE	X	X	X
ESRS E4-1 Transition plan on biodiversity and ecosystems		X	X	
ESRS E4-3 – Actions and resources related to biodiversity and ecosystems		X	X	X
ESRS S1-6 – Characteristics of the undertaking’s employees		X	X	X
ESRS S1-7 – Characteristics of the undertaking’s non-employees		X	X	
ESRS S1-14 – Health and safety indicators				X
ESRS S1-1 - Policies related to own workforce		X	X	X

ESRS Agriculture, Farming and Fishing - Sector specific working paper

Name of requirement	Level of disaggregation	Agriculture	Farming	Fishing
Sector-specific Disclosure Requirements				
AFF 8-E5 – Metrics related to discards and bycatch				X
AFF 1-E2 – Metrics related to animal litter; manure production and use		X	X	
AFF 2-E3 – Water withdrawal		X	X	X
AFF 3-E3 - Water discharge		X	X	X
AFF 4-E3 – Non-compliance with water regulations		X	X	X
AFF 5-E4 – Use of fishing products in feed		X		X
AFF 6-E4 – Metrics related to land and natural resource rights		X	X	X
AFF 7-E5 – Metrics related to products and by-products		X	X	X
AFF 9-S1 – Approach to worker compensation		X	X	X
AFF 10-S1 – Risks of child labour		X	X	X
AFF 11-S2 – Policies and actions related to value chain workers - Informal economy		X	X	X
AFF 12-S3 – Human rights defenders		X	X	X
AFF 13-S3 – Resettlement		X	X	
AFF 14-S4 – Approach to food safety and GMOs		X	X	X
AFF 15-S4 – Food safety recalls		X	X	X
AFF 16-G1 – Health and safety non-compliance incidents		X	X	X
AFF 17-G1 – Products sourced from small producers		X	X	X
AFF 18-G1 – Certification of production		X	X	X
AFF 19-G1 – Animal health and welfare performance metrics			X	
AFF 20-G1 – Anti-competitive behaviour metrics		X	X	X

Legend:

NACE : NACE/production data/geographical/market share

1. Sector-specific additional disclosure related to sector-agnostic Disclosure Requirements

Disclosure requirement related to [draft] ESRS 2 - SBM 1 Market position, strategy, business model(s) and value chain

1. The undertaking shall disclose:
 - (a) the geographical location of their lands, owned and leased as well as the field size;
 - (b) a spatial and temporal Farm Sustainability Management Plan¹;
 - (c) its operations which it owns, leases, manages in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas;
 - (d) its operations that are situated in areas with a high number of endangered (red list) species;
 - (e) how it maintains and/or enhances high biodiversity landscapes on its lands.

Disclosure Requirement related to [draft] ESRS E1-7 – GHG removals and GHG mitigation projects financed through carbon credits

2. If disclosing its GHG removals and storage from its own operations (ESRS E1, paragraph 53), the undertaking shall also disclose:
 - (a) Which carbon sequestration measures it has adopted such as, for example, deciding for the adoption of regenerative agriculture practices (e.g. agro-forestry systems, sown biodiverse pastures and other soil health improvement practices), maintenance of permanent grassland, protection of wetland and peatland, improved tillage or no-tillage practices, restoring or creating hedges, etc.
 - (b) The existence of a monitoring plan, as well as its key features for the ongoing monitoring activities of the carbon storage (pools) processes and how the monitoring and accounting takes into consideration uncertainty of removal estimates.
 - (c) Its accounting policies for any reversals of previously reported removed and stored carbon and how any releases are reported, namely in the case that the carbon storage processes (pools) are sold.
3. The undertaking shall also:
 - (a) Distinguish the removal (sink) process (e.g. forest growth) from the storage (pool) process (e.g. land-based storage), and clarify if any removals or storage are done by others in value chain.
 - (b) Account for scope 1 removals based on annual net carbon stock changes occurring in the reporting year using stock-change accounting methods.
4. If the undertaking is not able to quantify its removal activities, it may provide a narrative disclosure focusing on the measures that lead to climate change mitigation outcomes, such as the ones listed in AR7.1, and their significance in face of the undertakings total activities, as well as metrics that quantify the size of the adoption of those measures, as for example area of grassland (ha) or land where no-tilling practices are followed (ha).

¹ As asked for in Taxonomy Draft for Agriculture, proposed by Platform on Sustainable Finance.

Disclosure Requirement related to [draft] ESRS E2-2 – Actions and resources related to pollution

5. When disclosing on its actions and resources related to pollution (ESRS E2, paragraph 15) the undertaking shall consider disclosing as a minimum the following information:
 - (a) the description of its pesticides management plan, including the actions taken to prevent, mitigate (including substitution) and/or remediate negative impacts of pesticide use.
 - (b) a pharmaceutical and antimicrobial management plan which includes information on the impacts, risks and opportunities of Active Pharmaceutical Ingredients (APIs) release to the environment.

Disclosure Requirement related to [draft] ESRS E2-3 – Targets related to pollution

6. When disclosing on targets related to pollution (ESRS E2, paragraph 19) the undertaking shall consider disclosing:
 - (a) Quantitative targets for the reduction of pesticides use or their risk, and how these align with the EU Farm to Fork Strategy targets;
 - (b) Quantitative targets for the reduction of API to the environment.

Disclosure requirement related to [draft] ESRS E4-1 Transition plan on biodiversity and ecosystems

7. The undertaking shall disclose its transition plan on biodiversity and ecosystems.

Disclosure Requirement related to [draft] ESRS E4-2 Policies related to biodiversity and ecosystems

8. When disclosing its summary of policies related to biodiversity and ecosystems the undertaking shall disclose:
 - (a) its policy on preventing and reducing deforestation and conversion of other ecosystems including:
 - i. disclose the extent to which the policy applies to the undertaking's: i) Activities; ii) Business relationships; and iii) Suppliers. If the undertaking's commitments do not extend to its activities, business relationships and/or suppliers, it shall state this.
 - ii. disclose whether it has a procedure for identifying deforestation and ecosystem conversion associated with its activities, business relationships and suppliers and describe the procedure.
 - iii. If the undertaking does not have a policy preventing and reducing deforestation and ecosystem conversion from business relationships and suppliers, it shall state this.
 - (b) its policies on conducting or supporting ecological restoration or other forms of remediation/compensation where its operations or those of its suppliers is associated with deforestation or ecosystem conversion in violation of its policies and/or applicable law.
 - i. disclose whether it has a procedure on identifying harms that require restoration and remediation, and describe the procedure;
 - ii. disclose whether it has a procedure for evaluating the quality and outcomes of restoration activities, and describe the procedure;

- (c) Its policies on respecting land and natural resource rights (including customary, collective and informal tenure rights) including:
 - i. disclose the extent to which the policy applies to the undertaking's: i) Activities; ii) Business relationships; and iii) Suppliers. If the undertaking's commitments do not extend to its activities, business relationships and/or suppliers, it shall state this.
 - ii. disclose whether it has a procedure for identifying actual or potential risk to legal, customary, collective or informal rights to land and/or resources used for its activities and operations and describe the procedure.
 - iii. Disclose whether it has a procedure for securing Free Prior and Informed Consent of Indigenous Peoples and local communities that may be affected by its activities, and for abiding by the outcomes of FPIC processes.
 - iv. If the undertaking does not have a policy related to land and natural resource rights, or if its policy does not cover customary, collective and/or informal tenure rights, it shall state this.
- (d) Its policies relative to respecting marine natural resources and ecosystems including:
 - i. Disclose its policy related to prevention and management escapes of farmed aquatic organisms.

Disclosure requirement related to [draft] ESRS E4-3 – Actions and resources related to biodiversity and ecosystems

- 9. The undertaking shall disclose its actions and resources related to the protection and restoration of biodiversity and ecosystems.
- 10. In addition, it shall disclose the description of its environmental management plan, actions taken to prevent, mitigate and/or remediate negative environmental impacts.
 - (a) Disclose actions and resources to prevent and manage escapes of farmed aquatic organisms;
 - (b) The undertaking shall disclose the measures taken to mitigate or prevent deforestation and forest degradation; and
 - (c) The undertaking shall consider that poor feeding practices can result in excess or insufficient feed for fish, adding to disease outbreaks and aquatic pollution. The presence of extra feed can attract wild fish and predators to the water column.
- 11. The undertaking shall disclose its policy on restoration of lands.
- 12. The objective of this Disclosure Requirement is to learn the undertakings land restoration policy.
- 13. The undertaking shall disclose the areal – size in hectares, the location, and the type – of natural ecosystems converted since the cut-off date by its own operations and suppliers or in sourcing locations, specifying:
 - (a) conversion of land; /or
 - (b) deforestation and/or forest degradation (risk),
 - (c) restoration of land,
 - (d) reforestation; and
 - (e) draining or infilling to wetlands and aquatic habitats.

14. In addition, the undertaking shall report the percentage of production volume from land owned, leased or managed by the organization determined to be deforestation- or conversion-free, by product, and describe the assessment methods used.
 - (a) The disclosure shall include both the number of hectares (a-e) affected annually and the total number of hectares affected since a defined cut-off date no later than 1 Jan. 2020. The disclosure shall include the geographical location and field size it owns, leases, manages in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.
15. The undertaking shall disclose their policy on reducing deforestation.
16. The objective of this Disclosure Requirement is to understand how the undertakings actions reduce deforestation.
17. The undertaking shall disclose the measures taken to mitigate or prevent deforestation and forest degradation:
 - (a) within its own operations;
 - (b) in its upstream supply chain; and
 - (c) geographical location and field size it owns, leases, manages in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.
18. When disclosing its summary of policies to manage its material impacts, risks and opportunities related to water the undertaking shall disclose its policy on non-renewal groundwater, namely:
 - (a) how it detects the use of fossil / non-renewable groundwater resources;
 - (b) their strategy on how to deal with the risk of relying on fossil water (e.g. transition plan).
19. The scope of disclosure includes incidents governed by national, state, and local statutory permits and regulations, including, but not limited to, the discharge of a hazardous substance, violation of pre-treatment requirements, or total maximum daily load (TMDL) exceedances.
20. The scope of disclosure shall only include incidents of non-compliance that resulted in a formal enforcement action(s).

Disclosure Requirement related to [draft] ESRS E4-5 Impact metrics related to biodiversity and ecosystems change

21. When reporting metrics related to its material impacts resulting in biodiversity and ecosystem change (ESRS E4, paragraph 36):
 - (a) For fishery and fish farming activities:
 - i. the undertaking shall disclose for each species of aquatic organisms caught or harvested, including non-target species:
 1. species scientific name;
 2. volume in metric tons;
 3. fishing methods;
 4. locations of origin;
 5. stock status, including the stock status assessments or systems used
 6. The undertaking shall disclose for each species of aquatic organisms produced:
 7. species scientific name;
 8. volume in metric tons;
 9. farming methods; and

10. production site.
- ii. The undertaking shall disclose the sea floor area (in ha) annually impacted by bottom trawling gear.

Disclosure Requirement related to [draft] ESRS E5-5 Resource outflow

22. When disclosing information on its material resource outflows, including waste:
 - (a) For waste generated on vessels the undertaking shall disclose:
 - i. a breakdown of the total weight of waste generated on vessels to which the International Convention for the Prevention of Pollution from Ships (MARPOL) is applicable by MARPOL categories in metric tons.
 - ii. the recovery and disposal operations used to manage each MARPOL category of waste.
 - (b) For food waste, the undertaking shall disclose:
 - i. the total weight of food loss in metric tons and the food loss percentage, by the organisation's main products or product category;
 - ii. a description of the methodology used for this calculation.

Disclosure Requirement related to [draft] ESRS E5-1 Policies related to resource use and circular economy

23. When disclosing its policies implemented to manage its material impacts, risks and opportunities related to resource use and circular economy, the undertaking shall disclose its policies related to:
 - (a) stimulating the regeneration of the ecosystem being used, namely on what concerns water, biodiversity and other renewable resources as well as policies to prevent harmful overproduction beyond carrying capacity of the ecosystems where it operates
 - (b) decreasing its dependence on plastics and any other harmful or critical material. The undertaking shall explain how it endeavours to decrease its dependence on plastics (i.e., use of mulching film, fishing gear, aquaculture equipment, fish crates, packaging, etc.) and any other harmful or critical resource and how it designs out unnecessary packaging. The policies shall consider aspects such as: 1) decreasing overall dependence on plastics; 2) decreasing dependence on other relevant harmful or critical resource; 3) decreasing use of packaging in products and by-products.
 - (c) preventing and reducing of plastic litter.
 - (d) preventing and reducing food waste at the farm level, for agriculture and animal production.
 - (e) preventing and reducing discard and bycatch, for fisheries.
 - (f) increasing the life and efficiency of their equipment and machinery.

Disclosure Requirement related to [draft] ESRS E5-2 Actions and resources related to resource use and circular economy

24. When disclosing its resource use and circular economy actions and the resources allocated to their implementation, the undertaking shall disclose its actions and practices:
 - (a) that lead to regenerative outcomes.
 - (b) that lead to a reduction of harmful overproduction, as for example selective fishing to avoid by-catch, better matching of demand and production, etc.

- (c) to decrease its dependence on plastics, other harmful or critical materials and decrease the use of packaging in its products and by-products.
- (d) to prevent and reduce plastic litter.
- (e) to avoid food waste at the production stage. The undertaking shall consider measures to prevent food loss, for example, adequate storage temperatures and conditions, sound infrastructure, and efficient transportation. Primary processing conditions and packaging can play a role in preserving agriculture, aquaculture, and fishing products.
- (f) to extend the life of equipment and machinery, such as maintenance plans, engaging in sharing schemes, repairing existing equipment, procuring reused/refurbished/remanufactured equipment.

Disclosure requirement related to [draft] ESRS S1-6 – Characteristics of the undertaking's employees

- 25. When disclosing the characteristics of the undertaking's employees according to [draft] ESRS S1- 6, the undertaking shall disclose the number of seasonal, migrant, and young employees.
- 26. The undertaking shall disclose the number of seasonal, migrant, and young employees, with a breakdown of whether engaged full-time or part-time. In addition, with regard to migrant workers, the undertaking shall disclose the primary countries or regions of origin by percentage.
- 27. If the undertaking does not engage seasonal, migrant and/or young employees and non-employee workers in any capacity, it shall state this.

Disclosure requirement related to [draft] ESRS S1-7 – Characteristics of the undertaking's non-employees

- 28. When disclosing the characteristics of the undertaking's non-employees according to [draft] ESRS S1- 7, the undertaking shall disclose the number of seasonal, migrant, and young non-employees.
- 29. The undertaking shall disclose the number of seasonal, migrant, and young non-employees, with a breakdown whether engaged directly or indirectly through a third party such as a recruitment agency.
- 30. With regard to migrant workers, the undertaking shall disclose the primary countries or regions of origin by percentage.
- 31. Where data is not available, the undertaking shall estimate such numbers and state that it has done so, describing the basis of such estimation.
- 32. If the undertaking does not engage seasonal, migrant and/or young non-employee workers in any capacity, it shall state this.
- 33. The undertaking shall disclose its policies, systems, and strategies to tackle undeclared work in their non-employees working group.

Disclosure requirement related to [draft] ESRS S1-14 – Health and safety indicators

- 34. When disclosing the coverage of its own workforce by the undertaking's health and safety management system according to [draft] ESRS S1-14, the undertaking shall describe any occupational health services' functions that specifically address the occupational health and safety risks for employees and non-employee workers aboard fishing vessels, and explain how the organization facilitates workers' access to these services.
- 35. The undertaking shall disclose whether it has in place any occupational health services' functions that specifically address the occupational health and safety risks for employees and non-employee workers aboard fishing vessels, including workers operating in high seas, and

if so, provide a description of those functions. In addition, the undertaking shall explain how it facilitates worker's access to such services.

Disclosure requirement related to [draft] ESRS S1-1 - Policies related to own workforce

36. When describing its policies that address the management of its material impacts on own workforce, as well as associated material risks and opportunities, according to [draft] ESRS S1-1, the undertaking shall include its policies or commitments regarding the ethical recruitment of workers.
37. The undertaking shall describe its policies or commitments regarding the ethical recruitment of workers. In addition, it shall state whether its policy or commitment extends to business partners and/or suppliers, and describe any measures taken to ensure ethical recruitment practices in the value chain.
38. If the undertaking does not have any policies or commitments on the ethical recruitment of workers, it shall state this.

2. Sector-specific Disclosure Requirements

Disclosure requirement AFF 1-E2 – Metrics related to animal litter and manure production and use

39. **The undertaking shall disclose metrics related to its practices to prevent and reduce animal litter and manure impacts.**
40. The objective of this Disclosure Requirement is to provide an understanding of the undertaking's performance in relation to animal litter and manure management practices such as collection, storage, processing and land spreading of animal litter and manure.
41. The undertaking shall disclose the:
 - (a) amounts (in tonnes) of animal litter and manure produced on a dry and liquid basis;
 - (b) percentage of animal litter and manure produced which is further processed using BAT;
 - (c) area fertilised with animal manure (in hectares), either by the undertaking on its land or where leased by others;
 - (d) Total Nitrogen (N) and Phosphorus (P) (in tonnes) released from animal litter, manure production and processing.

Disclosure Requirement AFF 2-E3 – Water withdrawal

42. **The undertaking shall disclose the freshwater and other water withdrawals for its activities and the sources of such water.**
43. The objective of this disclosure requirement is to provide transparency about the undertaking's dependency on water withdrawals, as well as potential significant impacts water withdrawals can have on local water resources and use.
44. The undertakings shall disclose the following indicators:
 - (a) Total volume of water withdrawn from all areas in megaliters, including a breakdown by:
 - i. Total freshwater:
 1. Surface water;
 2. Groundwater:
 - a. Renewable.

- b. Non-renewable/fossil water.
- ii. Other water:
 - 1. Seawater;
 - 2. Produced water and recycled process wastewater;
 - 3. Third-party water.
- iii. Percentage of total water withdrawn that originates from other water basins (transferred water).
- (b) Total volume of water withdrawn from areas of high-water stress and area of water risk in megaliters, including a breakdown by:
 - i. Total freshwater:
 - 1. Surface water;
 - 2. Groundwater;
- (c) Other water:
 - 1. Seawater;
 - 2. Produced water and recycled process wastewater;
 - 3. Third-party water.
- (d) A percentage of your operations that are in area of high-water stress or areas of water risk.
- (e) Any contextual information necessary to understand:
 - i. the impact of water withdrawal volumes to local water resources and other water uses;
 - ii. the compilation of the data, such as any standards, methodologies, and assumptions used.

Disclosure Requirement AFF 3-E3 - Water discharge

- 45. **The undertaking shall disclose the volume, the destination, and the impacts of the water it discharges to the environment or exports to third parties; and the actions it may have taken to improve the quality of the water discharged.**
- 46. The objective of this disclosure requirement is to provide an understanding of the impact of the undertaking's water discharges on local water resources and use.
- 47. The undertaking shall disclose the following indicators:
 - (a) Total water discharged in megaliters and a breakdown of this total by the following types of destination, if applicable:
 - i. Freshwater bodies, divided by:
 - 1. Surface water;
 - 2. Groundwater;
 - ii. Other water bodies, divided by:
 - 1. Seawater;
 - 2. Exported to a third-party for treatment and discharge to the environment;
 - 3. Exported to a third-party for re-cycling and re-use.
 - (b) Total volume of water discharged to water stressed areas in megaliters, including a breakdown by:

- i. Freshwater;
 - ii. Other water.
- (c) Report volume in megaliters of produced water and process wastewater discharged.
 - (d) The number of occasions on which discharge limits were exceeded;
 - (e) Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.

Disclosure Requirement AFF 4-E3 – Non-compliance with water regulations

48. **The undertaking shall disclose metrics related to non-compliance with water permits, regulations and policies.**
49. The objective of this disclosure requirement is to provide an understanding of the extent the undertaking is compliant with local water regulations.
50. The undertaking shall disclose the total number of instances of non-compliance, including violations of technology-based standards and exceedances of quantity and/or quality-based standards.

Disclosure requirement AFF 5-E4 – Use of fishing products in feed

51. **The undertaking shall disclose the use of fishing products in feed for animals or fish.**
52. The objective of this Disclosure Requirement is to provide an understanding of the degree to which fishing products are used in animal and/or fish feed and to understand the degree to which seed stocks captured in the wild are used for feeding practices.
53. The undertaking shall disclose the following information:
 - (a) total volume of fish used (in tonnes), including a breakdown of:
 - i. species scientific name;
 - ii. whether the whole fish or fish waste (trimmings, offcuts, and offal) is used;
 - iii. locations of origin;
 - iv. stock status, including the stock status assessments or systems used.
 - (b) Volume (in tonnes) of juvenile seeds stocks captured in the wild that are used as input to aquaculture production, including a breakdown of:
 - i. species scientific name;
 - ii. volume in metric tons per species;
 - iii. fishing methods;
 - iv. locations of origin;
 - v. stock status, including the stock status assessments or systems used.

Disclosure requirement AFF 6-E4 – Metrics related to land and natural resource rights

54. **The undertaking shall disclose metrics of impact on land and natural resource rights (including customary, collective, and informal tenure rights) from its operations.**
55. The objective of this disclosure requirement is to provide an understanding of the undertaking's impact on land and natural resource rights, including customary, collective and informal tenure rights.
56. The undertaking shall disclose:
 - (a) Number, size (in hectares), and location of operations, where land and natural resource rights (including customary, collective, and informal tenure rights) have been or shall be impacted by the undertaking's operations.

- (b) The number of disputes concerning land and natural resource rights, and its approach to resolving such disputes.
- (c) The undertaking shall explain on what basis it has authority to use land where rights may be affected by its activities or operations. If the undertaking does not have any operations where land and natural resource rights are affected or likely to be affected, it shall state this.

Disclosure requirement AFF 7-E5 – Metrics related to products and by-products

- 57. **The undertaking shall disclose how their products and by-products are used and the extent that it is available for reuse.**
- 58. The objective of this Disclosure Requirement is to provide an understanding of to what extent products and by products are available for reuse.
- 59. When providing disclosures required by paragraph 57, the undertaking shall report products and by-products in weight and percentage, according to the following principles:
 - (a) Use for intended consumption;
 - (b) Upcycled post-harvest residues/by-products to produce food for human consumption;
 - (c) Used as animal feed;
 - (d) Upcycled post-harvest residues/by-products to produce high-value non-food products (i.e. textiles, cosmetics, etc.);
 - (e) Used as agricultural by-product (i.e. bio-fertiliser);
 - (f) Valorised through biodegradation;
 - (g) Valorised through biofuel and/or biogas generation;
 - (h) Not recovered; and
 - (i) Other (explain).

Disclosure requirement AFF 8-E5 – Metrics related to discards and bycatch

- 60. **The undertaking shall disclose information about discards and bycatch for their fishing practices.**
- 61. The objective of this Disclosure Requirement is to provide an understanding of the degree of bycatch and discards for fishing practices.
- 62. The undertaking shall disclose:
 - (a) Total amount of discards (in weight) and discard ratio (calculated as discards as a percentage of the total catch); and
 - (b) Total amount of bycatch (in weight) and bycatch ratio (calculated as bycatch as a percentage of the total catch).

Disclosure requirement AFF 9-S1 – Approach to worker compensation

- 63. **The undertaking shall describe its approach to compensation of employees and non-employee workers, including basis for payment (e.g., hourly or piece rate), bonus structure and in-kind payments such as housing, food and board, access to services or other non-monetary benefits.**
- 64. The objective of this disclosure requirement is to provide an understanding of the undertaking's approach to compensation of its workforce, and to ensuring an adequate benefit that compensate the low farm wages.

Disclosure requirement AFF 10-S1 – Risks of child labour

65. **The undertaking shall disclose the measures it has taken in the reporting period intended to contribute to the effective abolition of child labour in its own workforce.**
66. The objective of this disclosure requirement is to provide an understanding of the undertakings' efforts to contribute to the elimination of child labour.
67. The undertaking shall disclose whether its measures extend to business partners and/or suppliers, and describe any measures taken to eliminate child labour in the value chain.

Disclosure requirement AFF 11-S2 – Policies and actions related to value chain workers - Informal economy

68. **The undertaking shall disclose the policies and actions taken to determine and address situations where work undertaken within the supply chain does not take place within appropriate institutional and legal frameworks (informal workers).**
69. The objective of this undertaking is to provide an understanding of the undertaking's contribution to social impacts in the value chain, and to what extent its sourcing practices address and mitigate negative impacts.

Disclosure requirement AFF 12-S3 – Human rights defenders

70. **The undertaking shall disclose how it deals with human rights defenders and the number of cases the undertaking and/or its suppliers are involved in.**
71. The objective of this Disclosure Requirement is to provide an understanding of how the undertaking integrates respect for interaction with human rights defenders and the causes they strive for in the undertakings' policies as well as how these policies are rolled out throughout the undertaking. The objective also incorporates reporting on the number of cases of incidents with human rights defenders the undertaking and/or its suppliers are involved in.
72. The undertaking shall describe the policy it applies in dealing with human rights defenders and when relevant, specifying the policies applied to specific operational sites.
73. In addition, the undertaking shall provide the number of cases of attacks on human rights defenders where the undertaking and/or one of its suppliers are named and which steps it has taken to address such cases. Such information shall include anonymised gender and ethnicity breakdowns of human rights defenders, and how many have filed complaints through the undertaking's grievance mechanisms and their eventual resolution [To be discussed].

Disclosure Requirement AFF 13-S3 – Resettlement

74. **The undertaking shall disclose, [for each operational location/for key operational locations – TO BE DISCUSSED] whether it has caused or contributed to voluntary or involuntary resettlement, including its policies and actions, and the damages that have resulted from related incidents.**
75. The objective of this Disclosure Requirement is to enable an understanding of the negative impacts that arise from voluntary or involuntary resettlement caused or contributed to by the undertaking on affected communities.
76. The disclosure shall include the following information:
 - (a) Whether the undertaking has caused or contributed to involuntary resettlement or where such resettlement is ongoing. If so, the undertaking shall disclose the operational location involved. It shall also describe measures taken to ensure that livelihoods and human rights have been preserved, valuation methods used, how legitimate tenure rights holders have been involved in determining the valuation, the policies or commitments to providing remediation to local communities or individuals subject to involuntary resettlement and the process for establishing compensation

for loss of assets or other assistance to improve or restore standards of living or livelihoods.

- (b) Whether there have been incidents that have had a negative impact on the local community. The undertaking shall disclose the damages that have resulted from the incident, and shall include:
- i. Deaths;
 - ii. Other impacts on the health and wellbeing of the local communities, including both physical and psychological impacts; and
 - iii. Damage to infrastructure (including housing, water and sanitation, roads, public facilities, and power).

77. The disclosure shall include information about the undertaking's approach to emergency preparedness and response plans, and how engagement with local stakeholders has informed such plans.

Disclosure Requirement AFF 14-S4 – Approach to food safety and GMOs

78. **The undertaking shall also disclose its approach to food safety and the use of genetically modified organisms (GMOs).**
79. The objective of this Disclosure Requirement is to provide transparency about the undertaking's approach to food safety and the use of GMOs.
80. The disclosure required with respect to GMOs shall include the following:
- (a) impacts, risks, and opportunities associated with GMOs;
 - (b) scope of the products affected; and
 - (c) any labelling of products and consumer preferences.
81. The undertaking shall disclose whether there are countries or regions that have restricted, banned, or suspended imports of one or more of the entity's products due to regulations on GMOs, including EU Regulation (EC) No. 1829/2003.
82. The undertaking shall further disclose its products or product categories that are subject to markets where regulations require the labelling of GMOs.
83. The undertaking shall discuss the risks and opportunities associated with labelling requirements for GMOs and with any changes in consumer preferences regarding the use and/or labelling of GMOs.
84. If the undertaking has assessed all categories of products for health and safety impacts or if the undertaking has not assessed any categories of products for health and safety impacts, it shall state this.
85. When reporting under this disclosure requirement, the undertaking shall describe the criteria used for assessment, including whether and to what extent the undertaking assesses potential harm to consumers and users who may be particularly vulnerable to health and safety impacts (e.g., children).

Disclosure requirement AFF 15-S4 – Food safety recalls

86. **The undertaking shall disclose information about its products that have been recalled for safety reasons.**
87. The objective of this disclosure requirement is to provide an overview of the effectiveness of the undertaking's efforts to address the health and safety of its products.
88. The undertaking shall disclose the number of products recalled for food safety reasons and the total volume of products recalled during the reporting period. If there were no recalls for food safety reasons, the undertaking shall state this.

Disclosure requirement AFF 16-G1 – Animal health and welfare focus

89. **The undertaking shall provide information with respect to its policies, actions, targets and metrics related to the management of animal (including fish and other aquatic animals) health and welfare.**
90. The objective of this focus disclosure requirement is to provide transparency with respect to the undertaking's impact, risk and opportunity management and performance with respect to its treatment of animals.
91. When disclosing its policies with respect to animal health and welfare, the undertaking shall disclose the following aspects of those policies where relevant to its operations:
- (a) stable and outdoor space per animal;
 - (b) the animal feeding plan including the quality of animal feed; and
 - (c) the use of anti-biotics for animals.
92. In the absence of policies, actions and targets related to the management of animal health and welfare, the undertaking shall explain why such policies, actions and targets are not in place (see paragraph 60 of ESRS 2 *General Disclosures*).
93. Where relevant, the undertaking shall disclose the following performance metrics:
- (a) The survival percentage of farmed aquatic animals or the mortality rate for farmed aquatic animals;
 - (b) The proportion of feed produced by the undertaking itself (own feed) as a percentage of all feed provided to livestock;
 - (c) Proportion of supplementary feed from certified production (not from recently converted areas);
 - (d) Number of grazing days per year;
 - (a) Life important antibiotics; and
 - (e) Preventive antibiotics, by animal type.
94. The undertaking shall consider disclosing the following:
- (a) Stable area in m² per animal; and
 - (b) The percentage of indoor area with perforated surface of the total indoor area.
95. The undertaking shall consider disclosing the following information about its feeding plan:
- (a) The percentage feed produced by the undertaking itself (own feed) compared to all feed used based on weight;
 - (b) The percentage of supplementary feed from certified production (excluding that from recently converted areas) compared to all feed used based on weight; and
 - (c) Number of grazing days per year.
 - (d) The proportion of animals treated with medically important antibiotics is calculated as the number of animals treated with medically important antibiotics as a percentage of total animals at the reporting period end by animal type.
 - (e) The proportion of animals treated with preventative antibiotics is calculated as the number of animals treated with preventative antibiotics as a percentage of total animals at the reporting period end by animal type.

Disclosure requirement AFF 17-G1 – Health and safety non-compliance incidents

96. **The undertaking shall disclose information about its non-compliance with regulations, certification schemes and/or voluntary codes concerning the health and safety impacts of products.**

97. The objective of this disclosure requirement is to understand the effectiveness of the undertaking's efforts to address health and safety of its products.
98. The disclosure required by paragraph 96 shall include the total number of incidents of non-compliance around health and safety regulations, certification schemes and/or voluntary codes. The undertaking shall further specify if any incidents of non-compliance relate to consumers or end users who may be particularly vulnerable to harmful impacts, including but not limited to children and people with disabilities.
99. If the undertaking has not identified any incidents of non-compliance with regulations and voluntary codes, the undertaking shall include a statement of this fact.
100. If applicable, the undertaking shall identify any incidents of non-compliance that relate to events in periods prior to the reporting period.

Disclosure requirement AFF 18-G1 – Sourcing from small producers

101. **The undertaking shall disclose information about products sourced from small producers.**
102. The objective of this undertaking is to understand the undertaking's positive impact on small producers and smallholder farmers or fishers.
103. The disclosure shall include:
 - (a) the percentage of products sourced directly from small producers, such as smallholder farmers or fishers;
 - (b) the efforts to address or mitigate negative impacts on smallholders; and
 - (a) The undertakings target and commitment to promote the economic inclusion of small producers.
104. If the undertaking does not source directly from small producers, it shall state this.

Disclosure requirement AFF 19-G1 – Certification of production

105. **The undertaking shall disclose information about the certification, if applicable, of its production.**
106. The objective of this disclosure requirement is to provide an understanding of the scope of undertaking's operations certified as a sustainable (including information related to its suppliers) or in line with an animal welfare standard.
107. The disclosure shall include information around the percentage of its operations or agricultural production certified as sustainable. The information should be provided by type of labelling for example, as organic or regenerative.
108. The disclosure shall also include information around the percentage of its suppliers certified by type of standard (e.g., a third party environmental or social standard) where relevant. The undertaking shall also disclose the name of such certification programme and whether it is audited.
109. The disclosure shall include information around the percentage of its animal production certified under an animal welfare standard. The undertaking shall also disclose the names of the animal welfare standards, the certifying authority, the date of such certification and the period for which it is valid.

Disclosure requirement AFF 20-G1 – State aid and competition

110. **As for MIN/OG**

Appendix A: Defined terms

This appendix is integral part of the [draft] ESRS.

Defined term	Definition
Agricultural products	Raw materials such as food, feed, and biofuel ingredients that are sourced for use in the undertaking's operations.
Agricultural production	Agricultural production is a series of activities that result finally in an agricultural product.
Animal feed	Includes soybean meal, cornmeal and other grains, and other fodder provided to livestock, but excludes forage.
Animal welfare	This includes the five freedoms: Freedom from (1) hunger and thirst, (2) discomfort (3) pain, injury or disease and (5) freedom to express normal behaviour.
Animal welfare standard	A standard that relates to the following aspects of animal production: i. Treatment and handling; ii. Housing and transportation conditions; iii. Slaughter facilities and procedures; and iv. Use of antibiotics and hormones.
Anti-competitive behaviour	Action of the undertaking or employees that can result in collusion with potential competitors, with the purpose of limiting the effects of market competition. Examples: allocating customers, suppliers, geographic areas, and product lines; coordinating bids; creating market or output restrictions; fixing prices; imposing geographic quotas
Farming	The activity of working on a farm or organizing the work there such as raising animals, growing crops, etc.
Fishing	The activity of catching wild fish or other aquatic species from waters for food, profit, or recreation.
Food-safety-related recall	A removal of a marketed product that occurs when there is reason to believe that a food should cause consumers to become ill.
Gestation crate	An enclosure for housing an individual breeding sow, where the enclosure fulfils the animal's static space requirements but does not allow for dynamic movement such as turning around, and is typically non-bedded, with concrete floors and metal stalls.
Illegal, unreported, and unregulated fishing (IUU)	If it is demonstrated that a fishing vessel engages in activities that are contrary to the conservation and management measures in effect in the affected area, it is deemed to be engaging in IUU fishing. This includes, among other things, fishing without a valid license, in a restricted area, beyond a restricted depth, during a prohibited season, or with forbidden equipment. It also includes failing to submit reports on time, faking one's identity, or impeding the work of inspectors. ²
Migrant worker	Someone who relocates to another country or region in search of employment, particularly seasonal or temporary work.
Near Miss	An unplanned incident in which no property or environmental damage or personal injury occurred, but where damage or personal injury easily could have occurred but for a slight circumstantial shift.
Nutrient management plan	A documented management practice that addresses the generation, collection, treatment, storage, and agronomic use of all manure. At a minimum, the nutrient management plan should meet the minimum specific elements of the Natural Resources Conservation Service (NRCS) Comprehensive Nutrient Management Plan (CNMP) , which

² https://ec.europa.eu/commission/presscorner/detail/en/qanda_20_2288

	<p>include</p> <ul style="list-style-type: none"> i. Background and Site Information ii. Manure and Wastewater Handling and Storage iii. Farmstead Safety and Security iv. Land Treatment Practices v. Soil and Risk Assessment Analyses vi. Nutrient Management according to the criteria in the Nutrient Management Conservation Practice (Code 590) vii. Recordkeeping viii. References
Principal crops	Crops that accounted for 10 percent or more of consolidated revenue in any of the last three reporting periods.
Process wastewater	Water associated with operations that comes into contact with hydrocarbons or other chemicals and is not produced water.
Produced water	Water that is brought to the surface during the production of hydrocarbons including formation water, flow-back water and condensation water.
Social standards	Standards that address social impacts related to the production of agricultural products such as, compensation of the workforce, training and continual monitoring of health and safety risks associated with applications of agrochemicals, and child-labour practices.
Surface freshwater	Surface freshwater includes fresh surface water bodies, rivers, lakes, wetlands, run-off – and stormwater.

Appendix B: Application requirements

This Appendix is an integral part of the proposed [draft] ESRS Agriculture, Farming and Fishing. It supports the application of the requirements set for in paragraphs X to X and has the same authority as the other parts of the [draft] Standard.

1. Application Requirements related to sector-agnostic Disclosure Requirements

Application Requirement related to [draft] ESRS 2 - SBM 1 Market position, strategy, business model(s) and value chain

AR 1. The undertaking shall consider biodiversity-sensitive areas are defined in the Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas ('KBAs'), as well as national protected areas). In addition, the undertaking shall consider its areal featuring Non-productive High Biodiversity Landscape Features (NpHBLF). These are defined as land lying fallow, hedges, trees and shrubs (isolated / in line / in groups / wooded strips), field margins, riparian verges, ponds, traditional stone walls, traditional terrace walls, flower strips.

AR 2. The undertaking shall consider:

- (a) Geographical location
- (b) average field size (ha)
- (c) Spatial and temporal Farm Sustainability Management Plan
- (d) % of operational sites located in protected areas and areas of high biodiversity value
- (e) % of operational sites adjacent to protected areas and areas of high biodiversity value
- (f) Closest proximity of use of PPP and fertilisers to Non-productive High Biodiversity Landscape Features (npHBLF) (m)
- (g) % area in areas with high number of red list species
- (h) % protected areas (nature conservation areas)

AR 3. As part of the spatial and temporal Farm Sustainability Management Plan describing the undertakings biophysical environment and cropping system, the undertaking shall include information on land use change.

- (a) The undertaking shall consider the risk of farming listed critical, endangered and vulnerable species and strains. The qualification of a rare breed is
 - i. Part of national species and breed development strategies and programmes and reported locally or regionally at risk through the Domestic Animal Diversity Information System (DAD-IS) of the FAO, or
 - ii. Recognised as at risk based on global classification system E.g., FAO classifications of risk levels, or
 - iii. Below the thresholds for endangered breed set in Annex IV of the de Commission Regulation (EC) No 1974/2006 or
 - iv. The breed is part of viable breeding programme for the improvement of breeds aligned with the REGULATION (EU) 2016/1012.

AR 4. The undertaking shall also include the following data in the report:

- (a) ha of areal protected and/or restored
- (b) % of areal with Non-productive High Biodiversity Landscape Features (npHBLF)

Application Requirement related to [draft] ESRS 2 – SBM 3 – Material impacts, risks and opportunities with their interaction with strategy and business model(s)

AR 5. When describing the resilience of its strategy and business model(s) in relation to:

- (a) Climate change (ESRS E1, paragraph 17) the undertaking shall disclose the principal crops it grows or relies on, and the impacts, risks and opportunities presented by climate change to the continuation of their growth in the current geographies.
- (b) Water and Marine resources, the undertaking shall disclose:
 - i. the percentage of agricultural products (on a revenue basis/weight basis) produced from regions with: 1) High Water risks; 2) Very High Water risks
 - ii. the percentage of agricultural products sourced (on a dependent revenue basis/weight basis) from regions with: 1) High Water risks; 2) Extremely High Water risks.
 - i. a description of its water management risks associated with water withdrawals, water consumption, and discharge of water and/or wastewater.

Application Requirement related to [draft] ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities

AR 6. When describing the process to identify and assess impacts, risks and opportunities:

- (a) Relative to climate risks (ESRS E1, paragraph 18), the undertaking shall disclose the physical climate change-related scenarios used to identify the risks and opportunities posed by climate change, including the geo-graphical scale at which they have been used and if they have been scaled-down for the purposes of the analysis.
- (b) Relative to water risks:
 - i. the undertaking shall disclose how it is assessing the risk of non-compliant water use in their operations and their supply chain.
 - ii. the undertaking shall consider all of its operations for water risks and identify activities that withdraw and consume water in locations with High or Extremely High Water Risk.
 - iii. The undertaking shall consider risks of droughts, aridity, floods, degradation of ecosystems but also regulatory and reputational risks.
 - iv. and risks of non-compliant water usage, the undertaking shall disclose how it is assessing the risk of non-compliant water use in their operations and their supply chain.

AR 7. The undertaking shall consider in its process to identify and assess impacts, risks and opportunities:

- (a) remote sensing technologies like Geographic Information Systems (GIS) and the Global Positioning System (GPS), which can detect, extract, conserve and test the vulnerability of groundwater across space and time.
- (b) Investments in water user platforms, water-basin governance processes and other participatory processes that enable good water governance
- (c) Investments in nature-based solutions;

- AR 8. Risks associated with water withdrawals and water consumption include risks to the availability of adequate, clean water resources, including, but not limited to:
- (a) Environmental constraints—such as operating in water-stressed regions, drought, concerns of aquatic impingement or entrainment, interannual or seasonal variability, and risks due to the impact of climate change;
 - (b) Regulatory and financial constraints—such as volatility in water costs, stakeholder perceptions and concerns related to water withdrawals (e.g., those from local communities, non-governmental organizations, and regulatory agencies), direct competition with and impact from the actions of other users (e.g., commercial and municipal users), restrictions to withdrawals due to regulations, and constraints on the entity's ability to obtain and retain water rights or permits;
 - (c) Risks associated with the discharge of water and/or wastewater, include, but are not limited to, the ability to obtain rights or permits related to discharges, compliance with regulations related to discharges, restrictions to discharges, the ability to maintain control over the temperature of water discharges, liabilities and/or reputational risks, and increased operating costs due to regulation, stakeholder perceptions and concerns related to water discharges (e.g., those from local communities, non-governmental organizations, and regulatory agencies).
- AR 9. The entity may describe water management risks in the context of:
- (a) How risks may vary by withdrawal source, including surface water (including water from wetlands, rivers, lakes, and oceans), groundwater, rainwater collected directly and stored by the entity, and water and wastewater obtained from municipal water supplies, water utilities, or other entities; and
 - (b) How risks may vary by discharge destinations, including surface water, groundwater, or wastewater utilities.
- AR 10. The entity may discuss the potential impacts that water management risks may have on its operations and the timeline over which such risks are expected to manifest.
- (a) Impacts may include, but are not limited to, those associated with costs, revenues, liabilities, continuity of operations, and reputation.
- AR 11. The entity shall discuss its short-term and long-term strategies or plan to mitigate water management risks, including, but not limited to:
- (a) The scope of its strategy, plans, goals and/or targets, such as how they relate to different business units, geographies, or water-consuming operational processes.
 - (b) Any water management goals and/or targets it has prioritized, and an analysis of performance against those goals and/or targets.
 - (c) Goals and targets may include, but are not limited to, those associated with reducing water withdrawals, reducing water consumption, reducing water discharges, reducing aquatic impingements, improving the quality of water discharges, and regulatory compliance.
 - (d) The activities and investments required to achieve the plans, goals and/or targets, and any risks or limiting factors that might affect achievement of the plans and/or targets.
 - (e) Disclosure of strategies, plans, goals, and/or targets shall be limited to activities that were ongoing (active) or reached completion during the reporting period.
- AR 12. For water management targets, the entity shall additionally disclose:
- (a) Whether the target is absolute or intensity-based, and the metric denominator if it is an intensity-based target.

- (b) The timelines for the water management plans, including the start year, the target year, and the base year.
- (c) The mechanism(s) for achieving the target, including:
 - i. Efficiency efforts, such as the use of water recycling and/or closed-loop systems;
 - ii. Product innovations such as redesigning products or services to require less water;
 - iii. Process and equipment innovations, such as those that enable the reduction of aquatic impingements or entrainments;
 - iv. Use of tools and technologies (e.g., the World Wildlife Fund Water Risk Filter, The Global Water Tool, and Water Footprint Network Footprint Assessment Tool) to analyse water use, risk, and opportunities; and
 - v. Collaborations or programs in place with the community or other organizations.
- (d) The percentage reduction or improvement from the base year, where the base year is the first year against which water management targets are evaluated toward the achievement of the target.

AR 13. The entity shall discuss whether its water management practices result in any additional lifecycle impacts or trade-offs in its organization, including trade-offs in land use, energy production, and greenhouse gas (GHG) emissions, and why the entity chose these practices despite lifecycle trade-offs.

Application Requirement related to [draft] ESRS E1-6 – Gross scopes 1, 2, 3 and total GHG emissions

AR 14. The undertaking shall provide a breakdown of its GHG Scope 1 emissions by GHG type, including the following categories:

- (a) CO₂ emissions from the use of fossil fuels in own operations, e.g. from agricultural machines, transportation equipment or heating devices;
- (b) CO₂ emissions from land use and land use change, e.g. from land conversion or land degradation;
- (c) CH₄ emissions, e.g. from enteric fermentation, manure management or rice cultivation;
- (d) N₂O emissions, e.g. from manure management and fertilization.

AR 15. Where it can be useful to the user of information to better understand the origin of its GHG footprint, the undertaking shall also consider the provision a breakdown of its GHG Scope 1 and 2 emissions breakdown by source using, for example, the following categories:

- (a) Mechanical sources:
 - i. Stationary machinery
 - ii. Mobile machinery
 - iii. Refrigeration and air-conditioning;
- (b) Non-mechanical sources:
 - i. Drainage and tillage of soils;
 - ii. Fertilization;
 - iii. Soil amendments, e.g. liming;
 - iv. Enteric fermentation;
 - v. Rice cultivation;

- vi. Manure management;
- vii. Land use change;
- viii. Open burning;
- ix. Composting of waste;

AR 16. When disclosing its scope 3 GHG emissions (ESRS E1, paragraph 41c) the undertaking shall consider disclosing a breakdown by the following potential significant sources:

- (a) Fertilizers;
- (b) Animal feed;
- (c) Peatland degradation;

AR 17. If peatland degradation is a significant Scope 3 emission source, the undertaking shall also disclose the amount of peat or peat containing products used.

Application Requirement related to [draft] ESRS E2-4 – Pollution of air, water and soil

AR 18. When disclosing its pollution to air, water and soil (ESRS E2, paragraph 25) the undertaking shall consider disclosing as a minimum the following information:

- (a) On pesticide use:
 - i. volume and intensity of pesticides used per toxicity hazard levels.
 - ii. the amount of persistent organic pollutants (POPs, in g).
 - iii. ecotoxic emissions, per ecotoxic substance from ReciPe / or expressed in kg 1,4-dichlorobenzene equivalents (1,4DCB-eq), with information on the discharge compartment (air, water, soil, etc.).
 - iv. Proportion (%) of areal treated with synthetic pesticides;
 - v. Frequency of use of pesticide

Application Requirement related to [draft] ESRS E4-1 Transition plan on biodiversity and ecosystems

AR 19. The undertaking shall consider

- (a) Area in hectares (ha) contributing to land use change, along with geolocation, and starting and ending land cover categories;
- (b) Area in hectares (ha) contributing to deforestation and/or forest degradation, along with geolocation, and starting and ending land cover categories;
- (c) Area in hectares (ha) restored, along with geolocation, and starting and ending land cover categories;
- (d) Area in hectares (ha) reforested, along with geolocation and starting land use category;
- (e) Area in hectares (ha) of wetlands and/or aquatic habitats drained or infilled, along with geolocation and starting and ending land use categories; and
- (f) Proportion (%) of production volume from land owned, leased or managed by the organization determined to be deforestation- or conversion-free, by product.

AR 20. The undertaking shall consider relevant forestry experts to advise on how to include a place-based / level of biodiversity supported / forest maturity element in this disclosure to provide

transparency on the biodiversity impact of a particular type of forest being deforested, degraded, protected, restored, or reforested:

- (a) ... to understand the information to 'net off' deforestation and forest degradation in one place with restoration of land and reforestation in another place; and
- (b) ... to understand the difference from a biodiversity (and broader environmental) perspective between cutting down pristine, old-growth, highly biodiverse forests and growing fast growth monoculture forestry plantations.

AR 21. The undertaking shall consider:

- (a) distinguishing between land cover categories (e.g., from GLC2000);
- (b) distinguishing between different land use intensities; and
- (c) reflecting annual changes.

AR 22. The undertaking shall consider disclosing annual land occupation following Globio land use categories:

- (a) Forest – Natural;
- (b) Burnt forest;
- (c) Forest – Plantation;
- (d) Forest – Clear-cut harvesting;
- (e) Forest – Selective logging;
- (f) Forest – Reduced impact logging;
- (g) Natural grassland;
- (h) Pasture – moderately to intensively used;
- (i) Pasture – man-made;
- (j) Extensive cropland;
- (k) Woody biofuels;
- (l) Agroforestry;
- (m) Intensive cropland;
- (n) Irrigated or monoculture cropland;
- (o) Bare area;
- (p) Snow and ice; and
- (q) Urban area.

AR 23. The undertaking shall consider

- (a) conversion or fragmentation of high-nature-value land, forests or other lands of high-biodiversity value. Lands of high-biodiversity-value are specified in Article 29(3) Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (OJ L 328, 21.12.2018, p. 82).
- (b) areal in hectares treated by draining, infilling or other physical damage to wetlands and aquatic habitats as defined under the Ramsar Convention on Wetlands, encompassing peatlands, floodplains, riparian zones (see below), aquatic (rivers, ponds, springs, etc) and coastal habitats.

- AR 24. The undertaking shall consider the land area, in hectares, of forest and/or other natural ecosystem converted on land owned, managed, or controlled by the undertaking, by country and jurisdiction, in the time since an appropriate cut-off date.
- AR 25. The undertaking shall consider the following question for production units known to be in the supply chain:
- (a) What land area, in hectares, of forest and/or other natural ecosystem has been converted on production sites which are known to be in the company's supply chain in the time since an appropriate cut-off date?
 - (b) If relevant to the region and context, the undertaking may consider disaggregating the converted area by legality of conversion, biome, vegetation type, and/or High Conservation Value (HCV) status.
- AR 26. The undertaking shall consider the following question for land use change in sourcing area (when there is not traceability to production unit):
- (a) What land area, in hectares, of forest and/or other natural ecosystem have been converted in the sourcing area that can be allocated to products sourced by the company in the time since an appropriate cut-off date and/or in the past 5 years?
 - (b) What methodology and data sources were used to quantify attributed deforestation and conversion?
 - (c) If relevant to the region and context, the undertaking may consider disaggregating the converted area by legality of conversion, biome, vegetation type, and/or High Conservation Value (HCV) status.

Application Requirement related to [draft] ESRS E4-3 Actions and resources related to biodiversity and ecosystems

- AR 27. The undertaking shall consider relevant forestry experts to advise on how to include a place-based / level of biodiversity supported / forest maturity element to provide transparency on the biodiversity impact of a particular type of forest being deforested, degraded, protected, restored, or reforested, to understand the information to 'net off' deforestation and forest degradation in one place with restoration of land and reforestation in another place. The undertaking shall understand the difference from a biodiversity (and broader environmental) perspective between cutting down pristine, old-growth, highly biodiverse forests and growing fast growth monoculture forestry plantations.

Application requirement related to [draft] ESRS E4 – Geographical location

- AR 28. The undertaking shall consider biodiversity-sensitive areas are defined in the Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas ('KBAs'), as well as national protected areas). In addition, the undertaking shall consider its areal featuring Non-productive High Biodiversity Landscape Features (NpHBLF). These are defined as land lying fallow, hedges, trees and shrubs (isolated / in line / in groups / wooded strips), field margins, riparian verges, ponds, traditional stone walls, traditional terrace walls, flower strips.
- AR 29. The undertaking shall consider disclosing:
- (a) Geographical location;
 - (b) average field size (in hectares);
 - (c) Spatial and temporal Farm Sustainability Management Plan;
 - (d) Percentage of operational sites located in protected areas and areas of high biodiversity value;

- (e) Percentage of operational sites adjacent to protected areas and areas of high biodiversity value; and
- (f) Closest proximity of use of PPP and fertilisers to Non-productive High Biodiversity Landscape Features (npHBLF) (m).

AR 30. The undertaking shall consider that poor feeding practices can result in excess or insufficient feed for fish, adding to disease outbreaks and aquatic pollution. The presence of extra feed can attract wild fish and predators to the water column.

AR 31. When reporting under this disclosure requirement, the undertaking shall disclose whether it has a procedure for identifying legal, customary, collective and informal tenure rights to land used for its activities and operations, and describe its approach.

AR 32. The undertaking shall further disclose whether there have been any significant disputes concerning land and natural resource rights, and its approach to resolving such disputes.

AR 33. If the undertaking does not have commitments related to land and natural resource rights, or if its commitment does not cover customary, collective and/or informal tenure rights, it shall state this.

AR 34. If the undertaking's commitments do not extend to its activities, business relationships and/or suppliers, it shall state this.

Application Requirement related to [draft] ESRS E5-3 Actions related to resource use and circular economy

AR 35. For waste generated on vessels, the undertaking shall consider creating a garbage management plan and considering Annex V of MARPOL.

Application Requirement related to [draft] ESRS E5-4 Resource inflow

AR 36. The undertaking shall consider, when providing information required by Disclosure Requirement [draft] ESRS 2-4, specifying nitrogen and phosphorous, in animal litter and manure generated in relation to farm area. The scope of animal litter and manure includes both dry and liquid manures and litter.

AR 37. The undertaking shall consider disclosing:

- (a) Balance nitrogen kg for total nitrogen;
- (b) Balance phosphorus kg for total phosphorus;
- (c) Animal manure dry (tonnes);
- (d) Animal manure liquid (tonnes); and
- (e) Percentage of area fertilised with animal manure broadcast application.

Application Requirement related to [draft] ESRS S1-1 Policies related to own workforce

AR 38. When disclosing its policies related to the ethical recruitment of workers, the undertaking shall consider disclosing:

- (a) whether these policies and agreements are delivered in a language understood by the worker;
- (b) whether these policies aimed to help better understand their rights, their responsibilities and the steps of the recruitment process.
- (c) what procedures are in place for identifying and resolving instances of non-compliance.

Application Requirement related to [draft] ESRS S1-6 Characteristics of the undertaking's employees

- AR 39. A seasonal worker is defined as an individual who works for the undertaking on a seasonal or other temporary basis who are not required to be absent overnight from their permanent place of residence.
- AR 40. A migrant worker is defined as an individual that works for the undertaking on a seasonal or other temporary basis who are required to be absent overnight from their permanent place of residence.
- AR 41. A young worker is defined as an individual above the minimum age for work but below the age of 18.

Application Requirement related to [draft] ESRS S1-7 Characteristics of the undertaking's non-employees

- AR 42. The seasonal, migrant, and young workers are as described in paragraphs AR 65, AR 66 and AR 67 above, and who are non-employee workers in own workforce, including both individual contractors supplying labour to the undertaking and workers provided by undertakings primarily engaged in "employment activities".
- AR 43. The undertaking shall consider disclosing the following information as a percentage of its total workforce:
- (a) self-employed workers;
 - (b) employees with contracts managed directly by third party employer; and
 - (c) employees without contracts.

Application Requirement related to [draft] ESRS S1-14 Health and safety indicators

- AR 44. Occupational health services' functions include for example safety norms, oversight, inspection, and intervention mechanisms.
- AR 45. Specific occupational health and safety risks aboard fishing vessels include for example maximum working hours and minimum hours of rest for workers aboard fishing vessels.
- AR 46. To facilitate workers' access to these services, the undertaking may have two-way informational system for relevant information on occupational health services' functions to employees and the actions taken in response.

2. Application Requirements related to sector-specific Disclosure Requirements

Application Requirement related to AFF 2-E3 – Water Withdrawal

- AR 47. The undertaking shall disclose the volume, the destination, and the impacts of the water it discharges to the environment or exports to third parties; and the actions it may have taken to improve the quality of the water discharged.
- AR 48. The objective of this disclosure requirement is to provide understanding of the impact of the undertakings' water discharges on local water resources and use.
- AR 49. The undertakings shall disclose the following indicators:
- (a) Total water discharged in megaliters and a breakdown of this total by the following types of destination, if applicable:
 - i. Freshwater bodies:

4. Surface water;
 5. Groundwater;
 - ii. Other water bodies:
 1. Seawater;
 2. Exported to a third-party for treatment and discharge to the environment;
 3. Exported to a third-party for re-cycling and re-use.
 - (b) Total volume of water discharged to water stressed areas in megaliters, including a breakdown by:
 - i. Freshwater;
 - ii. Other water.
 - (c) Report volume in megaliters of produced water and process wastewater discharged.
 - (d) The number of occasions on which discharge limits were exceeded;
- AR 50. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.

Application Requirement related to AFF 4-E3 – Non-compliance related with water management and use

- AR 51. Formal enforcement actions are defined as statutorily recognized actions that address a violation or threatened violation of water quantity and/or quality laws, regulations, policies, or orders, and can result in administrative penalty orders, administrative orders, and judicial actions, among others.
- AR 52. Violations shall be disclosed, regardless of their measurement methodology or frequency. These include violations for continuous discharges, limitations, standards, and prohibitions that are generally expressed as maximum daily, weekly average, and monthly averages.

Application Requirement related to AFF 9-1 – Approach to worker compensation

- AR 53. When describing the approach to worker compensation, the undertaking shall consider:
- (a) whether compensation is based on hourly rates, quotas, bonuses or piece rates, and how the undertaking ensures payment of adequate wage for those who do not meet quota or piece rate requirements;
 - (b) whether any deductions or withholdings are made from adequate wage levels for provision of in-kind benefits; and
 - (c) the approach to in-kind benefits, and proportion of total compensation paid in kind.

Application requirement related to AFF 10-S1 – Risks of child labour

- AR 54. Measures to contribute to the elimination of child labour refers to policies, commitments and actions to:
- (a) eliminate the use of child labour in operations, activities, the value chain and in business relationships;
 - (b) establish remediation processes and procedures for children removed from the workplace;
 - (c) prevent, identify and mitigate harm for young workers under 18 years old and ensure work is aligned with their physical and psychological capacity; and

- (d) work with governments, social partners, and others to address sustainable solutions to the root causes of child labour.

AR 55. When disclosing on measures to contribute to the elimination of child labour, the undertaking can refer to:

- (a) The EU Strategy on the Rights of the Child and the European Child Guarantee;
- (b) ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy; and
- (c) OECD Guidelines for Multinational Enterprises.

Application requirement related to AFF 11-S2 – Policies and actions related to value chain workers - Informal economy

AR 56. When describing the approach to determining and addressing situations where work undertaken within the supply chain does not take place within appropriate institutions and legal frameworks, the undertaking shall consider disclosing:

- (a) cases where individual working for suppliers are not covered by social and labour protection;
- (b) cases wherein the organisation's supplier working conditions are not compliance with labour laws; and
- (c) cases where labour in the supply chain is performed without being covered by legally binding contracts.

Application requirement related to AFF 12-S3 – Human rights defenders

AR 57. Human rights defenders include individuals and groups who, in their personal or professional capacity and in a peaceful manner, strive to protect and promote human rights relating to the environment, including water, air, land, flora and fauna.

AR 58. In order to establish the list of incidents the undertaking shall consider official sources such as policy reports or other reports issued by governmental organisations. The undertaking shall not consider unofficial reports such as social media sources.

Application requirements related to AFF 13-S3 – Resettlement

AR 59. The undertaking shall consider describing how it assesses whether its approach is in line with the best available standard.

Application requirements related to AFF 14-S4 – Approach to food safety and GMOs

AR 60. The undertaking shall consider disclosing its management approach to unintended consequences. (Unexpected environmental side effects, economic benefits, and health & safety concerns).

AR 61. A category of products includes those that share a common set of features that satisfy specific needs of a selected market.

Application requirements related to AFF 15-S4 – Food safety recalls

AR 62. Food safety recalls include voluntary recalls initiated by the undertaking and involuntary recalls requested and/or mandated by regulatory authorities.

AR 63. The entity shall consider disclosing the percentage of recalls that were voluntarily issued and the percentage of recalls that were involuntarily issued.

AR 64. The scope of disclosure under this requirement excludes market withdrawals, which are defined as an entity's removal or correction of a distributed product that involves a minor violation that would not be subject to legal action by regulatory authorities or that involves no violation (e.g., normal stock rotation practices).

Application requirement related to AFF 17-G1 – Health and safety non-compliance incidents

AR 65. Incidents of non-compliance refer to incidents of non-compliance with regulations, certification schemes and/or voluntary codes concerning the health and safety impacts of products that has been found to be substantiated. These do not include incidents of non-compliance still under investigation at the end of the reporting period. The determination of potential non-compliance cases as substantiated may be made either by the undertaking's compliance officer or similar function or an authority. A determination as substantiated by a court of law is not required.

AR 66. When reporting under this disclosure requirement, the undertaking may exclude incidents of non-compliance for which it was determined not to be at fault.

Application Requirement related to AFF 18-G1 – Sourcing from small producers

AR 67. The undertaking shall calculate the percentage of product sourced from small producers calculated by volume or weight, explaining its calculation.

Application Requirement related to AFF 19-G1 – Certification of production

AR 68. The certification of animal production under an animal welfare standard shall be calculated as the number of animals certified during the period as a percentage of the total number of animals in the undertaking's operations at period end.

AR 69. The certification of suppliers under a relevant standard shall be calculated as the total purchases during the period from suppliers so certified as a percentage of the total purchases during the period.

AR 70. The percentage for the shall be calculated as the cost of agricultural products sourced from Tier 1 suppliers certified to a recognised certification program divided by the total cost of agricultural products sourced from all suppliers.

AR 71. The scope of disclosure excludes packaging materials and other goods or inputs that are not food or ingredients for food products.

Appendix C: Sustainability matters

E1: Climate change adaptation

Climate change adaptation refers to how undertakings are adjusting to current and anticipated climate-related risks as well as contributing to their resilience towards climate change. Impacts related to climate change for undertakings operating in the Agriculture, Farming and Fishing sector include both long-term changes in climate patterns as well as chronic and acute climate-related hazards related to temperature, wind, water, solid mass, or other events. Climate change shall negatively affect crop yields and suitability. A major concern for the agriculture sector is the exacerbation of land degradation caused by global warming. Increased precipitation, flooding, drought frequency and severity, pest infestation, disease, heat stress, dry spells, wind, sea-level rise, wave action and permafrost thaw can result from this. Negative effects, such as an increase in water temperature, a reduction in oxygen levels, a rise in sea level, a drop in pH levels, and changes in production patterns, might have an impact on fishing and aquaculture operations. Failure to adjust to the effects of climate change can result in business interruptions, loss of livelihood for people, and worsened effects on occupational health and safety. This shall have an impact on an undertaking's employees, vendors, clients, and shareholders in addition to small-scale farmers, indigenous people, and local communities. Disruptions in operations might negatively affect the food security of agriculture, farming, and fishing products.

Undertakings can take steps to adapt to climate change and increase resilience in addition to playing a critical role in its mitigation. The diversification of output, which includes reliance on a wider genetic base and genetic advancements for heat and drought tolerance, is one widely recognized adaptation strategy. Potential financial effects might arise from acute and chronic environmental physical risks and investments in new technologies to mitigate those risks. In addition, potential financial effects might arise from disruptions in the supply chain, losses of production and markets shares, affecting financial and operational costs.

E1: Climate change mitigation

Undertakings operating in the Agriculture, Farming and Fishing sector produce air emissions, such as greenhouse gas (GHG), carbon dioxide (CO₂), methane (CH₄), ozone-depleting substances (ODS), and nitrogen oxides (NOX) and sulfur oxides (SOX). Emissions shall have a detrimental effect on ecosystems, air quality, and the health of people and animals. GHG emissions play a significant role in climate change. The use of peat and peat containing products also has impacts on climate change. Undertakings operating in agriculture and farming can create opportunities for climate change mitigation when taking measures for carbon sequestration, such as planting agro-forest-systems, maintenance of permanent grassland, protection of wetland and peatland as well as continuously forested areas.

Crop production increases greenhouse gas emissions by cultivating the soil. The impact depends on farming techniques and type of means of production used. GHG emissions are also produced by the use of fertilizers and fossil fuels to run equipment and machineries. Ruminant livestock release greenhouse gas emissions during their breathing and digestive processes. Animal manure also emits gases, such as CH₄, N₂O, and CO₂.

Aquaculture farms on land shall need a lot of energy to control water temperature and circulation, which adds to GHG emissions from fuel combustion. In fishing, emissions can be associated with burning diesel fuel, marine fuel oils, and intermediate fuel oils. Emissions of chemicals that deplete the ozone can occur when refrigerants are used to store fish products. Large volumes of CO₂ can be also released as a result of changes in land usage.

Emissions are also associated with production, processing, and transportation of feed. Potential financial effects arise from emissions regulations, market developments of fuel and commodities pricing and disruptions in the supply chain, affecting financial and operational costs.

E1: Energy

Undertakings operating in the Agriculture, Farming and Fishing sector require high energy input for farming, maintaining livestock, harvesting, watering, processing, production, cooling, and transportation. Energy consumption fosters impacts on the ecosystems and climate. Energy is mostly consumed from the energy grid. Undertakings operating in this sector shall create opportunities when they generate energy on-site through anaerobic bio-digesters or the use of biomass, or install and operate alternative renewable energy sources, like wind parks, solar panels, agri-photovoltaic or biogas installations.

Potential financial effects result from the energy management and efficiency and the related investments, operating expenses or operating income, cost savings and cost reductions. Further potential effects shall arise from emissions regulations, market developments of energy, fuel, and commodities pricing, affecting current and future financial and operational costs.

E2: Pollution of air

Undertakings in Agriculture, Farming and Fishing sector are major contributors to air pollution by emitting greenhouse gas (GHG), ozone-depleting substances (ODS), nitrogen oxides (NOX), sulfur oxides (SOX), and other substantial emissions that are considered pollutants. Air contamination can originate from chemical pesticides, fertilizers, and manure with different toxicological effects. A significant amount of air pollution is generated by transportation of goods and animals. Combustion of fuels used to power machines and vehicles that are needed for agriculture, farming and fishing activities, can create localised air pollution. This localised air pollution is also important from an environmental health perspective, as it can cause negative health impacts. Emissions are also produced when fuel is burned to produce the electricity required to control water temperature and circulation in aquaculture land-based operations. Undertakings can reduce their negative effects by enhancing their fuel efficiency and utilizing innovative technology that make use of alternate energy sources and fuels.

E2: Pollution of water

The production of agricultural, farming and fishing products requires the use of water, and undertakings in the sector frequently produce wastewater, also known as effluent. The ability of the sector to operate processing plants effectively is directly impacted by the availability of water. Chemical pesticides with different toxicological effects can contaminate water and nitrogen-based fertilizers can overburden streams with harmful pollutants and produce greenhouse gases. Manure also contributes to water pollution as it emits ammonia and if it is applied beyond the ground's natural absorption rate, it can lead to runoff into water sources.

Undertakings can create opportunities when using water-efficient techniques and taking measures to prevent water erosion and nutrient-runoff into water sources.

E2: Pollution of soil

Soil health is fundamental for this sector to support plant and animal productivity and to preserve or improve water and air quality. Agriculture, Farming and Fishing can negatively impact soil quality, causing soil pollution, erosion, degradation, and deteriorating soil health. Soil pollution and degradation commonly result from monoculture and agrochemical use, including the application of fertilizers, pesticides, and/or herbicides.

Soil is a critical resource that helps to tackle climate change by sequestering carbon. Fertile soils also provide many valuable ecosystem services whose disruption should be avoided at all costs. If soil is polluted or degraded to the extent that companies need to relocate to access new land with healthy soils, heavy costs can be incurred. Therefore, undertakings in the sector should apply critical risk management when it comes to assessing potential and actual impacts of direct and indirect operations on soil.

Undertakings can create opportunities in fostering soil health by diverse shallow cultivation techniques, crop rotation, planting catch and cover crops, using organic fertilizer and balancing nitrogen and phosphorus cycles.

E2: Pollution of living organisms and food resources

Pollution from Agriculture, Farming and Fishing sector contributes to the contamination of the environment as a by-product of growing and raising livestock, food crops, animal feed, and processing operations. Undertakings operating in this sector might harm the environment in a variety of ways from fertilizer runoff to methane emissions, depending on the manner how agricultural, farming and fisheries products are produced, raised, transported, processed and stored. Cows' digestive systems produce a large amount of methane, which significantly contributes to global warming. Pollution originating from Aquaculture and Fishing can relate to over accumulated fish-feed and faeces near to fish farms, discards from bycatch or ghost fishing and plastic. Potential financial effects might arise from investments in new technologies as well as remediation and restoration measures.

E2: Substances of concern

Undertakings in the Agriculture, Farming and Fishing sector might use pesticides, as herbicides, insecticides, fungicides, nematicides and rodenticides for the regulation and destroying of vermin. The toxicity of pesticides, whether as chemical or biological substance affects soil, air, water and animal health but also has direct impact on food products. Workers applying pesticides might be directly exposed to toxicological substances. Local communities and indigenous people might be affected indirectly by the toxicity in soil and water for years.

Potential financial effects might arise from investments in remediation, restoration and compensation measures. In addition, regulatory requirements might affect the use of pesticides.

E3: Water withdrawals

The Agriculture, Farming and Fishing sector is water-intensive both in growing agricultural products, raising livestock and relying on water for processing activities. Water can be taken out of the ground or from bodies of surface water, including reservoirs and lakes or it can be desalinated or treated wastewater. The long-term sustainability of water resources can be lowered by exhaustive water withdrawal. Withdrawn water is largely used in crop production to irrigate the soil, apply pesticides and fertilizers, and regulate crop cooling and frost.

E3: Water consumption

Since Agriculture, Farming and Fishing is one of the most water intensive sector, the availability of water directly impacts the undertaking's ability to efficiently operate. Due to population growth, rising per capita consumption, poor water management, and climate change, water scarcity is becoming an issue of greater importance that can lead to water conflicts. As a result, businesses in the sector shall have to incur higher operational costs, remediation costs, or even potential fines or lost revenue due to water shortages and/or regulations that cause production to fall. Through capital investments, facility location assessments in relation to risks associated with water scarcity, increases in operational efficiency, and collaboration with regulators and communities on issues relating to water access and effluent, businesses can manage water-related risks and opportunities and mitigate long-term costs.

E3: Water use

For agricultural productivity, water is crucial. Irrigated land typically produces twice as much per unit as unirrigated land. There are several ways to water a crop, including surface irrigation and subsurface irrigation. Water is used in animal agriculture to hydrate and clean animals. In order to process animal products, it is also used to wash and sanitize the milking and slaughter equipment. Raising aquatic organisms in water is referred to as aquaculture, and it can use a substantial amount of surface water.

Ponds, man-made channels, and to a lesser extent closed-recirculation tanks are used for aquaculture production. Since aquaculture operation is performed in regulated settings, a large portion of the water that is withdrawn can be used and then returned to the source.

Undertakings can create opportunities in using water-efficient irrigation systems, nature-based solutions and planting techniques.

E3: Water discharges in water bodies and in the oceans

Undertakings in Agriculture, Farming and Fishing sector frequently produce wastewater, also known as effluent, from both animal production, fishing operations and processing activities. Effluents containing waste from terrestrial animals, fertilizers, and pesticides can contribute to the pollution of surface and groundwater. Nutrient build-up from discharges in water bodies near fish farms shall reduce oxygen levels and cause algae blooms that result in eutrophication which negatively affects biodiversity. Contaminated water adversely impacts animal habitat, food supplies and even people's health and livelihood. In fishing operations, wastewater can be discharged to the sea from fishing vessels. This includes materials and coating from the hold and onboard refrigeration systems, as well as the water used to store fish on the ship, which shall contain fish waste from gutting and bleeding. Additionally, cleaning holds and equipment that uses detergents, disinfectants, and greasy combinations could produce wastewater. Discharges have the potential to pollute coastal areas and reduce the amount of oxygen in sea water.

Undertakings can create opportunities in ensuring that wastewater isn't discharged into water sources and courses, for example ensuring the installation of adequate riparian strips.

E3: Habitat degradation and intensity of pressure on marine resources

Marine resources provide vital environmental functions like climate regulation, erosion prevention, absorption of carbon dioxide, and contribute to impacts to the environment through the use of ocean-based resources, emissions and discharges which end up in the oceans, or activities located in maritime areas. Agriculture and farming as well as aquaculture contribute to nitrogen and phosphorus substances that can eutrophicate nearby waters or make it inhospitable for marine animals, the availability of fishery resources and food for local communities. Fishing is one of the most significant drivers of declining ocean biodiversity. Overfishing, bycatch, and illegal, unreported, and unregulated fishing (IUU) as well as fishing techniques, such as bottom trawling and ghost fishing endanger marine resources and marine species. Seabed damage can result in carbon dioxide (CO₂) emissions. Lost or discarded fishing gear also contributes to marine plastic pollution. Marine habitat conversion happens as the result of reclamation of coastal, lake, river, wetland, peatland, or benthic ecosystems. Conversion of aquatic environments by aquaculture operations can include the clearing of arable land, mangroves, salt marshes, and wetlands or sustained changes to lake and river ecosystems to make them fit for aquatic farming sites. In fishing, bottom trawling causes impacts on the seabed's physical structure, affecting bottom plants, corals, sponges, fish, and other animals. Dumping of garbage has caused severe damage to marine resources. Ocean plastic contributes to the extinction of the marine environment and its species.

The conservation of marine resources as well as remediation and restoration measures are cost intensive. In addition, the extinction of marine species causes shortages in the food delivery. Potential financial effects arising might impact the business activities and economic performance of undertaking's operating in this sector. Potential financial effects might arise from investments in new technologies to protect marine resources as well as remediation and restoration measures.

E4: Direct impact drivers of biodiversity loss

In addition to having inherent worth, biodiversity is essential for human health, food security, economic development, climate change mitigation, and climate change adaptation. Undertakings operating in the Agriculture, Farming and Fishing sector pose threats to biodiversity through air, soil, and water contamination, deforestation, soil erosion, sedimentation of waterways, and species extraction.

Biodiversity generally declines as agriculture, farming, aquaculture, or fishing activities increase. Natural ecosystem conversion and habitat change are the main forces behind this. Impacts on biodiversity raise species mortality rates, fragment habitats, and shall cause species extinction or loss.

Monoculture can have an adverse impact on biodiversity as it can lead to an accumulation of pests and diseases, necessitating larger dosages of pesticides, some of which are hazardous to many non-target species, including pollinators. Animal production is often a significant source of excess nitrogen and phosphorus pollution, which causes eutrophication in nearby lakes and rivers and makes them inhospitable for aquatic life. Due to an accumulation of fish waste in waterbodies, aquaculture activities have similar effects. Through escapes from aquaculture farms, which in turn can compete with the local species, aquaculture can also have an impact on the biodiversity of the area. One of the main causes of the depleting ocean biodiversity is fishing. Overfishing, bycatch, and illegal, unreported, and unregulated fishing are the main causes of this (IUU).

E4: Impacts on the extent and condition of ecosystems

Natural ecosystems perform important services, including absorbing and storing vast quantities of carbon dioxide (CO₂). When natural ecosystems are converted to other uses, stored carbon can be released into the atmosphere, contributing to greenhouse gas (GHG) emissions and climate change. In the Agriculture, Farming and Fishing sector, conversion of habitats can be the result of using land and aquatic environments for animal breeding, grazing, crop production, aquaculture production, and ancillary activities.

Terrestrial habitat conversion can occur as crop or animal production expands. It can include deforestation as well as conversion of other ecosystems, such as grasslands, woodlands, or savannas. Deforestation occurs when primary and secondary forests are cleared, often by burning. To prepare areas for aquatic farming, aquaculture operations shall involve the destruction of mangroves, salt marshes, and wetlands, as well as long-term alterations to the ecosystems of lakes, rivers, and coastal areas. For fish feed, aquaculture also makes extensive use of crops like soy, which can contribute to the alteration of terrestrial ecosystems.

Undertakings can create opportunities for the protection and restoration of biodiversity. This includes featuring high biodiversity landscape features, peatlands and wetland, re- and afforestation. Ensuring balanced nitrogen and phosphorus cycles also contributes to biodiversity protection.

E4: Impacts on the state of species

Undertakings operating in the Agriculture, Farming and Fishing sector tend to foster and expand their activities in further areas, increasing the growing and raising of livestock, harvesting food crops, expanding mono terrestrial and aquacultures. Global trading supports the spreading of invasive species and endangers native species.

In addition to endangering biodiversity through the displacement and extinction of native species, the ecosystem as a whole can also be affected: the loss of extinct species often throws the ecological balance out of balance. This is often followed by a kind of chain reaction: other specialized species also suffer and become extinct. The situation is particularly serious when a key species disappears, of which a large part of the other species is directly or indirectly related.

Potential financial effects might arise either from the conservation of native species or the control of pests and invasive species.

Undertakings can protect endangered species and genetic diversity by cultivating open-pollinating seeds and traditional varieties of crops, as well as farming rare breeds and taking measures for endangered and vulnerable species.

E4: Resource inflows, including resource use

Undertakings within the Agriculture, Farming and Fishing sector are engaging in significant resource use. The consumption of non-renewable resources such as fossil fuels (especially oil, gas, and coal) can eventually lead to their depletion, and contributes to climate change. Fossil fuels are consumed for energy purposes, but they are also used in the production of fertilizer, plastic and other packaging materials. Natural resources are significant resource inflows for this sector including sources originating from land, fisheries, and forests. It can be difficult to get legal rights to land and natural resources hence it is a frequent reason for conflicts over land and natural resources that often negatively affects the rights of indigenous and local communities.

The capacity to track the origin, source, or conditions of production of raw materials and finished goods is known as traceability. Traceability provides a way to identify and prevent potential negative impacts linked to an undertaking's products and resources. Agriculture, Farming and Fishing sector shall receive their products and procure inputs, such as animal feed, from multiple farms, mills, plantations, waters, or hatcheries. Supply chains in these industries can be complicated, combining goods across international borders. Products shall have a variety of adverse effects on the economy, environment, and people, and they shall include informal operations with often unrecorded negative impacts. The sourcing of fish and animal feed can have a harmful effect on natural ecosystems and biodiversity. Traceability mechanisms are also fundamental instrument against illegal, unreported, and unregulated (IUU) fishing. Traceability can facilitate the transparency of value created at each stage of the value chain and how the value is distributed among producers. This information is relevant for determining purchasing prices for products that provide for living income or living wage to workers, farmers, and fishers. It can be difficult to track the sources of products, and traceability is implemented unevenly across industries. Depending on the commodity, undertakings that source agricultural, aquaculture, or fishing products shall be able to identify the source or a particular region for each. Suppliers shall also benefit from third-party certifications and assurance schemes that link their goods to manufacturing facilities that adhere to a set of environmental, economic, and social performance requirements.

E5: Resource outflows related to products and services

Undertakings in Agriculture, Farming and Fishing sector that can adapt to shifting consumer and regulatory trends shall be able to minimize reputational risks, avoid revenue loss, and seize new market share prospects. The management of the quality of food and feed products in a way that prevents food contamination and foodborne illness is crucial, as contamination by infections, chemicals, or spoilage poses major dangers to human and animal health. Pollution of the water, soil, or air that is used by crops or animals is one of the main sources of contamination relating to Agriculture, Farming and Fishing sector. Inappropriate farming, fishing, transport, storage, or handling practices can contribute to contamination and also the availability, quality, and quantity of food. Appropriate storage temperatures and conditions, strong infrastructure, and effective transportation are all preventative measures for food loss. Increased food availability shall result from intensive agricultural and animal production. However, intense production shall potentially have long-term detrimental effects on the ecosystem and crop yields. Numerous agricultural techniques undermine the sustainability component of food security by removing soil nutrients faster than they can be replenished.

Issues with food safety and quality can influence consumer demand and prompt regulatory action. Recalls of products can damage an undertaking's reputation, lower sales, and result in costly fines. Undertakings in the sector shall find it beneficial to protect against hazards to product safety and convey the quality of their products to customers by obtaining food safety certifications or making sure suppliers adhere to food safety regulations.

Undertakings can create opportunities in offering transparency and traceability over the value-chain concerning their impact on ecosystems, human health and animal welfare.

E5: Waste

Waste from undertakings in the Agriculture, Farming and Fishing sector comprises organic, such as crop waste, animal waste and dung, animal carcasses, fish faeces and inorganic waste such as plastics; hazardous waste, and toxic waste, including pesticides and their containers; and materials from animal health products. Organic by-products, including animal dung provide biomass products fostering the circular economy, although over-production might cause significant negative environmental impacts. Organic waste from animals and fishes shall contain microorganisms and parasite eggs. Aquaculture activities generate considerable amounts of plastic waste for nets, ropes, equipment, and packaging. Discarded or abandoned plastic waste can contaminate the marine resources and the surrounding environment.

Food loss of organic products intended as food for human consumption is a growing concern within the Agriculture, Farming and Fishing sector due to the heavy environmental impact associated to the life cycle of the food itself, which goes to waste, resulting from environmental factors or inefficiencies within the supply chain.

S1: Working conditions

Formal employment contracts and appropriate employment practices are not common practices in the Agriculture, Farming and Fishing sector as employments can cover temporary, seasonal, weekly, daily or hourly engagements. Working hours, breaks and holidays are often not regulated. Despite this complexity, various parties might be involved in the recruiting process and untransparent employment terms and compensation schemes implemented. It is also common practice to employ migrant workers and children who are vulnerable to unethical practices and risks of forced labour. Workers in these industries often reside near their workplaces, hence living conditions shall be associated with occupational health and safety impacts. Adequate health and safety conditions guarantee access to accessible drinking water, sufficient and wholesome food, hygienic conditions, suitable housing, and sanitation.

The Agriculture, Farming and Fishing sector has comparatively high injury rates to other sectors due to the prevalence of industrial machinery and chemicals. Musculoskeletal diseases, contact with chemicals and infections, and traumatic tool and machine injuries are a few examples of common acute and chronic dangers. Workers are involved in a variety of labour-intensive activities. Falling objects, vehicle collisions, equipment-related mishaps, heat-related illness or injury, and others are typical dangers. Fishing includes a number of risks, such as poor health, workplace accidents, and even death. Long offshore days at sea can be required for fishing. The need for daily and weekly relaxation due to crewing levels' requirements shall also have an effect on the health and safety of fishing crews. Fishers shall be left behind by vessel owners with no guarantee of compensation or return. Being abandoned can have detrimental impacts on a person's health and safety, including denying them access to food and medical care on a regular basis and affecting their mental health by leaving them in a permanent state of uncertainty. Due to a lack of regulation and inspection of safety standards, illegal fishing operations and actions in contested seas shall have a significant impact on the health and safety of employees.

Forced labour, child labour, unethical working practices and working conditions as well as worker fatalities or injuries can have a negative impact on an undertaking's reputation and increase costs associated with workers' compensation and medical treatment as well as high employee turnover and low morale. High injury rates, especially mortality rates, can damage an undertaking's reputation and point to poor governance and workplace safety practices. Strong management of working conditions can support employee morale and brand image while enabling better productivity, lower employee turnover, and improved community relations. An undertaking can prevent accidents and enhance working conditions by developing a strong safety culture and limiting employee exposure to potentially dangerous situations.

S1: Equal treatment and opportunities for all

Discrimination within the Agriculture, Farming and Fishing sector relates to race, colour, gender, religion, nationality, age and/or political opinion. Women working in the Agriculture, Farming and Fishing sector face multiple discrimination. In many countries traditional gender roles require women to take care of the family and prevent women of having the same rights as men and/or are dependent on men with respect to land rights, bank and saving accounts and other contractual relationships. Women working in the Agriculture, Farming and Fishing sector are mostly engaged for lower-paid activities with lower remuneration and poorer working and social conditions and no maternity protection. Furthermore, women are more vulnerable to sexual violence and other abuses.

Indigenous and migrant worker face gender and ethnicity discrimination relating to religion practices, costumes and living conditions. Discrimination exhales the vulnerability of these people.

S1: Other work-related rights

Collective bargaining and freedom of association and associated rights to organise and bargain collectively are in various countries at risk within the Agriculture, Farming and Fishing sector. Trade unions restrict memberships for seasonal and migrant workers increasing the vulnerability of these workers. Furthermore, trade unions expose their members to violence, forced labour, modern slavery, assassination and intimidation.

The International Labour Organization (ILO) fosters the right to freedom of association and collective bargaining for all workers – including self-employed persons, smallholder farmers, small-scale fishers.

S2: Working conditions in the value chain

The value chain in the Agriculture, Farming and Fishing sector is characterised by large multinational companies being delivered by small local farmers delivering seeds, crops, animals or other agricultural products and encompass a huge economic dependency of these farmers.

As formal employment contracts and appropriate employment practices are not common practices in the Agriculture, Farming and Fishing sector in general, this matters especially for the workforce of smaller local farmers within the value chain. Smaller local farmers often operate as family businesses involving their children in the work, often unpaid or hire seasonal and migrant workers bringing their children to work and prevent them from attending school and education. In addition, in low-income countries, families might need to rely on the income of the working children.

Undertakings operating in the Agriculture, Farming and Fishing sector need to foster the traceability within the value chain of violations of employment practices, working conditions, forced labour and child labour.

S2: Equal treatment and opportunities for all in the value chain:

As the value chain in the Agriculture, Farming and Fishing sector is characterised by large multinational companies and their suppliers of small local farmers, women and/or indigenous or migrant workers are exposed to similar discrimination as those of the own workforce.

Undertakings operating in the Agriculture, Farming and Fishing sector need to foster the traceability within the value chain of discrimination practices.

S2: Other work-related rights in the value chain

As the value chain in the Agriculture, Farming and Fishing sector is characterized by large multinational companies and their suppliers of small local farmers, freedom of association and collective bargaining are at risks and are exposed to similar risks than those of the own workforce.

Undertakings operating in the Agriculture, Farming and Fishing sector need to foster the traceability within value chain of these other work-related rights.

S3: Communities' economic, social, and cultural rights

Undertakings operating in the Agriculture, Farming and Fishing sector might affect the environment, social cohesion and/or human rights of communities. Furthermore, undertakings might restrict the use of land and natural resources and result in economic losses due to resettlements to other not equivalent areas, loss of access to water or other natural or mineral resources. In addition, the settlement of factories and might cause emissions, pollution of air, soil and water and impact biodiversity, ecosystems and groundwater restricting the use for the communities. Communities might also be forced to provide sufficient appropriate living and social facilities for the workforce of the undertakings operating in the sector.

Undertakings operating in this sector need to understand the communities' needs and engage with the respective groups. Effective communication channels need to be established to mitigate negative impacts.

S3: Communities' civil and political rights

Civil and political rights of undertakings operating in the Agriculture, Farming and Fishing sector mainly refer to land and resource rights including the rights to use and govern land, fisheries, forests, and other natural resources. Local communities and other users shall be impacted by an undertaking's effects on these resources' accessibility and availability. It can be difficult to get legal rights to land and natural resources. Furthermore, there are various ways to hold onto land and resources, including public, private, communal, collective, indigenous, and customary tenure. Conflicts over land and natural resources and their detrimental effects on human rights frequently result from the failure to recognise traditional claims to certain lands, fisheries, forests, and other natural resources.

If undertakings do not engage in previous consultation and an assessment of the impacts with rightsholders, they shall violate land and resource rights. The rights of individuals shall also be restricted by fencing, landscape design, roadways, and drainage projects that obstruct or alter pathways. Forest users, pastoralists, indigenous peoples, and local communities are among the rightsholders whose rights are most frequently impacted by conflicts over resource rights. Farmers, fishers, and their undertakings are also frequently impacted. Undertakings in the Agriculture, Farming and Fishing sector are expected to use their own assessments to find legal rightsholders and guarantee that the findings of those assessments are independently verified. By requiring their suppliers to respect such rights, undertakings can help to secure land tenure and access to natural resources for rightsholders.

S3: Particular rights of Indigenous communities

The United Nations Declaration on the Rights of Indigenous Peoples outlines the collective and individual rights that indigenous peoples have. The Agriculture, Farming and Fishing sector can have negative impacts on indigenous peoples by the use of natural resources. Activities like traditional farming, fishing, and hunting shall be threatened by these industries and even indigenous knowledge and culture potentially be lost when disturbed. Indigenous peoples are more likely to suffer unfavorable effects from an undertaking's operations. Land purchases to increase food production are largely driven by the agricultural industry. This frequently occurs in areas where indigenous peoples have long relied on ecosystems to support their way of life.

Indigenous farming methods are firmly embedded in certain locations and are linked with indigenous cultures. Traditional farming shall be impacted by natural ecosystem conversion and water use for agricultural and aquacultural activities. The negative effects of waste on the environment can pollute and contaminate native lands and natural resources. Indigenous fishing communities rely on fish as their primary food supply and a key component of their traditional activities, therefore any negative effects on fishery resources could have a detrimental influence on their way of life, food security, and culture. Overfishing, stock depletion, and degradation of local aquatic and coastal habitats can all affect

the availability of these fishery resources. Indigenous peoples are particularly impacted by climate change because of their reliance on natural resources and intimate relationship with the environment. Due to effects on the availability of traditional food sources and lower agricultural yields, climate change shall make indigenous communities even more vulnerable, endangering their way of life.

S4: Personal safety of consumers and/or end-users

Within the Agriculture, Farming and Fishing sector, personal safety is directly linked to food safety and food security. The management of food and feed products in a way that prevents food contamination and foodborne illness is known as food safety. As contamination by infections, chemicals, or spoilage poses major dangers to human and animal health, maintaining product quality and safety is essential. Salmonella, listeriosis, campylobacter, as well as other dangerous bacteria, viruses, and parasites, can contaminate food and harm humans. Similarly, to antibiotic and pesticide residues, heavy metals, and microplastics. An important factor affecting food safety is environmental contamination. Pollution of the water, soil, or air that is used by crops or animals is one of the main sources of contamination relating to Agriculture, Farming and Fishing sector. Inappropriate farming, fishing, transport, storage, or handling practices can contribute to contamination. Issues with food safety and quality can influence consumer demand and prompt regulatory action. Recalls of products can damage an undertaking's reputation, lower sales, and result in costly fines. Companies in the sector shall find it beneficial to protect against hazards to product safety and convey the quality of their products to customers by obtaining food safety certifications or making sure suppliers adhere to food safety regulations. Food security refers to a person's physical and financial access to enough, safe, and nourishing food that is accepted in their culture, satisfies their dietary needs, and allows them to lead an active and healthy lifestyle. Undertakings in Agriculture, Farming and Fishing sector have an impact on the availability and cost of food. Food availability, quality, and quantity are influenced by farming and fishing methods. Food loss can occur at several points in the supply chain as a result of inefficiencies such as insufficient harvesting time, unfavorable weather, handling procedures, post-harvest activities, and difficulties with product sales. Food loss can be connected to resource loss such as water, land, energy, labor, and capital; and also raises greenhouse gas emissions. Appropriate storage temperatures and conditions, strong infrastructure, and effective transportation are all preventative measures for food loss. Products from farming, fishing, and aquaculture can all be preserved with proper primary processing and packing. Increased food availability shall result from intensive agricultural and animal production. However, intense production shall potentially have long-term detrimental effects on the ecosystem and crop yields. Numerous agricultural techniques undermine the sustainability component of food security by removing soil nutrients faster than they can be replenished. It is believed that regenerative and organic methods, such as rotating crops or planting at the right times, have the ability to improve soil health, productivity, and food production resilience.

G1: Corporate culture

Unfair trading practices (UTPs) in business-to-business relationships deviate from good commercial conduct and are contrary to good faith and fair dealing. The agriculture, farming and fishing supply chain is vulnerable to unfair trading practices due to stark imbalances between small and large operators. Farmers and small operators often do not have sufficient bargaining power to defend against them. The European Union therefore decided to improve the protection of farmers – as well as of small and medium sized suppliers – and provide mandatory rules that outlaw certain unfair trading practices.

Maintaining product quality and safety is crucial for undertakings operating in this sector. Issues with food safety and quality can influence consumer demand and prompt regulatory action. Recalls of products can damage the undertaking's reputation, lower sales, and result in costly fines. Obtaining food safety certifications shall assist undertakings in the sector in ensuring the security of their products and communicating the quality of their products to customers. Undertakings can strengthen their brand identity, maintain legal compliance, and please customers by becoming certified to agriculture, farming and fishing industry standards. This also allows customers to quickly identify the items that correspond with their values and beliefs.

G1: Animal Welfare:

Animal health and welfare refers to an animal's physical and mental wellbeing in connection to the circumstances in which it exists and dies. Animal health and welfare is crucial for Agriculture, Farming and Fishing sector as it concerns productivity, the safety of animal-derived products, and the humane treatment of animals. The 'Five Freedoms' of animal welfare are freedom from hunger and thirst; freedom from discomfort; freedom from pain, injury, and disease; freedom to express normal behaviour; and freedom from fear and distress.

Controlling potential effects on health and preventing sickness are the main goals of animal health management. Antibiotic, anti-inflammatory, and hormone therapy are some examples of this. However, unwanted chemical residues in animal products can have a detrimental impact on food safety and pose threats to the public's health. The application of antibiotics has reputational and regulatory risks, both of which can have an influence on demand and market share for producers of meat, poultry, and dairy products, which in turn affects long-term profitability. Changes in industry practices have been prompted by consumer demand, such as the abolition of poultry cages and the use of gestation crates in hog production. By capturing this shifting demand and being the first to market with items that abide by new regulations, undertakings shall be able to expand their market share.

Undertakings can create opportunities when granting with animal welfare standards. This includes sufficient stable and outdoor spaces, high quality animal feed and animal health management.

G1: Management of relationships with suppliers including payment practices

Procurement practices within the Agriculture, Farming and Fishing sector include an undertaking's lead times it gives to suppliers, or the purchasing prices it negotiates. It covers an undertaking's support for small, female- or minority-owned suppliers, as well as any areas where the undertaking has a detrimental impact on the supply chain. The potential of procurement programs to achieve a variety of social, economic, and environmental goals is becoming more widely acknowledged. Such as the promotion of local and regional production, the assistance of certain vulnerable producer groups like smallholder farmers and indigenous people, and the encouragement of agro-ecological and climate-sensitive agriculture production. Responsible procurement practices demonstrate how reorienting food and agriculture policy can improve access to nutritious foods and create more equitable, healthy and sustainable food systems.

G1: Political engagement and lobbying activities

The Agriculture, Farming and Fishing sector is characterized by large multinational companies and their supply chain of small local farmers. Anti-competitive behaviour within this sector is mainly caused by information asymmetry resulting in limited market options, fixed prices, geographical quotas, and restricted customer and market access. Anti-competitive practices limit market competition and causes dependencies of small local farmers to the large multinational companies enhancing the risks of achieving a living income and covering costs. The sector is also characterized by cooperatives requiring undertakings operating in this sector to exclusively sell their products through their sales channels.

G1: Corruption and bribery

Within the Agriculture, Farming and Fishing sector, corruption is mainly linked to land rights and their use and/or the exploitation of resources. Taking advantage of governmental agencies might occur as payments, bribery, fraud and/or money laundering in exchange for land and resource or fishing rights or permits. Other forms of corruption in this sector relate to political developments, privatization, changes in land development plans. In addition, corrupt practices in this sector also relate to the tolerance of illegal agricultural, farming or fishing practices. Corrupt practices can also affect illegal, unreported, and unregulated fishing (IUU) and exceeding quotas. Corruption practices within fishing includes incorrect reporting of types and volumes, ignored by the authorities and operating fishing vessels under flag of convenience or an unknown flags in order to avoid countries' legal restrictions.

Appendix D: NACE Codes

A.01.11	Growing of cereals (except rice), leguminous crops and oil
A.01.12	Growing of rice
A.01.13	Growing of vegetables and melons, roots and tubers
A.01.14	Growing of sugar cane
A.01.16	Growing of fibre crops
A.01.19	Growing of other non-perennial crops
A.01.21	Growing of grapes
A.01.22	Growing of tropical and subtropical fruits
A.01.23	Growing of citrus fruits
A.01.24	Growing of pome fruits and stone fruits
A.01.25	Growing of other tree and bush fruits and nuts
A.01.26	Growing of oleaginous fruits
A.01.27	Growing of beverage crops
A.01.28	Growing of spices, aromatic, drug and pharmaceutical crops
A.01.29	Growing of other perennial crops
A.01.30	Plant propagation
A.01.41	Raising of dairy cattle
A.01.42	Raising of other cattle and buffaloes
A.01.43	Raising of horses and other equines
A.01.44	Raising of camels and camelids
A.01.45	Raising of sheep and goats
A.01.46	Raising of swine/pigs
A.01.47	Raising of poultry
A.01.49	Raising of other animals
A.01.50	Mixed farming
A.01.61	Support activities for crop production
A.01.62	Support activities for animal production
A.01.63	Post-harvest crop activities
A.01.64	Seed processing for propagation
A.01.70	Hunting, trapping and related service activities
A.03.11	Marine fishing
A.03.12	Freshwater fishing
A.03.21	Marine aquaculture
A.03.22	Freshwater aquaculture
15.7	Manufacture of prepared animal feeds