Ostrovnoy-Crab LLC the Sea of Okhotsk crab trap fishery

Certificate Holder Forced and Child Labor Policies, Practices and Measures

1 Introduction

Fisheries and at-sea Certificate Holders (CH) in the Marine Stewardship Council (MSC) program are required to provide a self-description of policies and measures, including regulatory requirements and procedures that are in effect in the Unit of Assessment, to protect fishing crew from forced Labor or child Labor, as well as any efforts by the private sector. The objective is to require certificate holders to communicate how government, industry, or other relevant entities protect against forced or child Labor.

Each fishery and at-sea Chain of Custody client shall provide this information by completing this template. This template should be completed by the client in good faith and be based on information known and available to the client at the time of completion. The information provided should be representative of the range of measures known to the certificate holder.

The completed form will be uploaded to MSC database to be published on the MSC website at the same time as the Public Certification Report.

Guidance for filling in the template is found in the Appendix of this template. Information is required on all issues addressed in the template and should be provided in English, which is the official language of the MSC.

Please complete all unshaded fields. Please fill in N/A if an issue is not applicable, including a short justification for why it is not applicable.

2 Marine Stewardship Council certificate holder forced and child Labor policies, practices and measures

Table 2.1 - Certificate holder information

1 Composition of fishery client group on behalf of who the statement is provided

- Characterise the composition of the fishery client group, including cost sharing entities.
- Describe the relationship between cost sharing members of the fishery client group and the vessel owners and operators of the Unit of Certification (UoC).

The client group consists of one Russian fishery company – **OOO** "**Ostrovnoy-Crab**" (**OC**) owning 7 vessels authorized to fish under Russian flag. OC will be the only certificate holder.

2 Responsibility for Labor regulation

- What management authorities and laws, including flag state authorities, control Labor-related regulations in the unit of assessment area?
- How are laws enforced?

Labor-related regulations in the unit of assessment area are based both on international and national legislative framework.

International labor conventions

Since 1954 Russia has been a permanent member-state of the International Labor Organization (ILO). The ILO was founded in 1919 and incorporated into the UN as a specialized agency in 1946. The organization's goal is to serve as a uniting force between governments, businesses and workers.

In Russia the ratified conventions have a priority over the national federal laws and regulations. The ILO conventions including Forced Labor Convention, 1930 (No. 29), Minimum Age Convention, 1973 (No. 138), Worst Forms of Child Labor Convention, 1999 (No. 182), Labor Inspection Convention, 1947 (No. 81), Accommodation of Crews (Fishermen) Convention, 1966 (No. 126), Maritime Labor Convention, 2006 (MLC, 2006), etc., serve as an international social and labor legal framework of the fishing sector. Russia has obligations to report to the ILO on the compliance under these conventions. Full list of the ILO conventions is available at the website: https://www.ilo.org/global/standards/introduction-to-international-Labor-standards/conventions-and-recommendations/lang--en/index.htm.

National labor laws and regulations

All issues regarding labor in Russia including setting the minimum age of employees, conditions of employment, working hours, etc. are regulated by the Code of Labor of the Russian Federation (adopted as a federal law No 197-FZ in 2001, amended in 2018). The Code of Labor operates in full compliance with the ILO conventions.

Besides the Code of Labor there are a number of labor-related regulations applicable to the fishing vessels operating under Russian flag including Regulations for Service on the vessels of Russian fishing fleet (approved by the Order of Russian Committee of Fisheries No 140 of 30.08.1995) and Merchant Shipping Code of the Russian Federation (No. 81-FZ of 30.04.1999).

The main authorities of labor-related regulations in Russia are the following federal executive bodies: Ministry of Labor and Social Protection of the Russian Federation and Federal Service for Labor and Employment.

The Ministry of Labor and Social Protection ("Mintrud") is responsible for drafting and implementing government policy and legal regulation in a number of areas including labor remuneration, labor conditions and protection, labor relations, employment, labor migration, etc.

The Federal Service for Labor and Employment ("Rostrud") is responsible for the monitoring of issues related to labor, employment, community service and social security. It also provides state services in public employment assistance and in issues related to labor migration and the resolution of labor disputes.

The main Russian authoritative branches that regulate and monitor compliance of labor laws are Prosecutor's Office and Federal Labor Inspectorate. In the event of a violation of labor legislation by the employer, an employee can file a complaint against his or her employer to these authoritative bodies. The Prosecutor's Office and the Federal Labor Inspectorate have the right to carry out an investigation as to the merit of the case and then make a binding decision to the employer including reinstating an employee who was wrongfully dismissed and awarding the employee for wages in arrears. These authoritative branches can also initiate proceedings against the employer and its administrators for liability of violations

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of labor legislation.

In addition, all persons on board the fishing vessel flying Russian flag must be included in the Crew List, which is a compulsory document. The observance of the Crew List including age and citizenship of crewmembers are controlled by port state authorities and Russian Coast Guard.

Involvement of Foreign Workers

In accordance with Art. 62 of the Constitution of the Russian Federation, foreign citizens are extended the same rights as Russian citizens, except in instances that have been established by federal law or by an international treaty to which Russia is a signatory member. In accordance with Art. 11 of the Labor Code of the Russian Federation, its norms and standards apply to the employment relationship of foreign citizens who are legally employed on the territory of the Russian Federation.

The Art. 56 of the Russian Merchant Shipping Code sets up a restriction on the use of foreign citizens. According to it, foreign citizens and stateless persons cannot work as officers on a vessel. The conditions allowing them to be included in the crew of a fishing vessel are set in the Order of the State Committee of Fisheries of the Russian Federation of 29.07.2002 No 299 (nowadays the Federal Agency for Fisheries) "On the approval of the conditions enabling foreign citizens and stateless persons to be included in the crew of fishing vessels flying the flag of the Russian Federation". The conditions set in this regulation are similar to the requirements for Russian citizens in terms of health and safety, professional education and skills but also include requirements to the knowledge of Russian language.

3 Risk identification and mitigation

- Describe the processes, including government and certificate holder measures, that are in place in the UoC to identify and mitigate any risk of child and forced Labor.

The risks are very low as the use of child and forced labor as well as violations of labor protection requirements are prohibited by the Russian Federation legislation and entail criminal and administrative liability (Art. 127 with notes 1 and 2, Art. 143 of the Criminal Code of the Russian Federation; Art. 5.27 and Art. 6.19 of the Code of Administrative Offences).

The prohibition of child and forced labor is also set in the Labor Code of the Russian Federation. Forced labor is banned under Art. 4. Article 63 defines the requirements for hiring citizens under 18 years of age: an employment contract can be sighed with a person over 16 years old. Article 265 imposes restrictions on the employment of persons under 18 years. According to it juveniles cannot be involved in works with harmful or hazardous conditions which include all professions on board the marine vessels (Decree of the Government of the Russian Federation of 25.02.2000 № 163).

OC act in full compliance with the legislation of the Russian Federation. There are no employees under the age of 18 in the company under certification. All persons on board the fishing vessel are included in the Crew List, which is a compulsory document approved by the port authorities. The observance of the Crew List including age, citizenship, certificates etc., are controlled by the port administration and Russian Coast Guard. All cases of violations are immediately reported to the related state authorities for further actions. Working conditions and compliance with labor legislation is regularly checked by labor inspections.

4 Crew recruitment

- Describe the typical methods used to recruit crew in the UoCand describe the migrant composition of crew if any.

Crews of fishing vessels and land-based staff of OC consist exclusively of Russian citizens; no migrants are employed.

Recruitment is carried out by HR departments of the companies:

- using internal personnel reserve;
- posting vacancy announcements;
- training specialists in universities under target contracts;
- using recruitment agencies.

Candidates are selected through interviews, analysis of documents and recommendations from previous employers, questionnaires, etc.

5 Engagement with fish worker groups

Where there is known engagement with fisher, migrant, and worker rights groups, describe how this occurs and the organisations engaged with workers in the Unit of Assessment (UoA).

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There is no engagement with fish worker groups or other types of organisations that work to address risks of child or forced labour as these risks in the area of assessment are negligible.

Regarding general worker rights every employee of OC can address to the representatives of the Russian Fishery Trade Union.

In 2018 Russian fishery enterprises established the Russian Association of Employers in Fishery Industry. This association has developed a Sectoral Agreement for Enterprises of the Fishery Industry that is planned to be agreed with the Russian Fishery Trade Union and Federal Agency for Fisheries (Ministry of Agriculture).

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The Agreement is based on the Constitution of the Russian Federation, the Labor Code of the Russian Federation, the Federal Law on Associations of Employers, the Federal Law on Trade Unions, their Rights and Guarantees, the Regulation of the Government of the Russian Federation on Rights of the Federal Executive Bodies to Represent Employers in Collective Bargaining, Enter and Change Sectoral (Intersectoral) Agreements at Federal Level, Merchant Shipping Code of the Russian Federation and other laws, regulations and international treaties.

As a legally binding document the Agreement sets the general principles for regulation of social and legal relations between employees and employers including wages and labor conditions, social guarantees, privileges and compensations for workers, rights and obligations of the parties of social partnership in fishery organizations. This agreement was signed in 2019 and will be valid for 2019-2021.

6 Crew contracts

- Describe the nature of contracts or legal work agreements in place in the UoCand the issues addressed in such agreements.

OC sign up individual labor contracts with every employee. The conditions of the employment contract comply with Russian labor laws and regulations and international treaties. In accordance with Art. 57 of the Labor Code contract sets the terms of employment, dismissal, remuneration, welfare, labor safety and labor insurance. The provisions of the labor contracts are executed absolutely which is confirmed by the results of inspections carried out by regulatory bodies.

Within the OC company two main types of contracts are concluded with employees. Fixed-term employment contracts for the duration of the fishing voyage are concluded with seafarers. Open-ended standard employment contracts are concluded with land-based workers (office staff of the companies, etc.).

As a minimum requirement the following information is included in any employment contract:

place of work;

type of work;

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- date of entry. For fixed-term employment contracts also the period of their validity and the legislative basis for the usage of this type of contract;
- terms of remuneration;
- guarantees and compensations for work with harmful or hazardous working conditions;
- working conditions;
- the condition on compulsory social insurance of an employee;
- indication of hours of work and minimum rest periods;
- repatriation entitlements when applicable;
- information on the applicant's grievance and disciplinary procedures.

All the employees are citizens of the Russian Federation, therefore all employment contracts are drawn up in Russian. Contracts are made in two original copies: one for employee and one for employer.

7 Audits and Labor inspections

- Describe any 3rd Party audits and certifications on Labor, or Labor inspections conducted within the UoC in the last two years.

Labor inspections are hold by the Federal Labor Inspectorate. There are two types of inspections: scheduled and unscheduled. The company can find out whether it is listed in the scheduled inspections plan on the website of the General Procurator's Office of the Russian Federation, of the Federal Service for Labor and Employment or of the local labor inspectorate. According to the legislation, scheduled inspections are conducted no more than once every three years.

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The grounds for unscheduled inspections are set in the Art. 360 of the Labor Code and the most popular ground is a complaint from employees or a work accident. Labor authorities are not entitled to warn employers that they will be subject to an unscheduled inspection. Moreover, such inspections may be conducted immediately upon notice of the General Procurator's Office.

Inspections can be conducted on a desk or a field basis. In case of desk inspections, inspectors send

an inspection order to companies that will be subject to such inspection. In case of scheduled field inspection, inspectors visit companies in person and hand over inspection orders to employers' representatives upon such visit.

During scheduled and unscheduled inspections, inspectors check compliance with labor law requirements, compliance with labor inspection regulations and whether measures have been taken to prevent personal injury, environmental damage, etc. Labor authorities verify the following typical labor situations and regulations:

- recruitment;
- amendment and termination of employment contract;
- liability of the parties to employment contract;
- personal data protection;
- working hours and time off;
- salary;
- guarantees and compensations;
- health and safety;
- labor regulation of certain categories of employees.

8 National minimum age requirements

- Describe national minimum age requirements for crew members serving on vessels within the UoC.
- Describe systems in place, both regulatory and private sector systems, to ensure that crew members meet national minimum age requirements.
- Describe how this is checked, including enforcement within the UoC by the responsible governing authority or oversight body such as Labor inspectors.

According to Art. 265 of the Labor Code persons under 18 years of age cannot be involved in works with harmful or hazardous conditions which include all professions on board the marine vessels (Decree of the Government of the Russian Federation of 25.02.2000 № 163).

In the "Rules on labor protection in the fisheries, processing of aquatic biological resources and the production of certain types of products from aquatic biological resources", approved by the Order of the Ministry of Labor of Russia of 02.11.2016 N 604n, it is also forbidden to appoint persons under the age of 18 years as crew members.

OC act in full compliance with the legislation of the Russian Federation. There are no employees under the age of 18 in the companies under certification.

The age of employees is checked by the HR departments during recruitment with the subsequent regular control made by port authorities and coast guard when approving the Crew List. Besides, compliance with labor legislation is checked during scheduled and unscheduled labor inspections.

9 Repatriation

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- Describe how repatriation issues are dealt with in the UoCwith respect visitsend of contract, voluntary and involuntary termination, and freedom of movement and the extent to which these are included in contracts.

In accordance with the requirements of the Maritime Labor Convention (2006), all vessels are insured against the costs and obligations of repatriation of seafarers. The provisions on the repatriation of crew members are set in labor contracts and comply with Art. 27 of the Constitution of the Russian Federation and Art. 58 of the Merchant Shipping Code of the Russian Federation. Reference to the compliance is available in every employment contract.

In OC the shipowner bears all costs of repatriation: at the end of the contract, the fishery company pays for the repatriation of the employees from their own funds. Costs include travel and baggage charges of the crew member to the place of repatriation, meals and accommodation until arrival at the place of repatriation, treatment, if necessary, until the crew member is able to move to the place of repatriation. Termination of contracts is carried out in full compliance with labor legislation.

Besides, resting time including vacations and medical treatment is provided to employees in compliance with the Labor Code. Schedule of vacations is set taking into account time of fishery and internal policy of the company.

10 Debt bondage

- Describe if there is evidence of systemic practices to impose costs on crew members for placement or brokerage fees, travel to the workplace, visa, medical, safety gear, clothing/protective gear, food

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at the workplace, communications access, remittance fees, repatriation, etc.

If so, describe such practices and how debt bondage is avoided.

The company provide the employees good living conditions on board the vessels that include cabins, food, safety gear, clothing, shower, medical care, access to Internet, etc., free of charge. The imposition of any costs on crew members associated with their stay on ship is not practiced by OC.

In accordance with Art. 58 of the Merchant Shipping Code of the Russian Federation, the cost of repatriation is borne by the shipowner, unless the reasons for the repatriation arose due to the fault of the crew member in the performance of his labor duties. In the latter case, the shipowner is entitled to reimbursement of expenses in accordance with the labor legislation of the Russian Federation. According to Art. 241 and 242 of the Labor Code, the employee is also liable for damage caused to the employer.

Reimbursement of expenses in the above cases occurs in the manner prescribed by law and does not pose any risks of forced labor. At the same time, there were no such cases in the practice of OC.

In addition, according to the Russian labor legislation, criminal liability for non-payment of wages is provided (Art. 145 of the Criminal Code of the Russian Federation), that means that non-paid labor is criminally punishable.

11 Grievance and remedy mechanisms

- Please list any policies or measures (e.g. hotline) that are in place for crew voices to be heard and to report and remediate any instances of forced or child Labor.

According to Art. 352 of the Russian Labor Code, everybody is entitled to protect their rights and freedoms by all possible means not prohibited by law. Basic means to defend employee's labor rights and freedoms are the following:

- 1. Employees being aware of how they can defend their labor rights.
- 2. Employees being engaged with professional trade unions as a means to protect their rights.
- 3. State regulation and control (supervision), ensuring that all comply with established rules and norms of labor law and related legislation.
 - 4. Judicial protection defending one's labor rights in court.

OC has a "Book of Complaints" where all incoming complaints and reports are registered and are subject to administrative review. All employers are provided with the access to the contacts of administrative apparatus, emergency services and labor authoritative branches, and in case of any violation of legislation have an unlimited opportunity to report on it. The employee has the right to inform the employer in written form of the employee's refusal to carry out duties that were not included within the terms of their employment agreement as well as refuse to carry out tasks that directly threaten life or health.

Besides, each employee of OC is free to contact representatives of the trade union organizations - subdivisions of the Russian Union of Fisheries Workers anytime they need.

The labor policy of OC guarantees the observance and protection of the rights of the employees, and also involves the development of their professional skills and advanced training. In case of conflicts there are several options for the employee to complain:

1. A complaint may be sent by mail, e-mail or through the official website of the relevant administration of seaports or may be submitted in person.

- 2. A complaint may be filed to the chief, the captain, the shipowner or to the competent authority.
- 3. A complaint may be filed to the Russian trade unions or the International Union of Seafarers.

In case of failure to reach an agreement between the employer and the employee, the employee has the right to contact the authoritative branches in order to clarify and protect his legitimate interests.

The main Russian authoritative branches that regulate and monitor compliance of labor laws are the Prosecutor's Office and the Federal Labor Inspectorate. In the event of a violation of labor legislation by the employer, an employee can file a complaint against the employer to these authoritative bodies. A complaint filed against an employer for violation of labor law to the authoritative branches does not carry any time restrictions or statute of limitations.

The Prosecutor's Office and the Federal Labor Inspectorate have the right to carry out an investigation as to the merit of the case and then make a binding decision to the employer including reinstating an employee who was wrongfully dismissed and awarding the employee for wages in arrears. Besides, these authoritative branches can initiate proceedings against the employer and its administrators for liability of violations of labor legislation.

12 Identification documents

- Describe policies and practice in place across the UoC to ensure that crew members have free and timely access to their identification documents, including National ID, passports, visas, etc.

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In land-based staff identity cards, including national identity cards, passports, visas, etc., are held by the employees all the time. According to the requirements of the Federal Law of 27.07.2006 No. 152-FZ "On Personal Data", the storage of any document that does not directly relate to the citizen's labor activity or its copies, is prohibited. The employer does not store any of these documents. On ships all documents are usually kept by captain or chief mate. This is a voluntary thing, done as a courtesy as the ship's administration may have to present these documents to port authorities/immigration at СН any time. According to the Decree of the Government of the Russian Federation dated 18.08.2008 N 628 "On the Regulation on the seafarer's identity document, its sample and description" this is permitted with the written consent of the owner, and the document must be returned upon request. On vessel there can be only one legal situation when the identification documents can be taken from the owner without permission. According to the Code of Criminal Procedure of the Russian Federation, the captain of a vessel, being endowed with the authority of an inquiry body has the right to seize identity documents if signs of presence of elements indicative of an offence are found. 13 Additional comments Do you have additional comments on Labor practices within the UoC? Apart from the international and national laws and regulations OC included provisions on forced and child labour in one of its official documents: Code of Conduct for Sustainable Fishery and Corporate Social The provisions of the OC Code of Conduct regarding the prohibition of child and forced labor include the following: 1. OC recognizes and honours the rights of every child to be protected from economic exploitation and from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical, spiritual, moral or social development. СН 2. Child labor is not to be used in any type of works. Dangerous and hazardous work should not be performed by workers under the age of 18. 3. Forced, bonded, indentured, or prison labor, slavery or trafficking of persons should not be used in the workplace. This includes transporting, harbouring, recruiting, transferring or receiving persons by means of threat, force coercion, abduction or fraud. 4. All work must be voluntary and workers should be free to leave work or terminate their employment with reasonable notice. 5. Workers must not be required to surrender any government-issued identification, passports, or work permits as a condition of employment. 14 Date this template was last updated DD/MM/YYYY

20.01.2021

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3 Appendix – Guidance on filling in the Certificate Holder Forced and Child Labor Policies, Practices and Measures Template

3.1 Composition of the fishery client group on behalf of who the statement is provided

If a fishery is in full assessment and the cost-sharing participants and arrangements are not yet determined, provide as much detail as possible regarding the expected cost-sharing entities that will comprise the client group, should the fishery achieve certification, and the relationship between such client group representatives and the vessel owners and operators in the Unit of Certification (UoC).

3.2 Responsibility for Labor regulation

Provide information on laws and regulation and the authorities that have responsibility for Labor regulations in the area in which the fishery operates, including flag state authorities where this is applicable. Describe how these are enforced.

3.3 Risk identification, mitigation and remediation

The information required in this section includes information known by the certificate holder on processes and practices that are applicable in the UoC to identify, assess, prevent and mitigate forced and child Labor risks. The information may include government policy or measures, or where applicable, measures being implemented by the certificate holder.

3.4 Crew recruitment

The information required here includes information on the methods used to recruit crew in the UoC, any widespread use of migrant Labor, the countries that crew come from and information on recruitment agencies used where this information is available and known to the certificate holder. It may also include information known of visa programs used to bring in workers to the UoC and on payment of recruitment fees.

3.5 Engagement with fish worker groups

In some countries, there may be engagement with fish worker groups or other types of organisations that work to address risks of forced Labor. Where this occurs provide information on such engagement. This may include information on any organizations in the port area which support crew members socially, e.g. seafarers' ministry, fishers' association, local committees.

3.6 Crew contracts

Contracts are legal work agreements with Labor duties and payments clearly spelled out. Describe the nature of crew contracts in the UoC, specifically features related to forced and child Labor, whether the contracts are written in languages understood by crew and how provisions in the contract are enforced.

3.7 Audits and Labor inspections

Describe any government Labor inspections or social audits and certifications of working conditions within the UoC in the past 2 years. Where the information is available provide a link to the criteria against which the audit took place.

3.8 National minimum age requirements

For this section describe national minimum age requirements and provide a description of regulatory and private sector systems in place to confirm that minimum age restrictions are met. Include information on any exceptions to statutory minimum age requirements which are used by the UoC and information on policy for hiring young workers in compliance with national legislation. This should also include description of any policy or practices for monitoring including hours of work and rest for young workers. This may include information on any other programs which are monitoring Labor in your UoC fishing area.

3.9 Repatriation

This section requires a description of how departure of crew members across the UoC is handled. This may include information about government, and/or where known, any applicable company policy on end of crew members'

contracts; involuntary termination; leave (including family visits and medical treatment); freedom of movement during the work term and departure terms within crew member contracts.

3.10 Debt bondage

Deductions for costs of work from pay can cause debt bondage and put crew at risk of forced Labor. Examples of such work costs include costs of getting to work, placement/broker fee, medical costs, safety gear, food at the workplace, remittance fees and repatriation costs.

Describe systems in place to avoid debt bondage. If there is evidence of systemic practices to impose costs on workers, what measures are in place to avoid debt bondage.

3.11 Grievance and remedy mechanisms

Provide a description of systems known to be in place that allow crew to share information, access assistance and report Labor violations and how the systems work to address such reports and provide remediation.

3.12 Identification documents

Describe provisions across the UoCfor crew to access their official identification (passports, visas, seafarers book). Where the law in a jurisdiction requires the vessel owner or captain to hold the crew members' official identification, describe the protocol, including government regulations in place to ensure that crew members can access their personal documents and have freedom of movement.

4 Template information and copyright

This document was drafted using the 'Certificate Holder Forced and Child Labour Policies, Practices and Measures Template v1.01'.

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Template version control

Version	Date of publication	Description of amendment
1.0	17 December 2018	Release alongside Fisheries Certification Process v2.1
1.01	28 March 2019	Minor document change for usability

A controlled document list of MSC program documents is available on the MSC website (msc.org).

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