

Skretting Australia – Deforestation & Conversion-Free (DCF) Policy

June 2026

1. Policy statement, purpose and scope

Skretting Australia is committed to eliminating deforestation and the conversion of natural ecosystems (collectively, “conversion”) from the supply chains of plant-based ingredients used in feed production. We will not knowingly source plant-based primary commodities or derivatives that are linked to conversion of natural ecosystems occurring after **31 December 2020** (the “cut-off date”), and we will maintain risk-based, time-bound verification, review and corrective action processes to ensure continued compliance across our supply base.

This policy applies to all plant-based primary commodities and derivatives procured or supplied by Skretting Australia. It supports compliance with the Aquaculture Stewardship Council (ASC) Feed Standard (Criterion 5.1) and provides a clear basis for supplier expectations, due diligence, corrective action and transparent reporting to customers and other stakeholders.

Skretting Australia will prioritise implementation for higher-risk and higher-volume ingredients first (see Section 2) and will publish and maintain an action plan describing how we will achieve the targets in Section 3.

2. Classification of plant ingredients (risk-based)

Skretting Australia follows the categorisation of plant-based ingredients set out in the ASC Feed Standard, prioritising actions against the highest risk and highest volume plant ingredients.

- **Category 1 - High global conversion risk:** soy, palm* oil and derivatives.
- **Category 2 - High-volume but lower global conversion risk.** Ingredients not included in category 1, but collectively account for >50% of remaining total vegetable volume received in a year. e.g., wheat, wheat gluten meal, rapeseed oil.
- **Category 3 - Other plant ingredients:** Ingredients not listed in category one, and below the volume threshold for category 2, e.g., Faba bean, lupins.
- **Category 4 - Out of scope ingredients:** All ingredients not specified under category 1 which account for <1% of our total received ingredient volume for a calendar year.

Note: The current commodity list, volume thresholds and category assignments are maintained in Annex 1 and updated at least annually.

**Skretting Australia does not currently source palm-derived ingredients. Palm is referenced in this policy for completeness due to its high global deforestation and conversion risk.*

3. Principles and commitments

1. **Time-bound targets with a single cut-off date.** Skretting Australia applies a single cut-off date of **31 December 2020** for conversion of natural ecosystems across in-scope plant commodities. Implementation is risk-based and phased by ASC ingredient category to meet ASC Feed Standard expectations and to focus effort where risk and volume are greatest.
 - **Category 1 ingredients (high global conversion risk):** achieve conversion-free sourcing (verified through approved pathways) by **31 December 2030**, applying the **31 December 2020** cut-off date.
 - **Category 2 and 3 ingredients (lower global conversion risk and/or lower volume):** achieve conversion-free sourcing (verified through approved pathways) by **31 December 2035**, applying the **31 December 2024** cut-off date. The depth of

traceability and assurance will be phased over time and proportionate to risk, consistent with ASC requirements.

2. Alignment with recognised guidance.

- Implementation will follow recognised guidance, including the Accountability Framework Initiative (AFi) operational guidance (cut-off dates, monitoring, reporting and remediation) and relevant land-sector target-setting approaches (e.g., SBTi-FLAG) where applicable.
- Skretting Australia will maintain a DCF action plan that sets out interim milestones (by category), required supplier data, and the pathway(s) used to demonstrate low risk and/or verified DCF status.

4. Governance & roles

Overall accountability for this policy sits with Skretting Australia's senior leadership. The policy owner is responsible for maintaining the DCF action plan, ensuring implementation through procurement and supplier management processes, and reporting progress internally and externally.

- **Leadership approval and oversight:** approve this policy and review progress at least annually.
- **Procurement & supplier management:** embed DCF requirements into supplier onboarding, contracts, purchasing decisions and corrective action processes.
- **Sustainability/quality functions:** maintain risk assessments, supplier registers, assurance evidence and audit readiness for ASC Feed Standard compliance.
- **Suppliers:** provide accurate origin/traceability data, implement due diligence controls, and promptly address any identified non-compliance.

5. Approved risk-assessment pathways.

Skretting Australia conducts due diligence on legal and illegal DCF via four approved pathways, aligned with the methodology described in the ASC Feed Standard v1.3. The pathways are:

- 1) Country Score Card,
- 2) Sectoral/fishery assessment,
- 3) Ingredient manufacturer assessment, or
- 4) Certification

The pathways are described in full detail in Annex 2.

As legal and illegal deforestation are assessed separately, two separate pathways can be used to assess each risk.

After the cut-off date, if the approved pathways cannot demonstrate a low-risk outcome (or otherwise verified DCF status where required), sourcing shall be paused or ceased from the relevant source until mitigation and/or verified remediation reduces risk to a permitted level.

6. Supplier expectations and contractual requirements

All suppliers of in-scope commodities must:

- Accept and support this policy in writing and supply the required documentation and traceability data.
- Provide origin information sufficient to identify country/region of production and, where required, geolocation or farm/facility identifiers.

- When required, maintain credible due-diligence (documented processes) or third-party certification demonstrating conversion-free sourcing.
- For critical commodities (Category 1), provide segregated or identity-preserved chain-of-custody; mass balance or co-mingling is not accepted for making Skretting DCF claims.
- Cooperate with verification including supplier audits, document reviews and independent checks.
- Immediately notify Skretting Australia on any non-compliance; implement corrective actions within agreed timelines. Ongoing non-alignment may result in suspension or phase-out.

The following documentation must be provided by suppliers. Failure to provide this documentation will result in immediate action and potential cessation of supply.

- **For pathway 1:**
 - Origin declaration and traceability records demonstrating the link to country consistent with the low/conditional risk outcome.
- **Pathways 2 and 3:**
 - Copies of policies, procedures, and external reports relevant to the assessment and management of DCF risk.
 - Origin declaration and traceability records demonstrating the link to region/farm consistent with the low/conditional risk outcome.
- **For pathway 4:**
 - Valid certification documentation and chain-of-custody paperwork demonstrating 100% segregated identity back to certified, conversion-free farms, supplied for every batch (refer annex 2 for approved certifications)

7. Traceability & chain of custody

- Maintain records to trace primary plant ingredients back to the country/region of origin; for Category 1 commodities, traceability must be to farm/production unit where feasible and supported by geolocation or facility identifiers.
- Chain-of-custody models permitted for DCF-related claims (in descending order of preference): Identity Preserved (IP) > Segregation (SG) > Controlled Blending where permitted under the applicable assurance pathway and supported by documented controls. Mass balance is not accepted for making DCF product claims for critical commodities.

8. Monitoring, verification and assurance

Skretting Australia will implement a risk-based monitoring programme:

- Maintain internal supplier registers with commodity volumes, assessed risk category and assurance level.
- Conduct desk-based and on-site audits where risk or turnover warrants.
- Annual reassessment of country/jurisdiction risk and supplier status.
- Independent third-party verification shall be used for material commodities and where required by ASC certification.

9. Remediation & corrective action

If conversion after the cut-off date is detected in a supplier's supply base, remediation will follow AFi operational guidance:

- **Immediate steps:** suspend sourcing from the non-compliant suppliers pending investigation.
- **Supplier action:** the supplier must present a time-bound remediation plan consistent with AFi restoration/compensation guidance, and demonstrate active steps to remediate environmental and social harms.
- **Buyer support:** Skretting Australia will cooperate with suppliers and, where appropriate, support remediation activities; evidence of progress and independent verification is required before re-establishing sourcing.
- **If remediation fails:** escalate to suspension / exclusion of the supplier and report publicly in line with our reporting policy.

9A. Grievance mechanism

Skretting Australia will maintain a process to receive, assess and respond to credible allegations of deforestation or conversion in our supply chains. Reports may be made by emailing enquiries.au@skretting.com, or through our Contact Us page on our website www.skretting.com.au. Complaints will be handled in accordance with Skretting's *External Consultation and Complaint Resolution Policy and Procedure*. Where a grievance is substantiated, Skretting Australia will apply corrective action and remediation expectations consistent with this policy and will track outcomes to closure.

10. Reporting, claims & external communication

- Skretting Australia will publicly report progress against this policy at least annually, including (where feasible) progress by ingredient category.
- % of in-scope volume covered by DCF risk assessment (by commodity/category).
- Traceability coverage (e.g., to country/region) for Category 1 where required).
- % of volume verified as DCF through approved pathways/certification.
- Number of material non-compliances and status of corrective actions, suspensions or phase-outs.
- Restriction on claims: Skretting Australia may state that products are sourced in-line with this DCF policy when supply chains meet the requirements above, but will not imply product-level third-party certification for products Skretting Australia sells into the market. Where Skretting supplies ASC-certified feed, DCF claims may be made consistent with ASC positions, however, downstream parties cannot use the ASC logo or claim ASC certification status without the required ASC certification (farm standard/CoC).
- This policy will be reviewed annually and updated to reflect:
 - evolving best practice (AFi, SBTi-FLAG),
 - changes in law and regulation, and
 - findings from monitoring and supplier engagement.

Annexes

Annex 1 – List of commodities

Commodity name	Country of cultivation	Illegal - DCF assessment pathway	Legal - DCF assessment pathway
Category 1 Ingredients			
Soy protein concentrate	Brazil	Pathway 4 - Certification	Pathway 4 - Certification
Soybean meal	India	Pathway 4 - Certification	Pathway 4 - Certification
Category 2 ingredients			
Wheat gluten meal	Australia	Pathway 1 - Country of Origin	Pathway 1 - Country of Origin
	China	Pathway 2- Sub-sectoral assessment	Pathway 1 - Country of Origin
Rapeseed oil	Australia	Pathway 1 - Country of Origin	Pathway 1 - Country of Origin
Wheat	Australia	Pathway 1 - Country of Origin	Pathway 1 - Country of Origin
Category 3 ingredients			
Faba beans	Australia	Pathway 1 - Country of Origin	Pathway 1 - Country of Origin
Lupins	Australia	Pathway 1 - Country of Origin	Pathway 1 - Country of Origin
Canola Meal	Australia	Pathway 1 - Country of Origin	Pathway 1 - Country of Origin

Annex 2 – Summary of approved DCF assessment pathways

This annex summarises the ASC-recognised pathways that Skretting Australia may use to assess and demonstrate low risk, or otherwise verified DCF status, for legal and illegal deforestation and conversion risk. The detailed methodology, scoring criteria and accepted certification schemes are maintained by the Aquaculture Stewardship Council (ASC) and should be referenced directly where required.

- 1. Country risk scorecard:** ASC country scorecards may be used to determine whether the country of cultivation, production or manufacture presents a low or otherwise permitted level of risk for the relevant factor. Where the scorecard does not demonstrate an acceptable outcome, or no scorecard is available, another approved pathway must be used.
- 2. Sub-national, sectoral or fishery assessment:** A documented assessment of a relevant jurisdiction, sector, industry or fishery may be used where it demonstrates the applicable risk level for the sourcing area or supply base, supported by appropriate evidence and monitoring.
- 3. Ingredient manufacturer assessment:** Skretting Australia may rely on an ingredient manufacturer assessment where the manufacturer can demonstrate effective due diligence, traceability, controls and monitoring sufficient to show that relevant raw materials are sourced from low-risk or otherwise acceptable sources.
- 4. Certification:** Certification under an ASC-accepted third-party scheme may be used where it is valid for the relevant risk factor, supply chain and chain-of-custody model. Skretting Australia will refer to the current [ASC list of accepted schemes](#) and any associated conditions when applying this pathway.

Annex 3 – Definitions

AFi: Accountability Framework initiative

Chain of Custody: Systems for tracking materials and associated information through each stage of the supply chain.

Conversion: Loss of a natural ecosystem as a result of its replacement with agriculture or another land use, or due to a profound and sustained change in the ecosystem's species composition, structure or function. Deforestation is one form of conversion.

Cut-off Date: The date after which deforestation renders an area or production unit non-compliant with no deforestation commitments, policies, goals, targets, or other obligations. Skretting applies 31 December 2020.

Deforestation: Loss of natural forest as a result of: conversion to agriculture or other non-forest land use; conversion to a tree plantation; or severe and sustained degradation.

Forest: Land spanning more than 0.2 hectares with vegetation with trees [or] woody biomass vegetation structures higher than 2 metres and a canopy cover of more than 20%, or trees able to reach these thresholds in situ.

Gross Deforestation: Total loss of natural forest without deduction from restoration, reforestation or offsets.

Natural Forest: A forest that is a natural ecosystem, including:

- Primary forest with no significant recent human impact.
- Regenerated or second-growth forests where past impacts have ceased and natural characteristics have recovered.
- Managed natural forests where limited harvesting or small-scale cultivation occurs but ecological function remains intact.
- Partially degraded forests that still meet forest thresholds and have not been converted to another land use.

Remediation: Actions to address harms caused by deforestation, including restoration and/or compensation consistent with AFi guidelines.

SBTi-FLAG: Science Based Targets initiative Forest, Land and Agriculture guidance for setting science-based targets on land-related greenhouse gas emissions and removals, including those associated with agriculture, forestry and land use change.

Segregated: A chain-of-custody model in which materials are kept physically separate from non-compliant materials, though they may come from multiple complaint sources.

Traceability: The ability to identify the origin of materials in the supply chain to a specific point.

Executive summary (for leadership review)

- **Purpose:** This policy sets Skretting Australia's requirements to eliminate deforestation and conversion of natural ecosystems from plant-based ingredients used in feed production and to meet customer and Aquaculture Stewardship Council (ASC) Feed Standard expectations (Criterion 5.1).
- **Scope:** Applies to all plant-based primary commodities and derivatives procured or supplied by Skretting Australia (directly or through upstream suppliers), including critical commodities such as soy (and palm referenced for completeness).
- **Core commitment and cut-off date:** Skretting Australia will not knowingly source in-scope commodities linked to deforestation or conversion occurring after **31 December 2020**. We will apply risk-based due diligence and take corrective action where risk cannot be reduced to an acceptable level.
- **Phased implementation (ASC-aligned categories):** We prioritise higher-risk and higher-volume ingredients first. Category 1 ingredients (high global conversion risk) will be verified conversion-free by **31 December 2030**; Category 2 and 3 ingredients will be verified conversion-free by **31 December 2035**. A single cut-off date (31 Dec 2020) applies to all categories; the depth of traceability and assurance is phased and proportionate to risk.
- **Due diligence pathways:** We will use ASC-recognised pathways (country risk scorecard; sectoral/sub-national assessment; ingredient manufacturer assessment; and certification) to determine and demonstrate low-risk and/or verified DCF status for legal and illegal conversion risks.
- **Supplier requirements:** Suppliers must provide origin and traceability data (and, where required, geolocation or facility identifiers), maintain credible due diligence or certification, cooperate with verification, and implement corrective actions. Failure to provide required documentation or address non-compliance may result in suspension or phase-out.
- **Traceability and claims:** Skretting Australia will maintain traceability to country/region for in-scope commodities and, where feasible/required for Category 1, to farm/production unit supported by geolocation. Permitted chain-of-custody models for DCF-related claims prioritise Identity Preserved and Segregation; mass balance is not accepted for making DCF claims for critical commodities.
- **Monitoring, remediation and escalation:** We will run a risk-based monitoring programme (supplier registers, audits, reassessment, and third-party verification where required). Where conversion after the cut-off date is identified, we will suspend sourcing pending investigation, require a time-bound remediation plan aligned to recognised guidance, and escalate to exclusion if remediation fails.
- **Governance, grievances and transparency:** Senior leadership oversees this policy and progress is reviewed at least annually. Stakeholders may raise allegations via enquiries.au@skretting.com (handled under Skretting's External Consultation and Complaint Resolution Policy and Procedure). We will report progress annually using key metrics (risk assessment coverage, traceability coverage, verified DCF volume, and material non-compliances/corrective actions).