

## **Macduff Shellfish (Scotland) Ltd.**

### **2019 Anti-Slavery and Human Trafficking Statement**

#### **Company Overview**

Macduff Shellfish (Scotland) Ltd., a United Kingdom-based, wholly owned subsidiary of Clearwater Seafoods Incorporated (collectively referred to as the “Company”), is a vertically integrated shellfish company engaged in the business of, and the ownership, operation and lease of assets and property in connection with, the harvesting, processing, distribution and marketing of seafood.

#### **Supply Chain**

The Company has a zero-tolerance approach to slavery and human trafficking within the organisation and its’ supply chains, and is committed to conducting business ethically to ensure that the risk of slavery and human trafficking taking place within the business or its’ supply chains is mitigated. The Company expects its’ suppliers to meet these same standards. This is achieved through direct engagement with suppliers and procurement partners and educating our workforce on the risk of modern slavery.

#### **Our Policies and Principles**

We re dedicated to maintaining a fair and ethical workplace for our all our staff. The Company has established a range of policies and measures which address issues relevant to slavery and human trafficking, including:

- The Code of Business Conduct, including Anti-Bribery and Corruption Policy;
- An Enterprise Risk Management Committee that utilizes a risk assessment framework to identify areas of potential risk in the business, including slavery or human trafficking with its’s supply chain;
- Employment practices and procedures which ensure fair recruitment and treatment of employees and crew members, including ensuring that crew members and employees take up employment of their own accord and are able to terminate their employment of their own free will;
- A “whistleblowing policy” which includes appropriate guidance which enables employees to report in confidence any concerns of malpractice or other unethical behaviour, which includes any concerns related to slavery and human trafficking issues;
- An Audit Committee with oversight of whistleblowing complaints
- Written contracts with suppliers and vendors where appropriate.
- A corporate social responsibility strategy which reinforces our commitment to combatting modern slavery.
- A Dignity at Work policy and procedures to promote diversity, establishing mutual respect as a core value in the office and which addresses discrimination, harassment and bullying.
- In 2019 our parent company Clearwater partnered with International Organization for Women in the Seafood Industry (WSI) to further the organizations’ goals of a seafood sector free from gender inequality, sexism, discrimination, slavery, and human trafficking. In

addition to becoming a member in 2019, Clearwater has representation on the WSI Board of Directors.

### **Due Diligence Processes**

The following action steps have been undertaken with the aim of ensuring that the risk of slavery and human trafficking taking place in any part of our business or our supply chains is mitigated:

- In an effort to continually raise awareness, our Code of Conduct is reviewed regularly and required to be signed by all employees annually.
- Working with skippers and crews to ensure an understanding of current rules and regulations applicable to fishing operations in the UK;
- The development of a written document outlining current rules and regulations applicable to Macduff's vessels;
- Standard terms and conditions of employment (including crewing contracts) are regularly reviewed, ensuring that the relationship between employees and the business continues to remain fair and equitable;
- We ensure compliance with all applicable employment legislation relating to employee recruitment and terms and conditions, including right to work evidence and that no UK staff in the UK offices are paid less than the living wage.
- Mandatory online training on the Business Code of Conduct, and online classroom-based compliance, ethics and human rights training and continuous awareness initiatives to all employees.
- To avoid complex supply chain issues, Macduff endeavours to procure supplies directly from UK-administered vessels and harvesting companies rather than auctions, ensuring a single-tier supply chain in most cases.
- Many of our supply chain partners have standard tender documentation, ensuring that prospective partners confirm that they comply with the Modern Slavery Act. In recent years we have increased the number of such agreements.
- Steps are taken to strengthen supply chain auditing and verification and investigate any and all reports of unethical labour practices and adopt remedial actions, wherever they exist in the supply chain.
- We have identified procurement staff as the most likely members of staff to become aware of modern slavery and human trafficking in the supply chain through contact with vessel owners and crew. We are developing advance training programmes for these staff members.
- To ensure legal compliance, conducted reviews and third-party audits of our crewing agencies and associated contracts; and
- Continue to work to develop personal relationships in order to better understand our commercial partners and foster long-term relationships to ensure that strategic partners share our business values.

### **Our Continuing Commitment**

Taken together, this integrated approach will enable the Company to better understand its commercial partners, foster long-term relationships with suppliers, and manage the risks associated

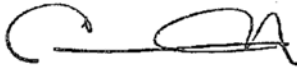
with unethical labour practices. The Company will continue to take these and other steps during the current financial year, with the aim of ensuring that slavery and human trafficking do not occur in any part of our business or our supply chains.

### **Board Approval**

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes Macduff's slavery and human trafficking statement for the financial year ended 31 December 2018. Due to the impact of COVID on businesses, and the deadline extension, the statement was approved by the Board of Directors on December 21, 2020.

A handwritten signature in black ink, appearing to read 'Ian D. Smith'.

Ian D. Smith  
Chief Executive Officer

A handwritten signature in black ink, appearing to read 'Colin MacDonald'.

Colin MacDonald  
Chairman of the Board