

Macduff Shellfish (Scotland) Ltd.

Anti-Slavery and Human Trafficking Statement 2017

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

The Company has in place a number of policies 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;
- An Audit Committee with oversight of whistleblowing complaints 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;
- Written contracts with suppliers and vendors where appropriate.

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:

- Working with skippers and crews to ensure an understanding of current rules and regulations applicable to fishing operations in the UK;
- Developing a written document outlining current rules and regulations applicable to Macduff’s vessels;
- Standard terms and conditions of employment (including crewing contracts) continue to be reviewed annually, ensuring that the relationship between employees and the business remains fair and equitable;

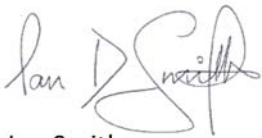
- Mandatory online training on the Business Code of Conduct, and online classroom-based compliance, ethics and human rights training and continuous awareness initiatives to all employees;
- To avoid complex supply chain issues, Macduff endeavours to procure supplies directly from UK-administered vessels 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;
- 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 2017. It was approved by the Board of Directors on May 8, 2018.



Ian Smith
Chief Executive Officer



Colin MacDonald
Chairman of the Board