

Macduff Shellfish (Scotland) Ltd.

2023 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.

We operate two state of the art, leased facilities in Scotland for processing. The main facility is in Mintlaw, Aberdeenshire, and processes all of our key shellfish species; langoustine, king scallop, whelk and crab. The second new facility in Stornoway in the Outer Hebrides is focused on processing of premium quality, day-boat langoustines harvested on the west coast of Scotland. The Company also owns a fleet of scallop vessels and fishing mainly in the English Channel.

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.

Macduff Shellfish – A Responsible Employer

To ensure that we recruit and treat employees fairly, eliminating modern slavery and human trafficking at all costs, our human resources (HR) policies set out our procedures on how we:

- recruit and select employees in a fair, lawful and professional manner, both for internal and external candidates.
- treat all employees fairly during their employment and, if there is an occasion when an employee does not feel that they have been treated fairly, there are procedures in place to raise a grievance or involve a local trade union, where they exist, or where this is a legal requirement to do so.
- manage the exit of an employee from the business in a fair and consistent manner - exit interviews are conducted whenever possible.
- provide fair working conditions for all our employees including terms and conditions of employment, remuneration, working hours, health and safety, resting time, holiday entitlements and benefits. These are applied according to territory-specific statutory requirements. Our employees’ pay will not be lower than that required by law, or, in the absence of a law, the level paid generally within that industry. Furthermore, the Company undertake regular compensation and benefits market benchmarking to ensure they exceed requirements wherever possible.
- all Company owned vessels are certified under ILO 188. Vessels are subject to external audits by the MCA to ensure proper living and working condition conditions.

Our Policies and Principles

The Company is 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 Company Handbook which includes a Whistleblowing Program, 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 supply chain.
- A “Speak-Up Policy” sets out our commitments to speaking up about serious concerns, detailing how any person working at or with Macduff Shellfish, including those employed in our supply chain, can raise concerns. The policy 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.
- Written contracts with suppliers and vendors where appropriate.
- A corporate social responsibility strategy which reinforces our commitment to combating modern slavery.
- Policies and procedures to promote diversity, establishing mutual respect as a core value in the office and which addresses discrimination, harassment and bullying.

Our Risk Assessment, Management, and 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:

- The Business Code of Conduct, which has recently been updated, describes what we must do and how we must behave to ensure we have the trust of all our stakeholders. It details how we will create better outcomes in the right way in line with our purposes and values. All employees are required to sign our Business Code of Conduct annually.
- Working with skippers and crews to ensure an understanding of current rules and regulations applicable to fishing operations.
- 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.
- Where we work with recruitment agencies, they must comply with our rigorous due diligence assessment to ensure that they are recruiting in line with our policies, values and focus on driving inclusive and values-based recruitment practices.
- Our Whistleblowing Program outlines processes and channels for internal reporting.
- Our Grievance Policy enables employees to raise concerns, problems or complaints relating to the terms of their employment, health and safety, work environment or working practices.
- Macduff endeavours to procure supplies directly from UK-administered vessels and harvesting companies, ensuring a single tier supply chain in most cases for all seafood.
- Many of our supply chain partners have standard tender documentation, ensuring that prospective partners confirm that they comply with the Modern Slavery Act.

- 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.
- To ensure legal compliance, our procurement team conducts reviews and third-party audits of our crewing agencies and associated contracts.
- We continue to develop personal relationships to better understand our commercial partners and foster long-term relationships to ensure that strategic partners share our business values.

Our Approach to Training

Raising awareness and providing our employees with appropriate training remains a key focus area. Our bespoke online training course is completed by employees.

- To make sure that our team has a high-level understanding of the risks of modern slavery and human trafficking in our business, we support awareness training for identified employees. This includes how to recognise the signs of modern slavery and how to report issues.
- Our procurement team keeps up to date with the latest legislation and best practice via continuous professional development, and by engaging with expert partners to understand how we might work in collaboration across industry to deepen our impact to eradicate modern slavery.

Through raising awareness of Modern Slavery and highlighting potential risks and indicators to our internal departments and colleagues, we aim to continuously improve our approach to identifying and mitigating labour exploitation and risks of modern slavery. To this end, this year we have:

- launched annual 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.
- worked with skippers and crews to ensure an understanding of current rules and regulations applicable to fishing operations in the UK.

In the coming year, we plan to complete the expansion of our training programme to reach more colleagues across our business and continue raising awareness of modern slavery risks and the necessary action(s) to facilitate remediation. We will work with our HR team to facilitate this process to ensure the programme is effective and sustainable.

Our Continuing Commitment

The company prides itself on exceeding fishermen's living and working conditions as stated in the Merchant Shipping Regulations 2018 (ILO 188). Additionally, the company developed internal auditing systems for senior management and participates in annual external auditing through Marine and Coastguard Agency (MCA). The audits assure seafood buyers that the fish they are buying and selling is harvested by crew that are:

1. recruited and hired ethically
2. treated with respect on the vessel
3. paid properly
4. have processes to address grievances.

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. We continue to take these and other steps with the aim of ensuring that slavery and human trafficking do not occur in any part of our business or our supply chains.

To further increase awareness regarding the potential risks of modern slavery, as well as the possible indicators, the Company publishes a copy of this statement on the Company website.

Measuring Performance and Progress

Since the publication of our previous statement, we have completed 75% of the best practice checklist actions. Our target over the next 12 months is to have completed 100% of the checklist, the steps we are working on to achieve this are described in each of the sections of this statement.

The Company will use the following to measure success:

Performance Indicator	Notes for Reporting Period
Employees have signed the Business Code of Conduct.	Completed
Employees have completed online training.	Completed
Supplier are provided with Macduff's human rights policy document	Target end 2024
Instances of non-compliance with regulations regarding modern slavery or human trafficking in our operations or supply chain.	No instances of non-compliance.

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 December 31, 2023. It was approved by the following representatives of the Company of June 28, 2024.



Ian D. Smith
Chief Executive Officer



George Paleologou
Director



Chief Terry Paul
Director