

**Macduff Shellfish (Scotland) Ltd.**  
**- 2022 Modern Slavery 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.

### **Macduff Shellfish – A Responsible Employer**

To ensure that we recruit and treat employees fairly, eliminating modern slavery 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 is 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 Policy, 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”, refreshed in 2020. The 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.

### **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:

- During 2022 we have refreshed and updated our Code of Conduct. The Code of Conduct 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 Code of Conduct 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 Company’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 work with several recruitment agencies who as partners 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.
- 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.
- Our Whistleblowing Policy outlines processes and channels for internal reporting and the 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.
- 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.

- 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.
- 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**

The Company continues to participate directly in the implementation of an independent third-party ethical labour standard specifically designed for the wild fishing sector. The FISH Standard (<https://fishstandard.com/>) was developed to assure seafood buyers that the fish they are buying and selling is harvested by crews 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.

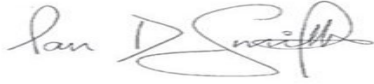
### **Performance indicators**

The Company will use the following to measure success:

Performance Indicator	Notes for Reporting Period
Employees have signed the Code of Business Conduct.	Complete
Employees have completed online training.	Target 2023
Supplier Assessments have been completed.	Target 2023
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, 2022. It was approved by the following representatives of the Company on June 30, 2023.



Ian D. Smith  
Chief Executive Officer



George Paleologou  
Director



Terry Paul  
Director