

Modern Slavery Statement

This statement has been published in accordance with the Modern Slavery Act 2015. It sets out the steps taken by Seafresh Group (Holdings) Limited and other group companies (SFG)¹ during the year ending 31 December 2018 to prevent modern slavery and human trafficking in its business and supply chains in the UK and globally.

Introduction

This is our third Modern Slavery Statement and in the past 12 months we have intensified our involvement with organisations that address issues of modern slavery. As a result, we keep improving our understanding and management of risks. Our actions, both individual and collective, are now resulting in concrete achievements, which are reported for 2018. This statement also describes the next steps that we identify as priorities to further address human rights and modern slavery in our operations and supply chains.

SFG is involved in the production, sourcing and distribution of seafood in several countries on a global scale. In the UK, SFG sources, adds value, packs and distributes seafood products for the retail sector. SFG also operates production facilities and employs workers in Belize and indirectly in Thailand through its parent company Seafresh Industry pcl.

SFG is committed to identifying and addressing any form of slavery or trafficking of workers, both in our own operations in relation to worker recruitment routes, and in our supply chains. We define “slavery” as every form of slavery, servitude, forced labour or compulsory labour, and “trafficking” as facilitating the travel of someone for the purpose of exploitation. Our statement also covers the risk of child labour, which we define as work that deprives children of their childhood, their potential and their dignity, and that is harmful to their physical and mental development².

Structure and Supply Chains

SFG is a holding company controlled by Seafresh Industry pcl (based in Thailand), that includes Sea Farms Ltd and Blue Earth Foods Ltd based in Redditch in the UK (Figure

¹ Companies covered by this statement include Blue Earth Foods Ltd and Sea Farms Ltd based in the UK and their seafood supply chain, including products from SFG companies Sea Farms Nutrition Ltd, ProChaete Innovations Ltd, Seafresh Industry pcl and Belize Aquaculture Ltd, as well as third-party suppliers.

² Taken from the International Labour Organization (ILO)

1). SFG also includes Sea Farms Nutrition Ltd and ProChaete Innovations Ltd in the UK, which produce feed ingredients and specialty feeds. Sea Farms Inc in the USA imports and distributes seafood products for the retail market. Belize Aquaculture Ltd and Seafresh Industry plc are producers and exporters of farmed shrimp. SFG sources seafood for the UK market from its own operations and also from third-party suppliers located in the UK, Europe, Asia, and the Americas.

SFG seafood products originate from both fishing and aquaculture operations, from more than ten countries, including the UK.

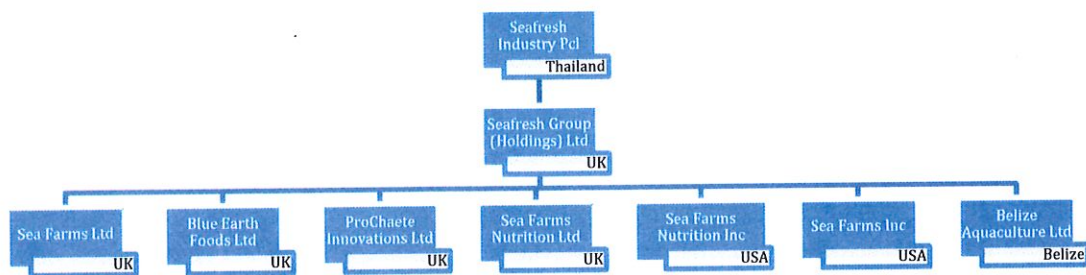


Figure 1. Structure of Seafresh Group (Holdings) Limited and associate companies.

SFG's products include farmed and wild species of mollusks, crustaceans and to a very small extent fish. Warm water prawns are the main species produced and sourced by the Group in tropical countries, including Thailand, Belize, Honduras, Vietnam, and Madagascar. Feeds used in farms include marine ingredients made from species caught in the oceans. Such feed ingredient supply chains are complex and, in some cases, there is limited visibility on the origin of the fish and of the labour conditions on board of these vessels supplying the fish used to make feed ingredients.

SFG's director of sustainability is responsible for the implementation of control measures of ethical risks in the supply chains. Human Resources and Supply Chain Development teams manage the control measures in all Group operations and supply chains.

Policies

SFG has adopted an **Ethical Sourcing policy** which states our commitment to maintaining transparency in our supply chains, assessing risks to human and labour rights, and remediating any situation of abuse that may be identified. It is complemented by a **Sustainability policy** which recognises the responsible management of social aspects as a key component of the overall sustainability of our

business, and an **Anti-Bribery and Corruption policy**, which sets the rules for an ethical conduct for all SFG employees when discharging their duties and functions.

Additionally, SFG subsidiaries have specific Human Resources policies and procedures relative to the country of operation and covering employment conditions and the responsibilities of the company with all employees.

All SFG companies commit to comply with national regulations and adhere to the spirit of the Ethical Trading Initiative Base Code, and we expect the same commitments from all our suppliers. We are a member of the Supplier Ethical Data Exchange (SEDEX) and we contributed to its initial development as a Board member.

SFG is committed to maintaining transparency of its supply chains, and informing its customers of challenges and improvements (see the case study on page 7 as an example). We are committed to tackling illegal, unreported and unregulated (IUU) fishing, which links in many cases with risks of slavery and human trafficking. We select sources that are certified to the Marine Stewardship Council (MSC) or the Marine Ingredients Organisation (IFFO-RS) in the case of feed ingredients, or suppliers that work towards these certifications.

SFG actively supports industry initiatives that work for the establishment of responsible practices in the fishing and aquaculture sectors. We are members of the Global Aquaculture Alliance (GAA) and we actively contribute to the development of the Aquaculture Stewardship Council (ASC), which both promote the adoption of responsible labour and social practices in the aquaculture industry. We support and contribute to Seafish activities in the UK in favour of responsible practices in the fishing industry, including the development of risk assessment tools and the Responsible Fishing Scheme (RFS) certification³. Also, SFG joined in 2017 the Sustainable Seafood Coalition, an organisation that sets voluntary agreements on due diligence requirements for the responsible sourcing and labeling of seafood, based on legality and sustainability criteria, including social aspects.

Risk Assessments

SFG has developed a risk assessment methodology to map out the different levels of ethical risk for each supply chain and production facility. The structure is based on decision trees that are specific to land-based facilities and fleet operations separately due to the specific risk factors involved in fishing.

Facilities and supply chains are rated based on our decision trees as Low, Medium or High risk, and that determines our level of scrutiny and action for mitigating risks. This assessment is based on country-specific information (such as the ratification of ILO conventions, the Corruption Perceptions Index, the Trafficking In Person report, and

³ Seafresh Group participates to the review of the RFS standard, which has been limited to the UK, and the new version 2 will be rolled out internationally.

criteria relating to Illegal, Unregulated and Unreported fishing due to its common link with labour issues), supplier specific information from third-party assessments (such as certifications and SEDEX), and also supply chain knowledge from both internal and external (NGOs) information.

We consider all credible reports from governmental agencies, NGOs or the media on specific issues in specific countries or activities relating to seafood production. We also establish partnerships with NGOs in countries of critical importance, such as Stronger Together in the UK, and the Issara Institute and the Seafood Task Force in Thailand, which provide us with insights on risks in specific activities based on their own independent assessments, and also recommendations on measures to be considered for mitigating those risks. The collaboration of facilities with NGOs to address their own labour risks allows for reducing the risk rating by one level in our decision trees, as NGOs play an essential role in protecting human rights by providing tools for identifying and mitigating risks and issues.

SFG facilities based in Redditch, UK are rated low risk (Table 1) on the basis of the outcome of regular ethical audits and a partnership with Stronger Together for controlling risks linked to the employment of numerous migrant workers.

High risk facilities and sources (Table 1) result from either a lack of visibility of working conditions on board fishing vessels, a lack of third-party verification or the reliance on migrant labour. As a result of the effective mitigation of risks in Thailand related to the reliance of the industry on migrant workers and the historical low level of enforcement of labour and fishing regulations, especially in the fishing industry which supplies fish to make fishmeal for prawn feeds, our farmed prawn supply chain from Thailand is progressively shifting from High risk to Medium risk (see case study page 7).

Table 1. Risk analysis of SFG facilities and supply chains.

Low Risk	Medium Risk	High Risk
<ul style="list-style-type: none"> • SFG facilities in the UK and Belize. • Aquaculture facilities in Belize, Thailand, Honduras, Vietnam. • Processing facilities in Madagascar, Honduras, Vietnam. 	<ul style="list-style-type: none"> • SFG facilities in Thailand. • Aquaculture facilities in Belize, Thailand, Vietnam, Madagascar. • Feed ingredients in Thailand, Belize, Honduras, Vietnam. • Processing facilities in China, Canada, Denmark, Iceland, UK, Spain, Norway. • Fishing fleets in China, Argentina, USA, Canada, Denmark, Iceland, Norway, Russia. 	<ul style="list-style-type: none"> • Aquaculture facilities in Thailand. • Feed ingredients in Thailand, Belize, Honduras, Vietnam. • Processing facilities in China. • Fishing fleets in China, Madagascar, Argentina, Canada and the UK.

Due diligence and risk mitigation

We work to enable full visibility of our supply chains back to individual fishing vessels, farms, and suppliers of marine ingredients used in aquafeeds. This is maintained through a questionnaire filled by our suppliers, which details the structure of their supply chain, and a comprehensive traceability system that allows for identifying all facilities involved in the custody of any product lot. Our traceability goes back to fishmeal producers and supply vessels in the case of high risk supply chains. Our staff periodically visits suppliers and inspect facilities to verify working conditions and information on their supply chain.

We are involved in a number of memberships that provide tools and mechanisms for identifying and mitigating risks in our own operations and our supply chain (Table 2).

We participate in industry exchange fora such as the Seafood Ethics Common Language Group in the UK or the Issara Institute and the ILO in Thailand, for improving our level of awareness and understanding of risks of modern slavery. In 2018 we joined the Seafood Ethics Action (SEA) Alliance, a group of UK seafood companies that decides on joint actions for mitigating ethical risks in the seafood industry.

We request that all our direct suppliers register as member of SEDEX and fill in the self-assessment questionnaire, which allows for a risk rating generated by SEDEX algorithm. We also collect additional information through an internal questionnaire and periodic visits of suppliers. All Medium and High risk supply sites are requested to conduct periodic SMETA audits, and audit reports and corrective actions are visible to us and our customers on SEDEX.

All aquaculture facilities in our supply chain, including farms, hatcheries and feed mills are certified against Best Aquaculture Practices (GAA) and ASC standards, which allow for reducing labour risks. In relation to feed ingredients of marine origin, we work with feed suppliers for selecting sources that are certified to MSC or IFFO, which ensures the absence of IUU fishing and indirectly reduces modern slavery risks.

In case of specific high risks, we engage with NGOs for improving our level of oversight of supply chains and better mitigating risks.

In Thailand, SFG is an active member of the Seafood Task Force, which develops mechanisms for establishing an oversight of the entire prawn supply chain back to the origin of fish used for making fishmeal. This work covers legality aspects of both the fishing activities and working conditions of the entire Thai supply chain. SFG is an active participant in working groups aiming to improve the traceability of feed ingredients of marine origin and to implement fair recruitment practices for migrant workers. SFG is also supporting financially a collaboration between the Seafood Task Force and the Thai Department of Fisheries for upgrading the vessel monitoring and control systems in Thailand, which covers employment conditions of crews. This

effort has resulted in the lifting of the Yellow Card⁴ by the European Commission on the 8th January 2019, in a statement that acknowledges the progress made on the control of risks of modern slavery: *"The Commission also recognises the efforts demonstrated by Thailand to tackle human trafficking and to improve labour conditions in the fishing sector. While not part of the bilateral dialogue on illegal, unreported and unregulated fishing, the Commission and the European External Action Service have addressed with Thai authorities the serious human rights abuses and forced labour in the fishing industry. Thailand has recently announced the ratification of the International Labour Organisation's Convention No. 188 on Work in Fishing (C188), the first country in Asia to do so."*

Table 2. SFG memberships that help to address human and labour rights.

Organisation name	Country	Purpose and benefits to SFG
SEDEX	UK	Platform used for collecting and analysing information on employment practices of all suppliers, to help identify issues and risks on human and labour rights.
Stronger Together	UK	Provides materials and tools for raising awareness of employees on modern slavery and implementing prevention and detection management procedures.
Seafish	UK	Supports intelligence development through risk assessment tools, discussion groups such as the Seafood Ethics Common Language Group and certification of fishing vessels under the Responsible Fishing Scheme.
Seafood Ethics Action Alliance	UK	Stimulates collaboration with our peers within the seafood companies for taking group actions for preventing ethical risks in the industry.
Sustainable Seafood Coalition	UK	Sets voluntary rules for responsible sourcing of seafood products that we commit to comply with in all our supply chains.
Issara Institute	Thailand	Operates an independent call centre available to all our workers in Thailand; supports Seafresh in identifying and addressing ethical challenges internally and in our supply chain.
Seafood Task Force	Thailand	Bring the seafood industry, NGOs and the Thai government together to tackle issues and risks of modern slavery. Allows for agreeing concerted actions on recruitment and employment practices of migrant workers.
Global Aquaculture Alliance	Global	Best Aquaculture Practices certification that covers employment practices and is used across our aquaculture supply chains.
International Association for Women in the Seafood Industry	Global	Raises awareness on the contribution of women in the seafood industry and promotes a more gender balanced industry.

⁴ The European Commission had issued a Yellow Card to Thailand in April 2015 based on evidence that the country was not cooperating fully in the fight against Illegal, Unreported and Unregulated (IUU) fishing. This warning system is based on Council Regulation (EC) No 1005/2008 of 29 September 2008 establishing a Community system to prevent, deter and eliminate IUU fishing.

Workers Voice mechanisms

We provide training to all our direct employees on ethical risks as part of the induction process, using materials from Stronger Together in the UK, or in collaboration with the Issara Institute in Thailand, for raising awareness on potential issues related to modern slavery and capacity of appropriate reaction within our staff, including access to anonymous grievance mechanisms. We have also started to train new suppliers to raise awareness of the issues and facilitate understanding and collaboration.

SFG companies and some suppliers have established workers committees and works councils with worker representatives to discuss with company managers any concerns and suggestions for improvements. Workers representatives play a key role in facilitating the communication between their peers and the company. We also use staff surveys, whistleblowing hotlines and other proactive, direct communication channels for detecting any issue and monitoring the level of satisfaction of employees. We have mechanisms in place for responding to issues with the appropriate involvement of company managers.

SFG is also a partner of the Issara Institute in Thailand and we work closely with the Issara team for promoting the access of workers from our own facilities and suppliers to Issara's independent call centre, and analysing workers' complaints and questions received, and addressing issues identified.

Case study – NGO partnership for transparency and remediation in Thailand.

Identifying the most sensitive issues in a supply chain requires that workers have a way of complaining anonymously and that company managers are informed in a way that allows for addressing issues effectively whilst providing protection to victims. That is why we have partnered with the Issara Institute in Thailand along with key UK customers.

Issara provides workers of all nationalities in our Thai supply chain with access to a call center, covering some 50 employment sites and 6,000 workers, from fishmeal suppliers to feed mills, hatcheries, farms and SFG processing site. The Issara team answers questions and provides guidance to callers. When serious issues arise, Issara discuss them with the employers and eventually report confidentially to Sea Farms and our customers. This allows for using our leverage with suppliers for effectively remediating the issues and preventing reoccurrence.

Implementation of corrective actions is verified by Sea Farms Ltd and confirmed to customers, and improvements are monitored. This mechanism allows for ensuring that no serious issue remains undetected or ignored, in a more effective way than audits.

Our membership to Issara also contributes to a fund to assist victims of trafficking and exploitation. Issara's "Freedom of Choice" programme allows victims to rebuild their post-trafficking lives in the country of destination, where they are assisted in finding safe, new jobs and accommodation, provided with legal and medical assistance, and empowered with unconditional cash transfers.

Responsible recruitment

In the UK, SFG’s site is a Stronger Together business partner and has implemented their awareness and prevention methodology. Our labour provider is also a Stronger Together business partner, and we audit them regularly for verifying the application of procedures to mitigate risks of human trafficking in their recruitment process. No cases of human trafficking or forced labour have been identified in the last 12 months. However, our UK site adopted in January 2019 a new procedure for “tackling modern slavery and hidden labour exploitation”, which includes provisions on what to do in case of suspicions of human trafficking, forced labour or worker exploitation.

In Thailand we work with recruitment agencies and the Issara Institute to participate in and control the recruitment process in workers’ country of origin and verify that recruitment conditions are fair and transparent. Our due diligence includes written agreements with recruitment agencies on professional and ethical services to jobseekers, including transparency of hiring conditions, pre-departure training and information, and remediation procedures. Cases of excessive charges from brokers have been identified in 2018, and workers have been reimbursed by the recruitment agency for illegitimate charges.

Measuring progress

We evaluate the effectiveness of measures taken to identify and prevent risks, and remediate issues based on indicators of level of visibility and transparency, risk levels and issues addressed at the various steps of the supply chain (Tables 3 and 4).

Table 3. Human and labour rights risk visibility within SFG operations and the supply chain.

Supply chain level	Operations	Visibility and Transparency
Tier 0	SFG production facilities	100% via SEDEX and audits
Tier 1	Labour providers	100% via audits
	Direct suppliers (processors, manufacturers)	100% via SEDEX, questionnaires and audits
Tier 2	Farms, Fishing vessels	100% via questionnaires, product traceability and audits
Tier 3	Hatcheries	100% via questionnaires, product traceability and audits
	Feed mills	100% via questionnaires, feed traceability and certifications
Tier 4	Producers of raw materials for feed ingredients	100% in Thailand via questionnaires and feed traceability and certifications

Table 4. Human and labour rights risk levels within SFG operations and the supply chain, and identified challenges and issues.

Supply Chain Level	Operations	Risk Rating			Challenges and issues identified and addressed
		Low	Medium	High	
Tier 0	SFG production facilities	83%	17%	0%	Migrant workers, recruitment, workers voice
Tier 1	Labour providers	33%	0%	67%	Migrant workers recruitment
	Direct suppliers (processors, manufacturers)	44%	50%	6%	Migrant workers recruitment, Employment conditions
Tier 2	Farms, Fishing vessels	57%	28%	15%	Migrant workers recruitment, Employment conditions
Tier 3	Hatcheries and Feed Mills	86%	7%	7%	Migrant workers recruitment, Employment conditions
Tier 4	Producers of raw materials for feed ingredients	0%	39%	61%	Sourcing certified materials, Migrant workers recruitment, Employment conditions

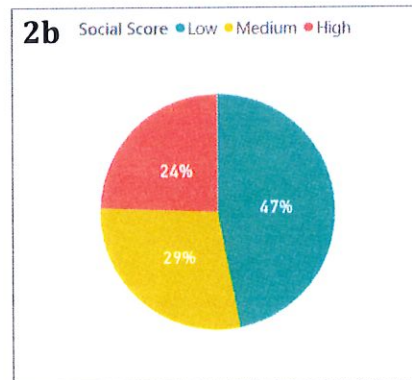


Figure 2. Risk levels as a percentage (%) of seafood facilities or sources rated Low (green), Medium (orange) and High (red) risk within SFG supply chain by tier level (2a - see description of tiers in Table 3) and for the entire SFG supply chain (2b) in 2018.

Continual development

Three focus areas of ongoing and planned progress for 2019/2020 are the following:

- 1) The improvement of tools and procedures for reducing and addressing ethical risks, including contributing to industry-wide initiatives.

We will review in 2019 our supply chain risk assessment criteria based on new knowledge of risk factors and mitigation tools that have been recently reported in various discussion fora and literature.

As part of the activities of the SEA Alliance, we participate in the evaluation of PAS 1550:2017 "Exercising due diligence in establishing the legal origin of seafood

products and marine ingredients". This will help us to continuously improve our procedures to control the risk of illegal fishing, which is known to be linked to issues of human trafficking and worker exploitation.

We participate as a member of the technical advisory board in the review of the Responsible Fishing Scheme (RFS) standard, which will include additional requirements on working conditions, worker voice mechanisms and wellbeing of the crew. The new version 2 of the RFS standard will improve the prevention of risks of modern slavery, and it will be implemented internationally.

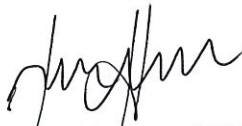
2) The improvement of due diligence activities with suppliers

We are developing supplier guiding principles that will express our expectations in line with our principles and policies and will formalise our joint commitment to maintaining our supply chain free of modern slavery issues. We will increasingly provide our suppliers with information on access to independent worker voice and remediation mechanisms available in their country of operation, to better support any victims of trafficking and exploitation. We will also develop KPIs for monitoring the status of our supply chain and measuring progress.

3) The progress of mechanisms to ensure the responsible recruitment of migrant workers based on international principles and standards.

This is a priority area for our group in Thailand. We will continue improving recruitment management procedures in partnership with recruitment agencies and NGOs, in particular the Issara Institute. In parallel, SFG participates in a collaboration between the Seafood Task Force and the Fair Hiring Initiative for providing Thai member companies and their recruitment agencies with guidance and support on the development of responsible recruitment principles and procedures.

This statement was approved by the Board of Directors of Seafresh Group (Holdings) Limited on the 9th August, 2019



Lasse B. Hansen, CEO