

Modern Slavery And Human Trafficking

Statement 2016/2017

This statement is the second to be published by Seafood Holdings Ltd in accordance with section 54(1) of the Modern Slavery Act 2015. It sets out the steps taken during the year ending 30th June 2017 and builds upon the information provided in the first Modern Slavery Statement published for financial year 2015 – 2016. This statement outlines the ongoing work being conducted by Seafood Holdings Ltd to prevent modern slavery and human trafficking from occurring in its own business and its global supply chains.

Introduction

New research developed by the International Labour Organisation, the Walk Free Foundation and the International Office for Migration suggests that more than 40 million people around the world were victims of modern slavery in 2016¹ with almost 25 million of those victims exploited in forced labour, the most common element of modern slavery. The Modern Slavery Act 2015 (the “Act”) looks to tackle this international atrocity, by making large UK companies accountable for the workers in their supply chains, where modern slavery is often hidden. The Act requires companies to publish an annual report setting out the steps being taken to ensure that

trafficked men, women and children are not entering their supply chain and to give details of any due diligence being conducted to ensure forced, bonded or slave labour is not being used for the benefit of such companies. Seafood Holdings Ltd has a zero-tolerance approach to conducting business with any individual or organisation who knowingly utilises any form of modern slavery.

Our Business And Organisational Structure

Seafood Holding Ltd is a wholesale supplier of fresh and frozen fish and seafood products serving customers in the food service and catering industry in the UK. We have 9 depots in England and Scotland which source, prepare and deliver products to professional kitchens. We have over 9,000 customers in the UK including Michelin starred restaurants, contract caterers, hotels, pubs, educational customers and sports stadiums. We had 744 employees at the end of our last financial year on 30th June 2017. Our annual turnover for the year was £144,229,857 (gross) and £135,582,787 (net). Our immediate parent company is Bidfresh Limited and our ultimate parent company is Bid Corporation Limited whose registered office is in South Africa.

Our Supply Chains

We buy our products for re-sale (the products we go on to sell to our customers) from approximately 400 direct suppliers (also known as “tier one” suppliers) and approximately 30 agents/brokers, who sit between us and further tier 1 suppliers. Our tier 1 suppliers are based in over 20 countries around the world including: the UK, Ireland, Norway, Iceland, Denmark, Holland, Switzerland, France, Turkey, Greece, Spain, Vietnam, China, India, Indonesia, Philippines, Thailand, Bangladesh, Taiwan, Canada, the USA and South Africa.

Our supply chains range from being short and simple (where we are able to purchase fresh fish and seafood directly from local fishing vessels at local auctions) to very long and complex (where foreign fish and seafood species are imported from all around the world and undergo various levels of processing). There can be many tiers involved in the more complex supply chains. For example, fishermen/fishing trawler, fish auctions, fish markets, processing factories, producers, hatcheries, feed mills, other fish supply companies, importers, agents and brokers.

This does make mapping the supply chains difficult, but in the globalised world of today this is unavoidable. Many fish and seafood species would otherwise not be available locally, as they are seasonal or are not native to the UK. To allow us to

consistently supply top quality products at competitive prices, all year round, we require our supply chains to be, truly global.

Our Policies On Slavery And Human Trafficking

We actively respect workers' rights in our own business and promote this throughout our supply chains; we endeavor to ensure the abhorrent abuses of slavery and human trafficking are not ever tolerated. We have an Ethical Trading Policy which incorporates the

9 principles of the ETI's Base Code and an Anti-Slavery and Human Trafficking Policy which reflects our commitment to acting ethically and with integrity in all our business relationships. These two policies help us to implement and enforce effective systems and controls to ensure that slavery and human trafficking are not taking place anywhere in our own business or supply chains. In our previous Modern Slavery Statement, we planned to draft terms and conditions for our suppliers, to ensure ethical best practice is contractually committed to by the tier 1 supply base. Clauses include: A duty to comply with the Act and our two policies aforementioned; a requirement to conduct regular ethical risk assessments of suppliers further down the chain; to implement due diligence controls to prevent modern slavery from occurring; to notify us immediately if any labour rights issues arise in the

business or supply chains; and an explanation of our commitment to always work with, and support suppliers in correcting non-conformances. We are pleased to announce that we now have in place our 'Anti-Slavery, Human Trafficking and Ethical Trading Agreement' (the "Agreement") that outlines the above. It also grants us permission to audit suppliers against our two policies, the Base Code and UK law. The Agreement has been signed by our key suppliers and we are continuing to ensure that all new (and existing) suppliers have received, signed and returned a copy. For smaller suppliers or those with whom we conduct only minimal business, we ask that, at a minimum, they sign their commitment to respect the ETI Base Code.

Steps Taken

For steps taken prior to 30th June 2016, please refer to our previous Modern Slavery Statement.

In 2016, we continued the vertical supply chain mapping of our high risk products (prawns, squid and tuna). We also started mapping our cod and haddock supply chains, with a focus on frozen products coming from China. Where possible, we collated information on the supply chains right the way back to the fishing vessel, as we saw this point in the supply chain being the highest risk for potential slavery. Due to the complexity of seafood supply

chains, this is an ongoing process and we will continue gathering and analysing information. As supply chains alter over time, we request that suppliers provide us updated information, should the supply chain change. The information is risk assessed using our Ethics in Seafood Risk Assessment Tool, as described in our previous Modern Slavery Statement.

In December 2016, a training programme was designed and delivered internally to all depots' technical managers. This was to aid our Ethical Analyst's work on the new supplier compliance program, to commence in January 2017. An Ethical Trade & Labour Rights Self-Assessment Questionnaire ("SAQ") was designed and sent to our tier 1 suppliers, as part of an ethical trade induction pack which also includes: an Introduction Letter; a PDF poster of the ETI's Base Code to be placed in staff areas; our Anti-Slavery, Human Trafficking & Ethical Trading Agreement; our Ethical Trading Policy; our Anti-Slavery & Human Trafficking Policy; and a copy of the full, auditable ETI Base Code (with sub-clauses).

In January 2017, our Modern Slavery training was delivered to our key staff and was incorporated into our induction training programme for new employees.

In March 2017, our Director of Sustainability was invited to sit on a panel discussion at the ETI's bi-annual roundtable meeting, to discuss what corporate leadership in modern slavery looks like.

In April 2017, a new system and risk assessment process was established to analyse, track and monitor our tier 1 suppliers' social compliance.

In May 2017, our first ethical trade newsletter was sent out to our staff to be sent out periodically. Topics have included The ETI, Our Vision, Modern Slavery, Social Auditing, Child Labour and Working Together for a Fairer Future.

In June 2017, we designed an internal audit programme, to enable us to conduct social audits of our suppliers whom we identified as high risk through their Ethical SAQ or third party audit analysis. Our social audits are based on the SMETA Best Practice Guidance, along with accompanying documents. It will ensure that all suppliers receiving an audit by us, will receive a full social audit report, along with any corrective action requests and timeframes for completion.

Due Diligence Processes For Slavery And Human Trafficking

As part of our initiative to identify and mitigate the risk of modern slavery in our supply chains, we have put systems in place to:

- Monitor which suppliers have signed our Anti-Slavery, Human Trafficking and Ethical Trading Agreement;
- Identify and assess potential risk areas in our supply chains through supply chain mapping;
- Identify and assess Base Code non-conformances through our SAQ and Audits;
- Mitigate the risk of slavery, human trafficking and other Base Code non-conformances by working with suppliers on corrective action plans;
- Monitor potential risk areas in our supply chains through ongoing dialogue with suppliers, the use of corrective action plans and follow up visits; and
 - Protect whistle blowers.

Our slavery and human trafficking due diligence framework is based on the UN Guiding Principles on Business and Human Rights, which emphasises the responsibility of businesses to respect human rights in their own operations and business relationships.

Furthermore, it uses the ETI's Human Rights Due Diligence Framework which provides specific guidance on what suppliers in food supply chains can do to address the particular risks to

vulnerable workers in their operations and supply chains. Having this framework helps us to:

- Create transparency in our supply chains;
- Identify the actual and potential risk of modern slavery and human trafficking in our own business and that of our supply chains;
- Identify our leverage to mitigate these risks through strengthening relationships with key suppliers; and ultimately
- Aid us in providing appropriate remediation to workers who have not had their human rights upheld.

To begin our due diligence process, we used the Food Network for Ethical Trade's country risk ratings (along with annual spend) to give each supplier an initial rating of low, medium or high risk. Low risk suppliers are required to sign our aforementioned Agreement.

Medium risk suppliers are required to sign the Agreement and complete our Ethical SAQ. High risk suppliers are required to sign the Agreement, complete our Ethical SAQ and provide a copy of a social audit report conducted within the last two years (or if this is not available, be willing to receive an internal audit from us).

Risk Assessment Of Our Tier One Suppliers

For a detailed explanation of our Ethics in Seafood Risk Assessment Tool, which focuses on locating potential risk hotspots in the supply chain, please refer to our previous Modern Slavery Statement.

Where possible, we have continued to collect information on our product supply chains all the way back to the fishing vessel of the primary product, including: The flag state; the owner and licence details; the number of crew and their nationality; the time the vessel spends at sea; the use of transshipment and the port where the catch is landed.

To compliment the work being done to map high risk supply chains vertically down through each tier, we decided to simultaneously gather more in-depth data on the workforces and policies of our tier 1 suppliers, to ensure ethical compliance at this more accessible level. Following the return of our SAQs, we therefore designed a second risk assessment tool, which considers: annual spend; site location; known industry risk; if they produce our “A Passion for Fish” brand; the complexity of the supply chain; the site’s own policies; their social audit programme; their social compliance management systems; the percentage of migrant labourers; the

percentage of agency/contract workers; the reliance on seasonal/temporary staff; the right to freedom of association / collective bargaining; and on site accommodation.

A system is now in place whereby all suppliers can be benchmarked on their social compliance and are given a risk rating based on the outcome of the SAQ and social audit report analysis.

The Outcomes Of Risk Assessment

Following the risk assessment of our tier 1 suppliers, we have been able to reclassify the majority of our previously perceived medium or high risk suppliers, to low risk. Where suppliers remain medium or high risk, this is predominantly due to the fact that we have not received enough substantial evidence from the supplier that they are taking adequate steps to mitigate the possibility of modern slavery in the supply chain. This being said, we have identified no instances of modern slavery or human trafficking at any point, either in our own business or supply chains.

Action And Responses To Slavery And Human Trafficking Risks

In our 2015 – 2016 Modern Slavery Statement we identified key areas in our supply chains that we considered high risk. These

were the use of transshipment and uncertified warm water prawns.

We discussed the possibility of removing the practice of transshipment from our supply chains completely; this is a long term goal, but will be a complicated ongoing process to eliminate completely as it is highly prevalent in certain seafood supply chains.

We identified that our tuna and squid supply chains were particularly susceptible to transshipment and have therefore been working on removing it from our tuna supply chains. We are now confident that transshipment is not being used in our tuna supply chains. Our squid supply chains are proving more difficult to tackle.

We were unable to source squid for 2016 – 2017 with no use of transshipment, due to the species required by our customers and the seasonality of the product. We therefore conducted further due diligence on our current suppliers by requesting more detailed information on the crew on the fishing vessels. We received satisfactory responses and were given no reason to believe that anyone on the vessels was trapped in any form of modern slavery. The information we received included: assurances that there are no migrant labourers on the vessels, that the workers are all employed directly by the vessel owner (no agent/broker used) and the vessels are registered on the South Pacific Regional Fisheries Management Organisation authorised vessel list.

In response to our tier 1 suppliers, who scored a high or medium risk rating following our risk assessment, we are designing some

practical guidance for suppliers on how to implement the principles of the Base Code into their own business and supply chains and will be conducting random second-party audits to monitor compliance.

Monitoring & Reporting

As an ETI foundation member, we were required to deliver our first ETI report in January 2017, describing the measures we have taken to ensure that the ETI Base Code is respected right the way down our supply chains. Following a review of our report by the ETI and their NGO and TU members, they concluded that we had successfully completed all the requirements to be granted full ETI membership. However, due to our parent company (Bidfresh Limited) expanding its membership to cover other businesses within the group, our membership as an ETI foundation member shall continue until such time that the wider Bidfresh group is in a position to be granted full ETI membership. Our ethical trading staff are continuing to monitor and map our supply chains endeavouring to continually increase transparency. The results are reported and discussed at board meetings. We actively encourage all our suppliers to report any labour rights concerns to us openly and we encourage our staff to report any concerns they may have about slavery or human trafficking to our confidential ethics hotline which they may call anonymously, free of charge, 24 hours a day, 7 days

a week. Posters of the helpline contact number are displayed around all of our depots and all key staff have received training on this.

Training

In January 2017, internal modern slavery training was delivered to everyone in the business. The training focussed on the issues of modern slavery in the seafood industry, our membership to the ETI, our Ethical Trading Policy and Anti-Slavery and Human Trafficking Policy and our due diligence programme. The training was initially delivered to all technical managers and was then rolled out to all key staff, including management, buyers, factory workers, office staff and cleaners. Modern slavery training has also been incorporated into our staff induction training and all key staff receive the monthly Ethical Trade Newsletter, to keep them informed and up to date on ethical issues.

In June 2017, our Ethical Analyst successfully completed an IRCA certified, 5 day 'Social Systems Auditor/Lead Auditor Training Course' to:

- a) Understand the potential range of social and ethical issues that face organisations and the range of conventions, specifications, codes of conduct and other initiatives;

- b) Describe the fundamental purpose of a management system and explain the purpose, content and inter-relationship of the SA8000/ETI Base Code and the relevant legislative framework;
- c) Understand the role of an auditor to plan, conduct, report and follow-up a social systems audit in accordance with ISO 19011; and
- d) Plan, conduct, report and follow-up a social systems audit in accordance with ISO 19011 and by interpreting the requirements of SA8000 and/or the ETI Base Code.

This statement was approved by the board of Seafood Holdings Ltd

Joanna Roberts

Group Commercial Director of Seafood Holdings Ltd

31st December 2017

Further Steps

Detailed below are the further steps that we identified in our previous Modern Slavery Statement to try and ensure that

there is no slavery or human trafficking in our own business or our supply chains along with the updated position, as at 30th June 2017, to demonstrate our progress.

1. Begin to instruct an independent auditor to carry out physical audits (as opposed to paper audits) of our high risk tier one suppliers against key performance indicators.

Ethical Analyst successfully completed an SGS Social Systems Auditor Training programme to enable us to carry out audits rather than outsourcing this. We have designed a Bidfresh audit programme for the group, to commence in summer 2017.

2. Start carrying out internal physical audits of our own business relating to modern slavery, human trafficking and ethical trade in general. We are considering our internal contracts & Staff Handbook and changes/updates are planned for the next edition to better protect workers. We have not conducted any physical social audits of our own sites as yet.

3. Draft standard terms and conditions for our suppliers to agree to which incorporate clauses on ethical trade such as duties to comply with the Act (where applicable), conduct

regular risk assessments within their own supply chains, implement controls to prevent modern slavery and notify us immediately if any issues arise in their supply chains. We can then take action if any supplier breaches these obligations which may include terminating the contract with that supplier. We now have our 'Anti-Slavery, Human Trafficking and Ethical Trading Agreement' and these was sent to key suppliers prior to 30th June 2017 and will be sent to all suppliers in 2017 – 2018.

4. We have developed some internal modern slavery and human trafficking training which will be rolled out to all our key members of staff. Over 600 of our employees have been trained as at 30th June 2017 and this is now a part of our induction training. There was a delay in training at one of our sites due to unforeseeable circumstances, but this took place in August 2017.

5. Improve information flow generally to our staff members about ethical trade issues. We were originally using the company's intranet to keep staff informed about ethical trade, but since this stopped being in place in May 2017,

we established a newsletter that is sent to our employees periodically regarding modern slavery and ethical trade.

6. Continue to work with the ETI and build relationships and collaborate with other ETI members as modern slavery and human trafficking is a growing global issue which cannot be tackled by us alone. We continued attendance at ETI and SECLG roundtables, building relationships with other ETI members.

7. Identify our top 10 high risk suppliers to build a closer relationship with and have meaningful discussions to promote the treatment of workers. We met our main shrimp supplier and discussed our invite to visit a shrimp farm. All key suppliers have completed our ethical SAQ and increased contact regarding ethical policies and procedures / sharing of the ETI's vulnerable worker toolkit and a guide for small businesses on how to implement ethical trade into their business.

8. Purchase more products which have been certified by independent third parties such as the Global Aquaculture Alliance, the Aquaculture Stewardship Culture and Global Gap. Our Central Purchasing Department are now moving

towards sourcing only BAP 4* prawns and once this has been achieved we intend to push this to all our buyers across our depots.

9. Start streamlining our supply chains by ordering more products from fewer suppliers to develop stronger long-term relationships and increase our leverage with certain suppliers. Work is on-going in our Central Purchasing Department starting with frozen products. Once a streamlined list of frozen suppliers is agreed all our buyers will need to adhere to it.

10. Adopt a purchasing strategy called “choice-architecture” to educate our customers and encourage them towards ethical best practice through limiting their choices of fish and seafood purchases in high risk areas. This has started to happen through our purchase of certified products but also through our brochure on ethical trade which was designed to raise customer awareness, share our knowledge and educate our customers into making more ethical choices.

We intend to:

1. Review recruitment agency contracts to include a term confirming their agreement with our Ethical Trading Policy and our Anti-Slavery and Human Trafficking Policy;
2. Design some easy-to-follow guidance for medium risk suppliers on how to ensure the ETI's Base Code is upheld within their business and supply chains; and
3. Conduct physical audits of high risk suppliers who do not have a valid third party social audit from within the last two years.

References

- ¹ <http://www.ilo.org/global/topics/forced-labour/lang-en/index.htm>

For a full copy of our statement or policy please [contact us](#).