



Modern Slavery Statement

for the fiscal year 2020

Introduction

The UK Modern Slavery Act 2015 (UK Act) requires businesses above a certain annual turnover (£36m) to publicly state the actions they have taken during a financial year to ensure modern slavery has not taken place in their operations and supply chains.

This statement is in compliance with the UK Act, it refers to the financial year ending 3rd January 2021, and is made on behalf of the following in-scope Hilton Food Group (HFG) operations.

1. Hilton Foods UK Limited
2. Seachill UK Limited trading as Hilton Seafood UK
3. Hilton Food Solutions Limited

The three companies above form part of an international group with wide-reaching operations and an accompanying, and complex, world-wide supplier network made up of many tiers.

Details of the Group's history, operations and current business ventures can be found at the following link: <https://www.hiltonfoodgroupplc.com/en/who-we-are/>

Our business model is to source meat, fish/ shellfish and plant based raw materials from high quality approved suppliers, and then process and pack both natural and added value product for the UK retail and food service markets.

At the centre of the Hilton culture is our strategic compass. The way we work is as important as what we accomplish. Our strategic compass clarifies our purpose, our principles, and our values, which includes a commitment to non-negotiable ethics. Our values are demonstrated in our global CSR strategy "Quality Naturally". The strategy is made up of eight pillars covering all aspects of Corporate Social Responsibility. Two pillars, "Ethics" and "Our People", are actively working to safeguard against Modern Slavery in our own factories and supply chains. This strategy is led from the top with the full support of the CEO, the board, and the Executive Leadership Team. The Group CSR Director who in turn reports to the Chief Quality and Sustainability Officer, leads a specialist team including a dedicated Ethical Manager. Our Human Rights programme includes risk assessments, training, and collaborative engagement in improving the standards of worker welfare in our supply chains.



Policies

We have a group Ethical Trading Policy (published on our website) which covers the overarching commitments, responsibilities and ethical principles on Human Rights, ethical trading, worker rights and practices.

Additional policies include the following:

Equal opportunities & dignity at work
Procurement
Supplier code of conduct
Responsible recruitment
Bribery and corruption

Health & Safety
Grievance
Whistleblowing
Human trafficking and forced labour

Due Diligence & risk management

We use risk assessments to contribute to our due diligence for our employment and recruitment procedures, and within our global supply chain.

During 2020 we made significant progress in our ethical journey. Along with key supplier and retail partners, we completed our first Human Rights Impact Assessment (following Oxfam guidelines) of Vietnamese farmed prawn supply. The assessment involved multiple tiers of the complex supply chain from the local factories and farms, back as far as the fishmeal plant supplying the feed manufacturer.

At our manufacturing sites, we look to identify actual and potential risks of modern slavery and to ensure remediation where any cases are identified. At the time of writing this statement we have recorded zero cases within our business. To ensure the wellbeing of our people we have robust recruitment processes and train our managers and supervisors to look for signs of modern slavery and forced labour. We provide a safe means, and actively encourage, our people to report any issues with their recruitment, transport or accommodation providers which will receive our full support. We follow ILO guidelines for responsible and fair recruitment where all our labour providers are licenced and approved. All of our people have access to our trained HR personnel for support, and we share details of where to get help and advice, anonymously if preferred. All of our employees including temporary and agency staff can, and are, encouraged to utilise our grievance and whistleblowing mechanisms.

Our supply chain due diligence processes are based on a comprehensive risk assessment that is updated on a regular basis to identify new and emerging risks and improve supply chain transparency. We do understand that we operate in some high-risk supply chains, especially in our seafood business, and we actively seek to assure we

have identified ethical issues within them by following the ILO indicator guidelines on forced labour. We have built a supplier priority list based on the inherent country and industry sector risks published by both Sedex (supplier ethical data exchange platform - <https://www.sedex.com/>) and FNET (the Food Network for Ethical Trade - <https://foodnetworkforethicaltrade.com/>). During 2020 a new global group supplier ethical assessment and compliance system was designed, tested, and approved for launch in early 2021. The first step of the new system will be to ask all suppliers to read our new Supply Chain Human Rights and Ethical Trading Policy and agree to our Supplier code of conduct, both of which are based on the ETI (Ethical Trade Initiative) base code.

Our preferred risk assessment route continues to be via Sedex so that we can manage multi-tier responsible sourcing data and provide detailed assessments to our customers about our own sites. Our A/B membership status brings us visibility of the standards in our suppliers' sites and the tiers below them where they have also registered on Sedex. We have an alternative "in-house" comprehensive assessment and compliance route for those suppliers not using Sedex.

We are active members of FNET and engaged in its governance during 2020.

This forum acts as a source of up-to-date global information and horizon scanning, which gives us advance learning about emerging ethical issues and helps us to identify key areas that might require further investigation, in a timely manner.



Our supplier assessments, risk ratings, audit reports and third-party certification evidence is housed within an online supplier management portal, which is used in synergy with the Sedex ethical data exchange system.

Assessed Effectiveness

The group principles, KPI's and objectives apply to all of our sites, and we have demonstrated continued progress towards the objectives reported in our previous statements:-

1. Mapping and Risk Assessment of our supply chains

- We have continued ethical risk assessments using FNET and Sedex protocols, which are incorporated into our global supplier approval system.
- A new global ethical assessment and compliance system was built and tested in 2020 and is being rolled out across the group in 2021. The new system combines and improves upon existing assessments to include a comprehensive supplier code of conduct. The process is integrated into the existing supplier approval system and includes a two-stage risk assessment system either utilising Sedex systems (our preference) or an internal risk rating system for non-Sedex supplier members. We will report on its progress in the next statement.
- All of our seafood suppliers have been risk assessed using expanded assessments down the supply chains including fishing fleets and farms. All of our high-risk seafood suppliers are registered on Sedex and have completed a Self-Assessment Questionnaire (SAQ). We have utilised our own SAQ for collecting compliance data from suppliers that are not on Sedex, and this data will be transferred to the new system.
- We have continued engaging with our suppliers to encourage them to register on Sedex as our preferred route of supplier engagement and transparency. During 2020 we saw an increase in suppliers linking to us on Sedex.

2. High Risk Supplier Assessments

- We have continued social compliance audits for our high-risk supply chains. Physical visits and audits have been restricted by Covid-19 travel restrictions, however, we were able to continue physical audits in two of our higher risk supply chains, China and Vietnam. Where physical audits have not been possible, virtual audits have been trialled for some high-risk suppliers.
- The new global Responsible Fishing Vessel Scheme (RFVS) audit programme is now up and running. We were members of the oversight board and technical committee during its establishment, and we now continue in its governance and intend to utilise the scheme for our high-risk fishing vessels. Progress in this has been severely restricted due to travel restrictions resulting from Covid-19.
- We are pleased that we were able to complete our first Human Rights Impact Assessment of our farmed prawn supply chains in Vietnam. This study covered several tiers behind our direct suppliers and was commissioned in partnership with a major UK retailer and two supplier partners to Hilton Seafood. The study showed some good practices and some areas for improvement.

3. Training our leadership team, managers, and supervisors in awareness of modern slavery, and our people in where and how they can obtain support

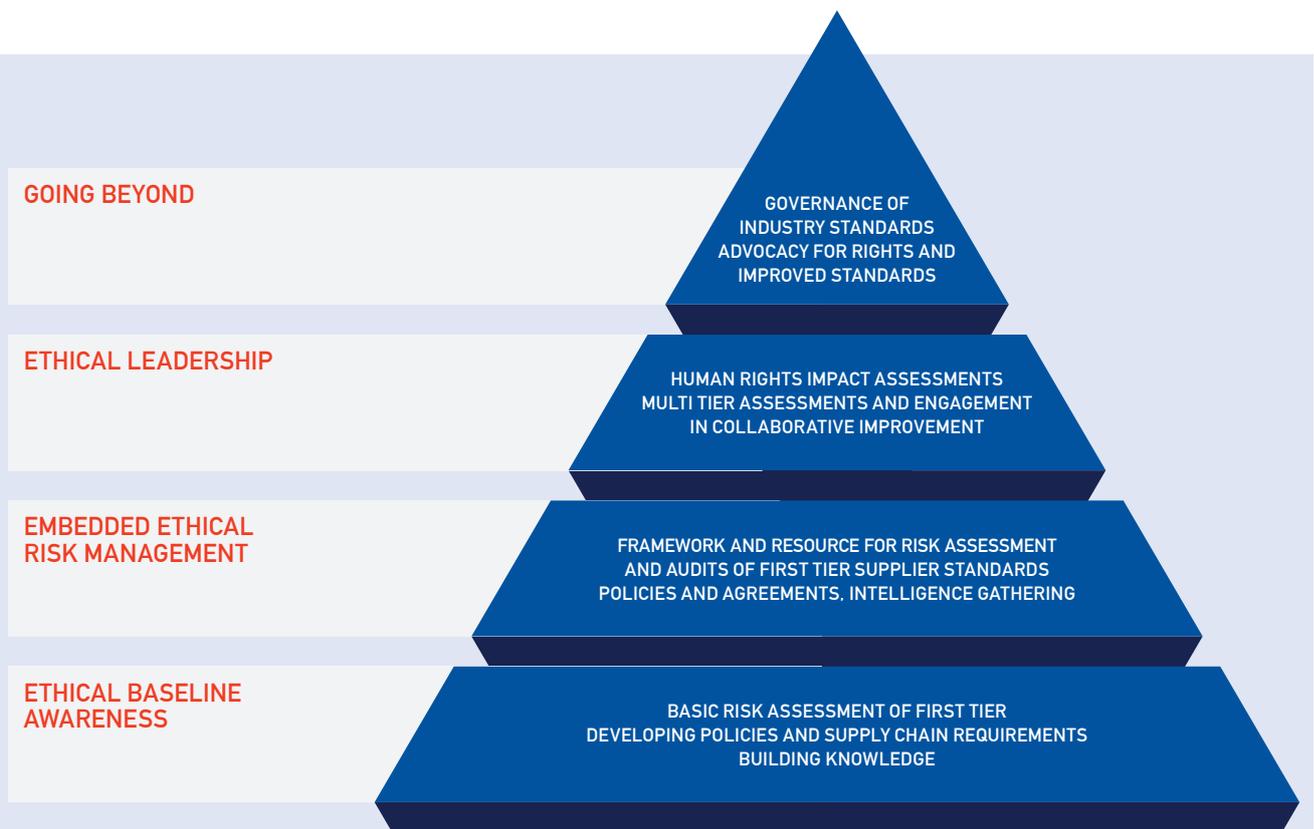
- We continue to roll out Modern Slavery training to all our employees and we have made awareness training part of employee induction. Senior managers and supervisors receive detailed training including instruction on what to do if they suspect modern slavery is taking place at their site.
 - During 2020 our Executive Leadership Team together with our site Managing Directors were trained (virtually) in Modern Slavery, Due Diligence and Ethical Trading by an external ethical consultant.
 - We are complementing our internal Modern Slavery training with industry recognised and leading Stronger Together Modern Slavery training.
- ### 4. Engaging in industry collaborative forums to share and build best practice
- We maintained active engagement and participation in FNET, in particular the Recruitment Fees and Supplier Engagement restrictions FNET played an important role in keeping information up to date to facilitate a horizon scanning programme to help us better risk assess our supply chain.
 - We continue to have a strong presence in the Seafood Ethical Action Alliance (SEA Alliance) with representation on the steering group.
 - Having previously co-funded the development and launch of the Sedex fishing vessel Self-Assessment Questionnaire, we continue to promote its trial use to risk assess ethical and welfare practices on board fishing vessels.
 - We continue active involvement in the governance of standards that include ethical assessments including the Responsible Fishing Vessel Scheme, Global Gap, and Marin Trust. Our aim is to influence and shape increased ethical elements of assurance and best practice schemes.
 - We continue our commitment to the Environmental Justice Foundation Ten principles for global transparency in the fishing industry.
 - We exercise due diligence in establishing the legal origin of seafood products and marine ingredients used in the feed for our farmed fish and base our systems on the BSI PAS 1550 standard (for eliminating Illegal Unreported and Unregulated (IUU) fisheries) which we helped to develop. This includes audits of the feed producers and for the highest risk supply chains the fishmeal plants that supply them.
 - We also contributed to advocacy alongside the Scottish fishing industry, which has recently resulted in migrant fishers being classified by the Home office as skilled workers so they can be employed on work visa and have improved employment conditions and rights. This positive action has substantially improved recruitment and transparency in the Scottish fishing industry.

Policies

Covid -19

The onset and continued presence of restrictions due to Covid-19 has made many normal business practices more challenging, and some impossible. Our strong risk assessment procedures, robust practices and committed management has enabled our sites to remain open for production in a strictly controlled manner. Our people have been treated respectfully and monitored throughout the pandemic. All of our protocols were maintained, and no instances of modern slavery have been identified

It has been more difficult to maintain engagement with our supply chains as we have not been able to travel for supplier visits and face to face audits. We have maintained our awareness through horizon scanning and industry shared intelligence of risks in high-risk countries and industries. We have improved and strengthened our supplier SAQ's and made sure we maintained contact with our suppliers on a more regular basis using video conference facilities. We have built a better and more focussed risk assessment process during this period and will re-establish our physical audits when the Covid restrictions are removed.



We are on a journey of increasing transparency of the ethical standards within our supply chains and our engagement in improving the safety and wellbeing of the people working within them and those supported or otherwise impacted by them. This journey takes us further up the pyramid of progress as shown in the diagram opposite.

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Looking Forward

We are continuing to learn about best practice from our collaborative engagement and ethical assessments. Our actions within the Quality Naturally ethical strategy will include the following -

- Continuing to improve and utilise our ethical risk assessment system that integrates our approval processes with Sedex.
- Further develop our policies with the introduction of a Human Rights policy for our operations and a separate Supplier Human Rights and Ethical Trading policy.
- Continue supporting the strategic development of FNET.
- Continued engagement in the Seafood Ethical Action Alliance steering group and promoting the take up of the Sedex fishing vessel questionnaire by its members.
- Continued engagement in the governance of the Global Responsible Fishing Vessel Standard.
- Building transparency tools based on global interoperable traceability systems integrated with ethical assessment criteria.
- Advocacy for improved regulation and enforcement alongside our customers and suppliers.
- Co-sponsoring a PhD research project on Social responsibility and worker voice in seafood at Heriot Watt university.

We will continue to strengthen our approach to managing the risk of modern-day slavery within our business and supply chain and ensure our strategy is responsive to changing risks. We will act immediately to address any mistreatment or non-conformances in safety or welfare standards. Where we identify instances of modern slavery, we will ensure remediation and address the cause.

Our culture of sustainability and ethics is vital, and it reflects some of the core values of our strategic compass, including providing an inclusive working environment where everyone at our sites and within our supply chains are valued, respected and able to fulfil their potential.

This Statement was approved by the
Hilton Food Group plc Board of Directors
on 24th May 2021 and signed on its behalf by:

Robert Watson OBE, Chairman
24th May 2021

