



MODERN SLAVERY STATEMENT

2019



Introductory statement from Kazuhito Suematsu

Princes has been a trusted household name since 1880. We have developed our vision over time to better reflect our heritage and our future, “Proudly helping families to eat well without costing the earth”.

As a values-led organisation, we are proud to support the Modern Slavery Act (2015) and highlight the steps we are taking to ensure that modern slavery is eradicated from every part of our business.



Our work over the past few years demonstrates the commitment Princes, our colleagues, our customers and our supply partners place on ending modern slavery.

Slavery, forced labour and human trafficking are issues of growing global concern, affecting all sectors, regions and economies.

Our aim is to ensure that there is no modern slavery in our supply chain.

Our products should not only be sourced responsibly and ethically, but also contribute positively to the lives of those who make and deliver them.

We continue to be a leading voice in the food and drink industry in the fight against modern slavery. The issues are global, complex and unfortunately there is no quick fix; however I truly believe that if we work together, and continue to be open about our progress, we can end modern slavery and human trafficking in our supply chain.

This statement provides an update on our activities and commitments to prevent modern slavery in our operations and supply chains, and sets out the steps we have taken during the financial year 2018/2019 which ended on 31st March 2019.

I, Kazuhito Suematsu, hereby certify that the information contained in the above statement is factual.

A handwritten signature in dark ink, appearing to read 'K. Suematsu'. The signature is written in a cursive style.

Kazuhito Suematsu,
Director / Company Secretary for, and on behalf of, the Board
September 2019

About Princes Limited ('Princes')

Princes' heritage dates back to 1880 when it was established as a fish importing business in Liverpool, the city where our international headquarters remain. Our primary responsibility has always been to provide safe, nutritious, responsibly sourced food and drink to be enjoyed by our consumers every day.

Since 1989 we have been a wholly owned subsidiary of Mitsubishi Corporation.

The Princes Group of companies has over seven thousand employees worldwide and we have offices and 14 production sites in the United Kingdom, the Netherlands, Italy, Poland, France and Mauritius.

In addition to our fully owned UK manufacturing sites and our Italian tomato processing site, held through our subsidiary Princes Industrie Alimentari S.r.L (PIA), we have a range of joint ventures that complement our own production capabilities:

- Princes Tuna Mauritius Limited (PTM) – a joint venture with Seafood Hub Ltd, IBL Ltd and the Mauritian State Investment Corporation.
- Edible Oils Limited (EOL) – joint venture with Archer Daniels Midland, operating two edible oil bottling plants in Kent, UK.
- EOL Polska sp. zo.o. – joint venture with Archer Daniels Midland, operating an edible oil bottling plant in Szamotuly, Poland.

Further details of our business and operations can be found at:

<http://www.princesgroup.com/>

£1.6bn revenue	7,000+ employees across 8 countries	14 production sites	2,000+ direct suppliers
40+ sourcing countries	Sell over 3,500 different products	60% of what we sell is under our customer's own label	250m cases of food and drink sold every year

Our Value Chains

Princes' global supply chains are complex and extensive with our suppliers providing both finished goods and raw materials for manufacturing across all of our core product areas, which include fish, meat, fruit, tomatoes, pasta, beans, vegetables, edible oils and a broad range of soft drinks.

We take a partnership approach with our key suppliers, seeking to foster long term supply agreements in order to provide the security, integrity and quality we, our customers and consumers require.

We divide our direct supply chain into five separate categories:

1. Fully owned or joint venture production sites
2. Third party suppliers who manufacture finished goods on our behalf
3. Ingredients which go into our food and drink products we produce at our 14 production sites
4. Packaging suppliers
5. Suppliers of Goods Not for Resale (GNFR) & outsourced service suppliers (such as logistics, catering, cleaning and security).

The structure of Princes Tier 1 supply chain as of 31st March 2019

Supplier Category		Number
1	Fully owned or Joint Venture sites	14
2	Third party finished goods suppliers	93
3	Ingredients suppliers	395
4	Packaging suppliers	93
5	GNFR & Outsourced service suppliers	1,763
TOTAL		2,358

Relevant Policies & Contractual Controls

Princes is committed to upholding human rights and fully supports the UN Universal Declaration of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.



The United Nations Sustainable Development Goals (SDGs) have been developed to make the world more sustainable by 2030 in challenges as diverse as ending poverty to tackling climate change.

Princes supports the aspirations of the SDGs and we have identified specific Goals where we think we can make a real contribution related to our areas of expertise and main areas of operation. This includes Goal 8: Decent Work and Economic Growth.

Princes Group Code of Conduct: This provides guidance to employees on local laws and global standards and all employees must use the Code of Conduct as a guide in daily operations, to be aware of their responsibilities as a member of the Group and to review the relevant laws and internal company rules ensuring that they conduct themselves with integrity. Our Group Code of Conduct also explains how any violation of our Code of Conduct can be reported, including the ability to access independent Legal Counsel if required.

Ethical Trade & Human Rights Policy: Our Ethical Trade & Human Rights Policy sets out specific commitments and obligations to the people and communities in our supply chain. It is a requirement for suppliers to comply with (i) all applicable local and international laws, which would include those relating to labour used in the supply of finished goods and raw materials, and (ii) the principles of the Princes Group Code of Conduct, which incorporates respect for human rights and the Princes Group Ethical Trade & Human Rights Policy.

Our policy is available at the following link: <https://www.princesgroup.com/wp-content/uploads/2019/09/Ethical-Trade-Policy-August-2018-website-version-New-logo.pdf>

Princes Group Buying Policy: Outlines the requirements for our internal procurement function to ensure that the sourcing of products is made from suppliers who have been internally approved across a number of areas, including an assessment of their ethical trade credentials and level of transparency.

Princes Recruitment Policy: All of our new employees are subject to pre-employment checks to confirm their identity and right to work in the UK. Where recruitment agencies are used, we ensure they comply with all legal requirements as a minimum.

Standard Terms and Conditions of Purchase: It is a provision in our Standard Terms and Conditions of Purchase that sub-contractors must be approved by Princes; and must comply with our Ethical Trade Policy.

Governance

Our Chief Executive Corporate has ultimate responsibility for ensuring Princes meets its ethical trading and human rights responsibilities. He is supported by the Board of Directors, the Director of Corporate Relations and the Ethical Trading & Human Rights Controller.

Chief Executives are updated quarterly on our ethical trading progress and provided with an overview of key legal and industry updates. Within such meetings the opportunity to raise any issues requiring their approval, or guidance, are discussed.

The following departments are responsible for carrying out day-to-day implementation of policies and procedures that support Princes in meeting its ethical trading responsibilities: Commercial (Procurement), Sales, Human Resources, Legal, Technical, Operations & Corporate Relations. Close collaboration with these teams is essential to ensure decisions and practices are aligned with our ethical trade goals. We hold monthly Ethical Steering Group (ESG) and Ethical Implementation Team (EIT) meetings and our ESG committee includes Director-level representatives of the functions named above while our EIT includes Senior manager-level representatives.

Risk Assessment and Due Diligence

Risks of modern slavery are dynamic and can evolve quickly. As a result we regularly assess and respond to risks in our business and wider supply chain. To do this more effectively we use our own risk assessment matrix and have continued to enhance and use this in 2018/19 based on the latest industry insights.

The main objective behind developing our Risk Assessment is to identify, measure, prioritise and respond to risks or issues in our supply chain.

Updating our Supplier Ethical Requirements

In January 2019 we enhanced our Supplier Ethical Requirements and communicated these via a series of Supplier Webinars.

For the first time this requires that any direct Ingredient and Packaging suppliers deemed to be Higher Risk (based on their sourcing country) would be required to undertake and share details of an independent, third-party ethical / social audit.

This is in addition to our on-going requirement for all third party finished good suppliers and own production sites to have also undertaken and shared the findings from a third-party, independent ethical / social audit.



As well as developing our own risk assessment, Princes are members of the Supplier Ethical Data Exchange (Sedex), a membership organisation dedicated to driving improvement in responsible and ethical business practices in global supply chains. We use Sedex to help us assess and manage compliance across our manufacturing sites and direct suppliers.

Princes uses the Sedex Members Ethical Trade Audit Non-Compliance Guidance to assess the criticality of an audit non-conformance.

As of 31st March 2019:

100%
of our owned or joint venture production sites have undertaken an independent ethical / social audit in the past 24 months.

100%
of our third party finished good suppliers have commissioned and shared details of a third party ethical / social audit within the past 24 months.

0
overdue and outstanding Critical Non-Conformances within our fully owned or joint venture sites.

52
overdue and outstanding Critical Non-Conformances within our direct supply chain across 48 suppliers. All of these have a time-bound action plan against them.

Goods & Services Not for Resale

During 2018/19 we continued to categorise our 1,763 GNFR & Outsourced service suppliers in order to ensure maximum engagement and action on those deemed highest risk.

For Princes, this included the likes of Labour providers, Catering, Security, Cleaning and Construction suppliers. Via our membership of the Indirect Procurement Human Rights Forum we are working with industry-leaders to share insights and develop a road map for each of these areas, further details can be found later in this report.

All temporary agency labour currently utilised in our UK operations is provided through Association of Labour Providers member companies who are registered Stronger Together Business Partners. They all have a documented Hidden Labour Exploitation Policy and have demonstrated a commitment to raising awareness of hidden labour exploitation through their processes and through communicating key indicators to operational staff. We are also enhancing our audit process taking into account the Stronger Together checklist, annual assessments and action plans.

Throughout the year we continued to work with our labour providers to support the Clearview global compliance scheme to drive responsible recruitment in supply chains.



Case Study: Ethical recruitment & engagement with colleagues in Mauritius

In 2003 Princes Tuna (Mauritius) Riche Terre site was the first global supplier of canned tuna to be awarded the SA8000 certification; a voluntary social accountability standard we chose to adopt to demonstrate our best-in-class approach to ethical trading and human rights. Our second site, Marine Road, was acquired in 2015 also achieved this certification in 2017.

As Mauritius is an island nation and there remains strong competition for domestic labour in the tourism, textile and chemical industries. Prince Tuna (Mauritius) Limited (PTM) therefore relies on a large number of workers being recruited from India and Bangladesh.

As part of our support for the Employer Pays Principle whereby no worker should pay for a job – the cost of recruitment should be borne by the employer rather than the worker – we have continued to support wider industry collaboration and transparency around the ethical recruitment of migrant workers.

Our Head of Human Resources has spoken at a number of modern slavery events in order to share our learnings and approach to help other companies in Mauritius consider how best to support workers throughout the recruitment process. This includes speaking at the British High Commission in Mauritius' / ASOS Modern Slavery Forum in April 2018 and in June 2018 speaking at the Global Forum on Responsible Recruitment & Employment.

In March 2019 PTM also launched an event called "Know Your Rights" working closely with the British High Commission in Mauritius to ensure that all of our colleagues are aware of what to expect from Princes and the Government when based in Mauritius.

Within PTM, we have made sure that all hiring decisions are not made by any third party agent but by PTM's Head of Human Resources. Candidates are supported throughout the process via pre-induction meetings, including a detailed review of proposed employment contracts in the presence of a translator during which workers have the opportunity to ask any questions about life on Mauritius during their employment.



Best Practice Guidance on
Ethical Recruitment of Migrant Workers



Beyond Audit Approach

Ethical audits provide a good foundation from which to build knowledge and understanding of some of the risks our suppliers face at a factory level. In addition to independent audits, we are continuing to enhance our beyond audit approach to identify and mitigate ethical trade risks within our supply chain.

Based on our updated assessment of known and potential risks our priority focus countries were reassessed and are currently (in alphabetical order): Brazil, China, Indonesia, Italy, Thailand & the United Kingdom.

The reason for initially focussing on our six countries is that they reflect the supply relations we have and the leverage we are able to exert to influence positive actions with regard to ensuring incidents of modern slavery and human trafficking do not occur.

Please see some of our case studies on the following pages for further details on our progress.

Monitoring & Auditing

Via our Ethical Trade Policy, we communicate to all of our suppliers that Princes may conduct risk assessment onsite evaluations of suppliers including requiring independent ethical audits to be undertaken at appropriate intervals.

We have continued embedding our Princes Supplier & Site Visit Ethical Checklist, designed to be completed by all Princes colleagues when visiting a supplier to increase our due diligence and understanding of modern slavery risks outside of a formal ethical audit.

If we identify cases of non-compliance to our Ethical Trade Policy or any relevant legislation we communicate our remediation requirements and provide support for redressing specific issues. If the supplier is unable to satisfactorily address these issues, we reserve the right to terminate business with immediate effect. This is a provision in our Standard Terms and Conditions of Purchase.

In the event of evidence of labour violation in our upstream supply chain we will address the issue with our supplier but also seek to work with relevant stakeholders such as government, appropriate trade bodies and Non-Governmental Organisations in order to resolve issues. If it is possible to identify individual cases of unethical working practices we will eliminate the individual supplier from our supply chain if remediation action is unsatisfactory.

Embedding Ethical Trading & Human Rights

In addition to updating all of our job descriptions and annual colleague Performance Development Reviews (PDR) to ensure our commitment to ethical trading and human rights is shared across the business, members of our Commercial and Technical Teams are maximising visits with supply partners to discuss modern slavery risks and opportunities to improve workers' lives.

During a visit to India one of our Buying Controllers led a review into differing worker accommodation standards and has worked with one of our suppliers to significantly improve the quality and offer for workers in the free accommodation blocks. This included providing Wi-Fi, air conditioning and communal kitchen areas for migrant workers – something the supplier has fully embraced and for which positive feedback has been received from workers.





Case Study: Human Rights Risk Assessment in Thailand

During September and October Princes undertook specific human rights risk assessments in our Thai poultry and pineapple value chains as part of building our insights beyond the processing plant level. One of the most rewarding insights from the visit was confirmation that several suppliers are already on their own journeys to identify, mitigate and monitor ethical trading and human rights risks with a number of industry and external stakeholder collaborations taking place to promote workers' rights.

Within Thailand there remain risks around migrant workers paying recruitment fees and ensuring that farm-level due diligence continues – rather than just at processing factory – to ensure that living and working conditions are safe and hygienic.

During the visit Princes also engaged with Oxfam Thailand and the International Labor Organization to share our insights and learn from these organisations how to embed our approach.

Since the visit we have worked closely with one of our pineapple suppliers and an external organisation to undertake our first-ever independent “worker voice” survey. This pilot project enabled migrant workers to anonymously answer a range of questions relating to their in-work experiences via their mobile phones. The findings from this have been extremely beneficial and we are working closely with the supplier to develop action plans and ensure a greater level of training and engagement with workers takes place.





Case Study: Collaboration to end migrant worker exploitation in Italy's tomato industry

Last year Princes announced that 100 percent of the tomatoes it processed from its Italian supply chain came from farms with independent ethical accreditation through either Global GAP GRASP or SA8000 accreditation.

In order to build on this achievement, and in recognition of the on-going challenges around ending migrant worker exploitation in the industry, on 12th February 2019 our Italian tomato processing operation, Princes Industrie Alimentari S.r.L. (PIA) signed a breakthrough partnership agreement with Coldiretti, a leading Italian agricultural union.

Through the partnership, Princes provides financial stability for growers through guaranteed three-year supply contracts, while ensuring that the pricing of tomatoes reflects the true costs of farming to enable the long-term sustainability of the industry.

Growers also have access to unique grant and financing opportunities as part of the agreement. Coldiretti will provide official transport for seasonal agricultural workers for signatory farms, and maintain an annual training commitment that encompasses Environmental, Social and Economic sustainability.

Our partnership also includes a commitment by Coldiretti farmers to develop and participate in Blockchain digital traceability technology to monitor and protect workers' safety rights throughout the supply chain.

Princes processes in the region of 300,000 tonnes of fresh tomatoes annually and this initiative is another significant step forward in the enhancement of the Italian tomato supply chain and the continued improvement in supply chain transparency as a key driver in increasing stakeholder awareness and ultimate engagement in this process.

Partnering to address root cause issues

Princes recognise the benefit in collaborating with NGOs, charities, trade union organisations, customers and our competitors to drive meaningful change and address some of the root cause issues of large and complex modern slavery incidences. Our partners include:



Ethical Trading Initiative (ETI)

ETI is a leading alliance of Companies, Trade Unions and Non-Governmental Organisations that promotes respect for workers' rights around the globe. The ETI was founded in 1998 in response to growing concerns about the poor pay and conditions of workers in many international supply chains.

Having joined as a Foundation Stage member of ETI in May 2017, Princes graduated to Full Member status in July 2018 – having taken the decision to submit our initial report 13 months ahead of schedule to build the feedback into our strategic plan.

Based on the feedback from our first report we were delighted to be graded as Improver recognising the significant progress we have made in a short period of time. Our aim for the next financial year will be to build upon the feedback received and remain at “Improver” level.

We were also honoured to be asked in January 2019 to join the Board of ETI as a Corporate Representative, which we accepted.

Specific working groups and collaborations within ETI that we have been involved with include:

- Italy
- Brazil
- Corporate Advisory Group
- Mauritius
- Modern Slavery
- Thailand



Food Network for Ethical Trade (FNET)

FNET is a network of UK food companies collaborating to improve working conditions in supply chains.

The activities of FNET comprise of supplier support, tools including risk assessment and guidance, collaborative working and joint learning to form a framework for identifying, managing and responding to global food supply chain ethical trade risks.

We have been involved in working groups looking at:

- Risk Assessment
- Spices
- Recruitment Fees

Indirect Procurement Human Rights Forum (IPHR)

Princes are part of a ground-breaking initiative which, through industry-wide collaboration, is looking to improve the human rights of workers in indirect procurement (also known as Goods and Services Not for Resale) supply chains.

Our aim is to work with like-minded organisation to share insights, best practice examples, build capacity and identify opportunities to act as one collective voice to address human rights issues in this sector.

We are currently working together to focus on the identification and mitigation of ethical risks within:

- Labour Providers,
- Waste Management,
- On-site Services.



Seafood Ethics Common Language Group

Participating in this group, which was set up by Seafish, allows us to collaborate with suppliers and retailers to improve our understanding of the ethical issues impacting the seafood supply chain and contribute to collaborative efforts to improve ethical standards in the sector.



Supplier Ethical Data Exchange (Sedex)

Sedex is one of the world's largest collaborative platforms for sharing responsible sourcing data on supply chains, used by more than 55,000 members in over 180 countries. Sedex is one of the ethical trade organisations that we require our suppliers to be members of, as part of our Ways of Working requirements. The platform can be used by buyers, suppliers and auditors to quickly identify and share indicators of forced labour and modern slavery.

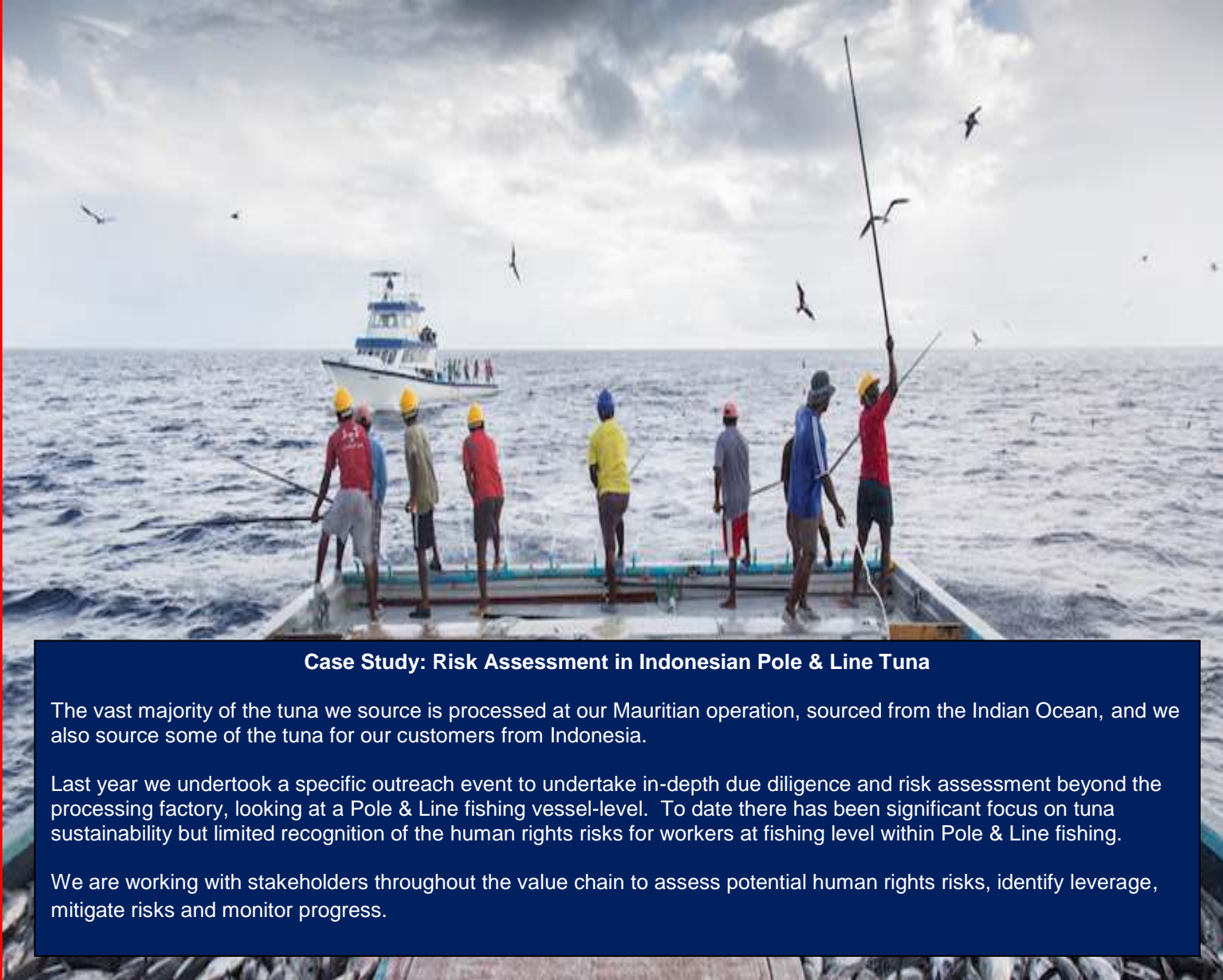
Sedex Stakeholder Forum (SSF)

The Sedex Stakeholder Forum (SSF) brings together leaders from across the ethical trade and responsible sourcing industry to discuss the challenges they face and solve collaboratively. The forum is also home to SMETA, one of the world's most widely used audit formats.



Stronger Together

Stronger Together provides training, resources and support for raising the awareness of how to spot the signs of modern slavery, and how to approach modern slavery in value chains. Please see one of our case studies for more information about our involvement in this initiative.



Case Study: Risk Assessment in Indonesian Pole & Line Tuna

The vast majority of the tuna we source is processed at our Mauritian operation, sourced from the Indian Ocean, and we also source some of the tuna for our customers from Indonesia.

Last year we undertook a specific outreach event to undertake in-depth due diligence and risk assessment beyond the processing factory, looking at a Pole & Line fishing vessel-level. To date there has been significant focus on tuna sustainability but limited recognition of the human rights risks for workers at fishing level within Pole & Line fishing.

We are working with stakeholders throughout the value chain to assess potential human rights risks, identify leverage, mitigate risks and monitor progress.

"We're delighted with the progress Princes has made as a member of ETI and with the commitment they've shown to workers' rights throughout their supply chain.

We've been particularly impressed by their work in Mauritius on ethical recruitment practices and in the Italian tomato sector where they've been a driving force in tackling the exploitation of migrant workers. We look forward to working with them over the coming months and years as their ethical trade journey goes from strength to strength."

Peter McAllister, Executive Director of Ethical Trading Initiative (ETI)

Key Performance Indicators

Princes are committed to measuring and monitoring our ethical trading performance to maximise focus within our business and supply chain. We will continue to measure ourselves against the following indicators below and we will review our progress in our 2020 Modern Slavery Statement:

- Reported incidences of modern slavery in our supply chains and our responses.
- Number of third party ethical audits undertaken within our fully owned or joint venture sites as well as third party finished goods suppliers.
- Number of overdue and outstanding Business Critical and Critical Non-Conformances within our fully owned or joint venture sites.
- Number of overdue and outstanding Business Critical and Critical Non-Conformances within our direct supply chain and how we are dealing with these.

Training & Awareness Raising

We continue to use the Modern Slavery Act (2015) as an opportunity to embed greater understanding of human rights within our supply chains, and to extend this awareness as far down our supply chain as possible.



Case Study: Capacity Building at our Manufacturing sites

Throughout the year we have worked with Stronger Together, a multi-stakeholder, business-led initiative aiming to reduce modern slavery, particularly hidden forced labour, labour trafficking and other third party exploitation of workers.

One of our aims in the next financial year will be to ensure that all of our UK manufacturing sites and our Group Head office achieve Stronger Together Business Partner status. This provides formal recognition of our commitment to tackling hidden labour exploitation and modern slavery.



Over the past twelve months our programme of training and awareness raising has included:

- Updating our internal Ways of Working management system to support the identification of labour standard abuses, mitigate risks and drive improvement.
- Developing and updating our Princes Supplier Guidance Document to all of our tier one suppliers to communicate the risks around modern slavery, Princes expectations and their role in supporting our strategy.
- Continuing to publish our Princes Supplier Ethical Newsletter which is issued to all tier one suppliers to both provide them with useful legal and industry updates as well as enhance supplier knowledge, understanding and engagement in ethical trading. By highlighting work we are doing we demonstrate the importance we attach to this issue.
- Updating our Ethical Compliance training for all employees across the business.
- Undertaking specific training for our Human Resources, Technical, Sales and Commercial (Procurement) teams on the issues of modern slavery and human trafficking.
- Sedex training has been provided to key members of our Technical & Commercial teams who are now supporting the on-going review and supplier assessment process in line with our strategic objectives.
- Our Ethical Trading Controller has also completed Stronger Together / Gangmasters & Labour Abuse Authority training on Investigative Interviewing Skills in order to support potential victims of modern slavery.

Our aims for 2019/20

Our long term objective is to end modern slavery, forced labour and human trafficking within our own supply chains.

Enhancing and measuring our ethical trade progress is essential to ensure we realise our ethical trading vision.

For the financial year 1st April 2019 to 31st March 2020 we have the following objectives:

1. Further developing our supply chain due diligence and modern slavery risk assessment processes in order that instances of modern slavery can be identified and remedial action taken.
2. Continuing to report on our effectiveness in helping ensure that modern slavery and human trafficking is not taking place in our business and supply chains by reporting on the number of instances we identify by country / supply chain.
3. Implementing the next phase of our supplier communication programme via a series of updated Webinars to engage with suppliers on a deeper level regarding implementation of our Supplier Ethical Requirements.
4. Enhancing our engagement with other stakeholders, including government, civil society and trade unions on systemic issues identified within our supply chains.
5. Continuing to develop strategic collaborations / partnerships / initiatives to identify, prevent and mitigate human rights abuses in Princes own operations and supply chains.
6. Remaining members of the Ethical Trading Initiative and maintaining our “Improver” level grade.
7. Ensuring that all of our UK manufacturing sites become Stronger Together Business Partners as part of demonstrating our commitment to embedding ethical trading and human rights at a manufacturing-site level.
8. Continuing to develop our human rights risk assessment “deeper dive” approach within our six Focus Countries – including undertaking our first ethical-specific visit to suppliers in China.
9. Continuing to lead the Governance Group of the Indirect Procurement Human Rights Forum (IPHR) to risk assess risks in Goods and Services not for Resale.
10. Understanding in more detail the steps we can take as an organisation to eliminate recruitment and employment fees charged to workers.



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