



Modern Slavery & Human Trafficking Statement 2017

Introduction

This is the second modern slavery and human trafficking statement produced by Princes Limited, published in accordance with section 54 of the Modern Slavery Act 2015. The statement sets out the steps we have taken to prevent modern slavery and human trafficking in our business during our financial year 2016/2017 which ended on 31st March 2017.

We welcome the opportunity to provide an update on our progress to ensure that slavery and human trafficking is not taking place within our supply chains or our business.

About Princes Limited ('Princes')

Princes is a manufacturer and importer of food and drink products with a heritage dating back to 1880 when we were established as a canned fish importing business in Liverpool, the city where our international headquarters remain to this day. Since 1989 we have been a wholly owned subsidiary of Mitsubishi Corporation.

The Princes Group of companies has over eight thousand employees worldwide and we have offices and 15 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 IBL Ltd and the Mauritian State Investment Company, operating two tuna processing sites in Mauritius.
- Edible Oils Limited (EOL) – joint venture with Archer Daniels Midland, operating two edible oil bottling plants in Kent, UK.
- Edible Oils Polska – 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/>

During the year ending March 2017 we defined a specific ethical trading strategy for the Group which is for Princes and its suppliers to work towards compliance of the Ethical Trading Initiative (ETI) Base Code.

Our Foundation stage membership of the ETI was confirmed in May 2017 and how we embed this in our business and communicate it down our supply chain will form a large part of our ethical work in 2017/18.

Our Supply 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 source products and raw materials from a network of over 2,000 direct suppliers in more than 40 countries.

8,000
employees

15
Production
sites

Over 2,000
Direct
Suppliers

40+ countries

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.

Policies in relation to Modern Slavery

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 Princes Group Code of Conduct 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 Ethical Trade 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 Policy.

Our policy is available at the following link:

<http://www.princesgroup.com/downloads/princes-ethical-trade-policy-august2017.pdf>

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 in 2016 we launched our own risk assessment matrix. The main objectives in developing this Risk Assessment are to identify, measure, prioritise and respond to risks or issues in our supply chain.

As well as developing our own risk assessment matrix, Princes are members of the Supplier Ethical Data Exchange (Sedex), a not for profit 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.

All Princes owned and joint venture production sites are Sedex registered and undertake annual audits.

All of our direct suppliers are assessed in terms of their engagement with Sedex and where required, we assess suppliers based on responses within their Self-Assessment Questionnaire (SAQ), and Sedex Members Ethical Trading Audit (SMETA) along with other inherent risk factors.

SMETA audits are undertaken on our behalf by a select number of approved independent third party audit providers using the established SMETA methodology.

Our Princes Tuna (Mauritius) Riche Terre site has held SA8000 certification for social accountability since 2003 and was the first global supplier of canned tuna to do so. This provides a measurable international standard in working conditions and practices and is recognition that the company has adopted policies and procedures that protect the rights of workers. Our second site acquired in 2015, PTM Marine Road, is currently working towards attaining SA8000 accreditation which is expected to be confirmed in 2017.

PTM relies on a large number of workers being recruited from India, Bangladesh and Madagascar. Hiring decisions are not made by any third party agent but by PTM staff. After candidates are hired PTM holds a pre-induction meeting, including a review of the employment contract in the presence of an independent translator during which workers have the opportunity to ask any questions about life on Mauritius during their employment. No fees are charged at any stage to workers as part of the recruitment process.

All temporary agency labour currently utilised in our UK Princes and EOL operations is provided through a business accredited by the Association of Labour Providers and who is a Stronger Together registered business partner. They have a documented Hidden Labour Exploitation Policy and are committed to raising awareness of hidden labour exploitation through its 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. Combined with this, the 6 monthly audits Princes undertake of our labour providers will look to deep dive into sections of this and apply a check function to the process.

A number of companies provide services to our production sites including cleaning, security and catering and these are in scope of our risk assessment and review of our own operations. We have proactively communicated our approach and expectations on ethical trading and compliance to these service providers.

We recognise that managing risk through a first tier ethical audit programme is limited because it is focussed on our direct suppliers and audits may not always be the right tool to use to address hidden or systemic issues. As a result of this, we have identified a number of “hot spot” countries in order to review and assess risks of modern slavery below the first tier supplier.

We have identified six priority “hot spot” countries we will be focussing on initially (in alphabetical order): Brazil, Indonesia, Italy, Spain, Thailand & the United Kingdom. These reflect the supply relations we have and the leverage we deem able to exert to influence positive actions with regard to ensuring incidents of modern slavery and human trafficking do not occur.

Third Party Engagement

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.

For this reason we have identified the ETI as a key partner in enhancing our management of ethical trading and tackling hidden or complex issues that require a multi stakeholder approach.

We have collaborated with other ETI stakeholders in addressing potential issues in a number of areas, including

- Italian tomato sector – Since 2013 Princes has been working to understand ethical issues at the grower level in Italy and working with a number of stakeholders to improve conditions for workers. Labour for any manual harvesting is often supplied by migrant workers who could be at risk of exploitation through illegal recruitment practices, including indebtedness and coercion.
- Thailand Poultry working group – Princes are collaborating with retailers and manufacturers in reviewing the employment practices in Thailand’s poultry industry following on from the ETI Thailand Seafood Working Group.
- Alaskan Salmon working group - with UK retailers and our competitors we have worked to address issues around transparency over working hours and employment practices in this sector.

Annual Ethical Forums for tomato growers have been held at our Italian factory since 2013

Princes have also accepted a shared Governance Role to support the development of a Food Network for Ethical Trade (FNET), a supplier-led initiative with the intention of moving beyond audits in an aligned way, using the collective leverage of suppliers and retailers to bring about change in global food supply chains

Princes remain committed to supporting enforcement bodies such as the Gangmasters and Labour Abuse Authority (GLAA) with information on their investigations where required. All labour providers we use within our sites are GLAA registered and we audit our UK farming suppliers annually to ensure their GLAA certified status.

Ethical Trading, HR and Buying personnel have also attended Stronger Together training and we proactively share details of training and events with our UK suppliers.

Monitoring & Auditing

Via our Ethical Trade Policy, we communicated 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.

Last year we also launched “Princes Supplier & Site Visit Ethical Checklist”, designed to be completed by all Princes employees when visiting a supplier or one of our sites to increase our due diligence and understanding of modern slavery risks outside of a formal ethical audit.

Actions taken to remediate or reduce risk

We hold monthly Ethical Steering Group meetings at a strategic, director level and separate Implementation Team meetings at an operational level to review progress against our strategy, identify any opportunities or areas of concern. These forums provide an opportunity to review any critical breaches of our policies, the results of ethical audits and overall progress to achieve our vision.

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 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.

Key Performance Indicators

We do not have key performance indicators specifically in relation to slavery or human trafficking as any instances of these would be a non-compliance and breach of employment laws, our own employment practices, Code of Conduct and Ethical Trade Policy.

In our own operations, any alleged breach of the Group Code of Conduct or Ethical Trade Policy is investigated and recorded as a matter of compliance where relevant.

In our supply chain, we monitor supplier Sedex membership and Self-Assessment Questionnaires, which include investigation and time-bound actions to follow up and close out any non-conformances identified.

Training

All Princes employees are issued with the Princes Group Code of Conduct which is monitored by our Compliance Committee. In 2017 we completed ethical training to all employees in our Group with a specific focus on slavery and trafficking.

Over 700 hours of training delivered

In addition to this we have undertaken specific training for our Human Resources, Technical and Buying teams on the issues of modern slavery and human trafficking.

In total, we provided over 700 hours of internal training to employees on ethical trading, including modern slavery and human trafficking.

Priorities for the coming year

In the coming financial year we intend to carry out work in the following specific areas:

- Use our membership of the ETI to help us further understand human rights issues in our global supply chains and formulate effective remedial action. This will allow us to work with other ETI members to address problems in a pre-competitive space.
- Following our Governance role, support the launch of the FNET programme with customers and other suppliers to identify human rights abuses upstream in our shared supply chains.
- Continue to increase awareness of ethical trading and modern slavery with all relevant internal stakeholders as well as with all direct suppliers.
- Provide guidance and assistance to direct suppliers on how to meet Princes Ethical Trading Policy and develop systems in their own operations to identify and mitigate ethical risks.
- Launch a “Ways of Working” management system internally to support the identification of labour standard abuses, mitigate risks and drive improvement.

Approval

I, Manabu Oda, hereby certify that the information contained in the above statement is factual and has been approved by the Princes Limited’s Board of Directors.



Manabu Oda
Deputy Chairman and Chief Executive Corporate
August 2017