



Modern Slavery Statement 2018

Slavery, forced labour and human trafficking are issues of growing global concern, affecting all sectors, regions and economies. Modern slavery is fundamentally unacceptable within our business and supply chain and combatting it is an important element of our overall approach to business and human rights. Princes is committed to respecting, protecting and championing the human rights of all those who come into contact with our operations.

This statement has been published in accordance with the Modern Slavery Act (2015) and 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 2017/2018 which ended on 31st March 2018.

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 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.
- 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 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 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 2018

	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	1,800
	TOTAL	2,395

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 Limited supports the SDGs

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 Policy: 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>

As a supplement to our Ethical Trade Policy we have also developed a Supplier Guidance Document. We work with suppliers to ensure that they meet the standards of the Policy and make improvements where appropriate. Serious violations of our Ethical Trade Policy may lead to the termination of a business relationship.

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 trade responsibilities. He is supported by the Board of Directors, the Director of Corporate Relations and the Ethical Trading Manager.

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

Our vision: Improve the lives of all the workers in our supply chain, ensuring we remain the first choice food and drink group for our consumers, customers, suppliers and colleagues

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 and have continued to enhance and use this in 2017/18. The main objective behind developing our Risk Assessment is to identify, measure, prioritise and respond to risks or issues in our supply chain.



All of our Third party finished goods suppliers and own production sites have gone through the Risk Assessment process and our target for 2018/19 is to ensure that those Ingredient and GNFR & Outsourced service suppliers who represent the highest potential levels of risk go through our Risk Assessment process.

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.



All Princes owned or Joint Venture production sites are members of Sedex and undertake audits. All of our Ingredients and Packaging suppliers are required to be registered on Sedex and linked to Princes and all Third party finished goods suppliers are required to have an independent third party ethical audit; SMETA, BSCI or SA8000 certification.

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.



Our aim in 2018/19 is to work with our labour providers to support the Clearview global compliance scheme to drive responsible recruitment practices in supply chains.

CASE STUDY: Princes Tuna (Mauritius) Limited

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, also obtained SA8000 certification in December 2017.

PTM relies on a large number of workers being recruited from India and Bangladesh. Hiring decisions are not made by any third party agent but by PTM's Head of HR. After candidates are hired PTM holds a pre-induction meeting, including a review of the employment contract in the presence of a 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.

Throughout 2017 and 2018 Princes has supported a number of global initiatives aiming to promote responsible recruitment and employment of migrant workers including supporting the research conducted by the Interfaith Centre on Corporate Responsibility's "*Best Practice Guidance on Ethical Recruitment of Migrant Workers*".

In February 2018 we also worked with the online fashion retailer ASOS and the British High Commission to Mauritius who co-hosted an event to discuss the issues in managing labour migration and agree a common framework for improving worker protection. Speakers included representatives from the Mauritian and Bangladeshi governments, the International Labour Organization, International Organization for Migration, IndustriALL Union, the Ethical Trading Initiative (ETI) and Anti-Slavery International.



Best Practice Guidance on Ethical Recruitment of Migrant Workers





In 2017, 87% of the tomatoes we processed came from farms with Global GAP/GRASP accreditation or SA 8000 certification for social compliance and we are targeting 100% in 2018.

CASE STUDY: Princes Industrie Alimentari S.r.L. (PIA)

PIA is one of Italy’s largest and most modern tomato businesses offering the scale, efficiency and attention to quality to provide our customers with a “one stop shop” for products which are grown, harvested and sourced with integrity.

The issue of illegal labour, particularly affecting migrants, in Italian agriculture is one that has existed for many years.

PIA has taken a proactive approach on this issue since it was formed in 2012, reaching out and communicating with growers in our supply chain, taking our own action and also collaborating with third parties. Some of the activities we have undertaken include:

- Amending supplier contracts in 2012 to highlight the importance of the observance of all legislation relating to migrant labour.
- Holding annual ethical events since 2013 to reiterate the importance of compliance, hosting speakers from major UK retailers and also the Ethical Trading Initiative.
- Since 2015 our in-house Agronomist team has undertaken annual in field inspections to the Global Gap GRASP standard.
- Mapping out all of our suppliers and tomato growers to support our risk assessment.
- Doubling the size of our Agronomist team in 2018 to ensure every grower is visited.
- In addition to our collaboration with the ETI we also proactively engage with our customers, regional and national political stakeholders and Non-Governmental Organisations to increase transparency and build on the momentum achieved to date.
- Our approach with suppliers is one that has been positively recognised by many customers and PIA is seen as a leading voice on this issue. However, we are not complacent and will continue our work to deliver a long term sustainable future for Italian tomatoes and a supply chain that works fairly for all participants.

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 enhancing our beyond audit approach to identify and mitigate ethical trade risks within our supply chain. Our initial focus is on our six “Focus” countries (in alphabetical order): Brazil, Indonesia, Italy, Spain, Thailand & the United Kingdom.

The reason for initially focussing on our six countries outlines 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.

Focus country	Examples of what we source	Salient human rights issue(s)
BRAZIL	Corned Beef Orange Juice	Modern Slavery
INDONESIA	Pineapple Tuna	Modern Slavery Recruitment Fees

Focus country	Examples of what we source	Salient human rights issue(s)
ITALY	Tomatoes Tomato-related products	Lack of legal agency labour provision in southern Italian agricultural sector
SPAIN	Oils Fruit	General Human Rights
THAILAND	Poultry Pineapple Sweetcorn Tuna	Modern Slavery Recruitment Fees
UNITED KINGDOM	Labour Providers for our 10 UK fully owned or Joint Venture sites	Modern Slavery

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 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.

Since 2018 Princes has also chaired the Governance Group of the 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.

Partnership		Overview of Engagement
	Ethical Trading Initiative	Membership enables us to work collaboratively with Companies, Trade Unions and civil society on challenging human rights issues including modern slavery that cannot be solved by individual companies working alone. We have been involved in working groups relating to: <ul style="list-style-type: none"> • Italian tomatoes • Thailand • Brazil • Mauritius.
	Supplier Ethical Data Exchange (Sedex) Stakeholder Forum	<ul style="list-style-type: none"> • Member of the Forced Labour Working Group. • Partnering to develop a United Nations Sustainable Development Goals Case Study.
	Stronger Together	Stronger Together provides training, resources and support for raising the awareness of how to spot signs of Modern Slavery, and how to approach Modern Slavery in supply chains. We have continued to promote Stronger Together to internal colleagues and our suppliers.
	Food Network for Ethical Trade	We have been involved in working groups relating to: <ul style="list-style-type: none"> • Risk Assessment • Thailand • Recruitment Fees • Worker Voice • Supply chain mapping

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 employees 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 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

Princes are committed to measuring and monitoring our ethical trading performance to maximise focus within our business and supply chain. We will now be measuring ourselves against the following indicators below and we will review our progress in our 2019 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.

Business Critical and Critical Non-Conformances

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

A Business Critical Non-Conformance (NC) represents a critical breach of an ETI base code item or local law resulting in an issue which presents a critical or imminent risk to worker's safety / critical risk to life and limb or which constitutes a critical breach of workers' human rights. This may put either new business or ongoing business at risk and will therefore require immediate correction or improvement.

A Critical NC is a severe breach which represents a danger to workers / those on site, or which constitutes a severe breach of workers' human rights; a severe material breach of an ETI base code requirement / law; a systematic and deliberate breaking of a code requirement / law; an attempt to pervert the course of the audit through fraud, coercion, deception, interference or deliberate damage to brand reputation; or a major non-compliance that has not been addressed over time, or for which no significant improvement has been made.

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.

Princes has continued to develop targeted training for those employees most directly involved in making purchasing decisions which impact the risk of modern slavery across our business. We also recognise the complex nature of modern slavery and have developed informative and accessible training for all employees within the business to raise their awareness of the risks and how they have a part to play in delivering our vision.



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

- Launching a Ways of Working management system internally to support the identification of labour standard abuses, mitigate risks and drive improvement.
- Developing and delivering internal ethical trade training to Princes procurement team.
- Developing and launching a 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.
- Developing a quarterly 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.
- We continue to run our Ethical Compliance training for all employees across the business.
- We have undertaken specific training for our Human Resources, Technical, Sales and Commercial (Procurement) teams on the issues of modern slavery and human trafficking.
- We have updated our Ethical Trade Factsheet for all employees to provide them with a useful two page summary of the work Princes are undertaking.
- Sedex training has been provided to key members of our Technical & Commercial teams who are now supporting in the on-going review and supplier assessment process in line with our strategic objectives.
- Our Ethical Trading Manager has completed Social Systems Auditor / Lead Auditor Training Course and as a result of this training is in the process of reviewing Princes Ethical Trade Policy.
- Our Ethical Trading Manager has completed the ETI's Human Rights Due Diligence training and shared the outputs to our Ethical Implementation Team and Ethical Steering Group.

Our long term objective is to reduce the risk of modern slavery, forced labour and human trafficking within our own supply chain.

Enhancing and measuring our ethical trade progress is essential to ensure we realise our ethical trading vision. For the financial year 1st April 2018 to 31st March 2019 we have the following objectives:

1. Graduate from a Foundation Stage member of the Ethical Trading Initiative to Full member.
2. Review our direct Labour Providers for our UK manufacturing sites to ensure we support with rolling out the Clearview initiative to strengthen responsible recruitment practices in our supply chain.
3. Continue a programme of training and awareness raising with our tier one suppliers, including enhancement of our Supplier Ethical Newsletters to feature best practice examples from our supply base.
4. We will partner with Stronger Together to deliver training for our Ethical Implementation Team and local HR teams at our UK manufacturing sites.
5. Become a Stronger Together Business Partner for each of our UK manufacturing sites by the 31st March 2019.
6. Continue to review and update our Ways of Working management system internally to support the identification of labour standard abuses, mitigate risks and drive improvement.
7. Enhance our engagement with other stakeholders, including government, civil society and trade unions on systemic issues identified within our supply chains.

8. Increase our beyond audit approach on our focus countries whilst continuing to assess and identify risks in other sourcing countries.
9. Review and, if required, update our Group Ethical Trade Policy in line with our enhanced requirements and expectations of our supply partners.

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

A handwritten signature in cursive script, reading "K Suematsu".

Kazuhito Suematsu
Chief Executive Corporate
August 2018