

Clearwater Seafoods Incorporated
2024 Annual Report on
Fighting Against Forced Labour and Child Labour in Supply Chains

1. Introduction

The Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “**Act**”) requires reporting entities to report on the actions they have taken during the previous fiscal year to prevent and reduce the risk of forced labour or child labour within their operations and supply chains in addition to other disclosure requirements. This report constitutes the report of Clearwater Seafoods Incorporated and certain of its subsidiaries listed below (the “**Report**”), covering the fiscal year of January 1, 2023, to December 31, 2023.

This joint report has been prepared by Clearwater Seafoods Incorporated (“**CSI**”), on behalf of itself and the following subsidiaries of CSI which have reporting obligations under the Act:

- Clearwater Seafoods Limited Partnership (Nova Scotia), by its Managing General Partner, CS ManPar Inc. (Canada)
- Clearwater Seafoods Holdings Inc. (Canada)
- Clearwater COPV Investments Limited Partnership (Nova Scotia)
- Clearwater Ocean Prawns Venture (Nova Scotia)

(collectively referred to as “**Clearwater**”, “**we**”, “**us**” or “**our**”).

CSI, as a holding company, substantially relies upon the efforts of Clearwater Seafoods Limited Partnership (“**CSLP**”), as the operating business, for the purposes of managing and monitoring its supply chain operations and compliance programs.

As a global seafood company, Clearwater also has reporting obligations in the United Kingdom under the Modern Slavery Act, 2015.

2. Structure

Clearwater is a Canadian private company, founded in 1976. CSI exists pursuant to the Canada Business Corporations Act (“**CBCA**”). CSI’s investments include the ownership of 100% of the limited partnership units of CSLP and 100% of the common shares of CS ManPar Inc., the general partner of CSLP. On January 25, 2021, pursuant to a plan of arrangement under the CBCA, CSI was acquired by Premium Brands Holdings Corporation and a coalition of First Nations. Clearwater’s business, carried on through CSLP, includes the ownership, operation and lease of assets and property in connection with the harvesting, processing, distribution and marketing of seafood.

The registered and head office of Clearwater is located at 757 Bedford Highway, Bedford, Nova Scotia, B4A 3Z7.

3. Activities

Clearwater is based in Nova Scotia and is one of North America's largest vertically integrated seafood companies operating around the world. Clearwater is recognized globally for its superior quality, food safety and diversity of premium wild-caught seafood, including scallops, lobster, clams, coldwater shrimp and crab.

As a leading harvester, processor, and marketer of sustainably sourced seafood and through its network of vessels, facilities and offices, Clearwater supplies its products to wholesalers, retailers, and foodservice distributors throughout the world. Clearwater is selling its products globally under both the Clearwater and private label brands.

4. Addressing Child Labour and Forced Labour

Clearwater is committed to conducting business in adherence with the highest standards of integrity, responsibility, and ethical behaviour. Clearwater's commitment to protecting human rights and responsible labor practices is founded on its strong belief in doing the right thing. The way its operations and global supply chain partners uphold these commitments to human rights, including preventing forced labor and child labor, is critical to Clearwater's long-term business success.

Clearwater has a zero-tolerance approach to forced labour and child labour within the organization itself and its supply chains and is committed to conducting business ethically to ensure that the risk of forced and child labour taking place within the business, or its supply chains is mitigated. Clearwater expects its suppliers to meet these same standards. This is achieved through direct engagement with suppliers and procurement partners and educating our workforce on the risk of forced labour or child labour.

All workers across Clearwater as well as its suppliers' must work under voluntary conditions. Clearwater and its suppliers are not permitted to use any form of forced or involuntary labour, including prison labour, indentured labour, bonded labour, military labour, slave labour or any form of human trafficking. The use of child labour that contravenes local labour laws within Clearwater's operations or our suppliers' operations is strictly prohibited.

5. A Responsible Employer

To ensure that we recruit and treat employees fairly, eliminating forced labour at all costs, our human resources policies set out our procedures on how we:

- recruit and select employees in a fair, lawful, and professional manner, both for internal and external candidates.
- treat all employees fairly during their employment and, if there is an occasion when an employee does not feel that they have been treated fairly, there are procedures in place to raise a grievance or involve a local trade union, where they exist, or where this is a legal requirement to do so.
- manage the exit of an employee from the business in a fair and consistent manner. Exit interviews are conducted whenever possible.
- provide fair working conditions for all our employees, including terms and conditions of employment, remuneration, working hours, health and safety, resting time, holiday entitlements and benefits. These are applied according to territory-specific statutory requirements. Our employees' pay will not be lower than that required by law, or, in the absence of a law, the level

paid generally within that industry. Furthermore, Clearwater undertakes regular compensation and benefits market benchmarking to ensure they exceed requirements wherever is possible.

6. Our Policies and Principles

Clearwater is dedicated to maintaining a fair and ethical workplace for our all our staff. Clearwater has established a range of policies and measures which address issues relevant to forced and child labour, including:

- The Company Handbook which includes a Whistleblowing Policy, Business Code of Conduct, including Anti-Bribery and Corruption Policy.
- An Enterprise Risk Management Committee that utilizes a risk assessment framework to identify areas of potential risk in the business, including forced labour, child labour, or human trafficking with its supply chain.
- A “Speak-Up Policy”, refreshed in 2020. This policy sets out our commitments to speaking up about serious concerns, detailing how any person working at or with Clearwater, including those employed in our supply chains, can raise concerns. The policy includes appropriate guidance which enables employees to report in confidence any concerns of malpractice or other unethical behaviour, which includes any concerns related to forced or child labour.
- Written contracts with suppliers and vendors where appropriate.
- Corporate practices which reinforce our commitment to combating forced labour and child labour.
- Policies and procedures to promote diversity, establishing mutual respect as a core value in the office and which addresses discrimination, harassment, and bullying.

7. Due Diligence Processes

The following action steps have been undertaken by Clearwater with the aim of ensuring that the risk of forced or child labour taking place in any part of our business or our supply chains is mitigated:

- The Business Code of Conduct, which has recently been updated, describes what we must do and how we must behave to ensure we have the trust of all our stakeholders. It details how we will create better outcomes in line with our purposes and values. All employees are required to review and sign our Business Code of Conduct annually.
- Working with skippers and crews to ensure an understanding of current rules and regulations applicable to fishing operations in Canada.
- Standard terms and conditions of employment (including crewing contracts) are regularly reviewed, ensuring that the relationship between employees and the business continues to remain fair and equitable.
- Where we work with recruitment agencies, they must comply with our rigorous due diligence assessment to ensure that they are recruiting in line with our policies, values and focus on driving inclusive and values-based recruitment practices.
- Mandatory online training on the Business Code of Conduct, and online classroom-based compliance, ethics and human rights training and continuous awareness initiatives to all employees.
- Our Whistleblowing Policy outlines processes and channels for internal reporting.

- Our Grievance Policy enables employees to raise concerns, problems or complaints relating to the terms of their employment, health and safety, work environment or working practices.
- Clearwater endeavours to procure supplies directly on our own or through other Canadian-administered vessels and harvesting companies, ensuring a single tier supply chain in most cases for all seafood.
- Clearwater continues to work to develop personal relationships with its commercial partners to better understand them and foster long-term relationships to ensure that partners share our business values.

8. Our Continuing Commitment

Clearwater abides by an independent third-party ethical labour standard specifically designed for the wild fishing sector, the FISH Standard (<https://fishstandard.com/>). The FISH Standard was developed to assure seafood buyers that the fish they are buying and then re-selling is harvested by crews that are:

1. recruited and hired ethically,
2. treated with respect on the vessel,
3. paid properly, and
4. have processes to address grievances.

We take these and other steps with the aim of ensuring that forced labour or child labour do not occur in any part of our business or our supply chains. In addition, Clearwater's adoption of the FISH Standard enables us to better understand our commercial partners, foster long-term relationships with suppliers, and manage the risks associated with unethical labour practices.

9. Remediation

Based on our knowledge, Clearwater has not identified any instances of forced labour or child labour in our supply chains. Consequently, no remediation measures were required for the fiscal year ended December 31, 2023, in respect of any modern slavery – including forced labour or child labour.

As noted above, Clearwater has not identified any instances of forced labour or child labour in its supply chains, and therefore has not taken any associated measures to remediate the loss of income to the most vulnerable families that result from measures taken to eliminate the use of forced labour or child labour in their supply chains.

10. Assessing effectiveness

Clearwater is committed to preventing and reducing the risk of forced labour and child labour in our supply chains and ensuring that actions that we take are effective. While Clearwater has not yet directly assessed the effectiveness of these actions, we continue to regularly review the development and implementation of our policies and procedures including but not limited to our Whistleblower Policy, Business Code of Conduct and Grievance Policy.

11. Approval and Attestation

This is a joint report prepared on behalf of and approved by the Board of Directors of Clearwater Seafoods Incorporated pursuant to section 11 (4) (b)(ii) of the Act.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above. For clarity, I have provided the attestation above in my capacity as a Director and Chief Executive Officer of Clearwater Seafoods Incorporated and not in my personal capacity.

Date: May 31, 2024

A handwritten signature in cursive script, appearing to read "Ian D. Smith".

Mr. Ian D. Smith
Director and Chief Executive Officer

I have the authority to bind Clearwater Seafoods Incorporated and its subsidiaries to which this Report relates.

A handwritten signature in cursive script, appearing to read "Terry Paul".

Chief Terry Paul
Director