



Lunar Freezing & Cold Storage Company Limited Lunar Fishing Company Limited

Modern Slavery Statement

This statement has been published in accordance with Section 54, Part 6 of the Modern Slavery Act 2015. It sets out the steps taken by Lunar Freezing & Cold Storage Company Limited and Lunar Fishing Company Limited to prevent modern slavery and human trafficking in our own operation and supply chain. This statement refers to the financial year ending 31 December 2021

Introduction

We are committed to high standards of professionalism, integrity, and ethics in conducting our business. We do not tolerate any form of slavery, servitude, forced or compulsory labour or human trafficking throughout our supply chains. We are focused on the protection of fundamental human rights of workers engaged in our own operation and supply chains.

Structure and Supply Chains

The family's fishing traditions go back many generations, but the Lunar Fishing company started with the purchase of the Admiralty steel drifter "Lunar Bow" in 1950. The company was named after her and has always had a vessel of that name in its fleet to this current day.

Based in the fishing ports of Peterhead, Fraserburgh and Aberdeen, the Company is in a commanding position to supply herring, mackerel, blue whiting, and whitefish products from catching to final delivery worldwide.

Lunar Fishing operates five fishing vessels, two Pelagic Trawlers, Lunar Bow and Pathway, two Whitefish Trawlers, Harvester and Ocean Harvest and one Whitefish Seiner, Tranquility. Fish landed to the Lunar facilities are kept at premium quality by modern and efficient chilling equipment on-board.

The Company owns a fleet of articulated units, refrigerated trailers and tankers capable of supplying temperature-controlled products from fishing vessels to processing factories. Onward despatch is available from cold store to customers in the UK and Europe.

As one of Scotland's few remaining independent, family-owned traditional primary processors and traditional smokehouses we are driven by a dedicated team of craftsmen with youth and passion, alongside talent and experience. Our manufacturing sites in Peterhead and Aberdeen supply whole fish, machine cut, and hand cut fish to our customers.

Policies and Procedures

The company recognises and accepts its responsibility for preventing modern slavery within its own operation and supply chain and that human rights of people engaged with producing food products supplied to our customers are protected.

We are frequently reviewing and improving our policies and procedures to support that commitment:

- Modern Slavery Policy
- Corporate Social Responsibility Policy
- Ethical Trading Policy based on the Ethical Trading Initiative Base Code
- Whistleblowing Procedure
- Anti-Bribery
- Grievance procedure

All policies are shared with our suppliers, and we expect all suppliers to follow standards set in those policies.

Risk Assessment and Due Diligence Process

The Human Rights Risk Assessment (HRRA) conducted in August 2021 helped us to identify potential high-risk areas in our own operation and enabled us to understand the risk within our supply chain.

Own operation

HRRA identified that some groups of workers are on higher risk to be subject to human rights abuses (especially forced labour risk) and the following valuable groups were identified: migrant workers and migrant workers on agency contract.

The country, sectoral risk assessment and a risk connected with using labour providers was taken into account when the severity and likelihood for the HRRA was calculated.

Taking all of the above into account the following areas were identified as a high risk in our own operation:

- Forced labour/Withholding workers identification
- Labour practices (extensive working hours, wages, statutory payments, maternity protection, right to work)
- Discrimination/Bullying and harassment
- Human Rights during pandemic

To reduce risk level to medium/low we have taken the following steps:

- We ensure that all labour providers used are GLAA certified.
- We have a well-established relationship with all labour providers.
- All labour providers are members of the Association of Labour Providers.
- Labour providers compliance with current employment legislations and the Ethical Trading Initiative Base Code are measured by annual labour provider's ethical audits.
- On site rights to work check carried out to ensure workers documents are not withheld.
- Regular site visits, support and guidance from Group HR Advisor and Group Health and Safety Advisor.
- Worker's representation established at production sites and meets regularly.
- Suggestion box implemented.
- ETI Base Code communicated to workers, materials from Stronger Together website displayed around site.
- Confidential workers survey carried out.

To meet customer expectations and as a part of our human rights due diligence process employees and agency workers from production sites were invited to take a part in an anonymous workers survey. This was to enhance workers opportunity to raise their views about working in the company. The survey encompassed questions closely linked to Sedex ethical areas including Rights at work, Modern Slavery, Equality, Health and Safety, Dignity and Respect.

Over 50% of invited workers participated in the survey. Positive feedback received. The survey was analysed and discussed with Management and sites are committed to continuous improvement where applicable.

- Production sites are subject to the SMETA audits.

The Company is a B member of the Supplier Ethical Data Exchange (Sedex) which is the largest collaborative platform for sharing responsible sourcing data on supply chain and help us to conduct an effective risk assessment as it gives us insight to our supplier's self-assessment details. Sedex Members Ethical Audits (SMETA) is social auditing standard (based on the Ethical Trading Initiative Base Code and local laws) that businesses can use to assess working conditions, across the areas of labour, health and safety, environment and business ethics.

In 2021 our factories were subject to the semi-announced SMETA with one non-conformance raised. The corrective action was submitted and approved afterwards. This ensured our customers of high ethical standards followed in our factories.

- Lunar Fishing vessels are first in the UK to be successfully certified to the Responsible Fishing Vessel Standard (RFVS).

The Responsible Fishing Vessel Standard (RFVS) which is a voluntary, vessel-based program certifying focus on crew welfare and underpinned by two core principles: Vessel Management and Safety Systems, and Crew Rights, Safety and Wellbeing. The RFVS is an assurance tool to help fishing vessel owners and operators showcase industry-agreed best practice through independent, third-party auditing.

- System in place to keep management up to date with employment and immigration law
- Whistleblowing system and grievance procedures in place.
- Continued support and guidance from Human Resources Advisor and Health and Safety Advisor provided to all workers (directly employed and agency).
- Regular communication issued to all workers to ensure their awareness about their rights during pandemic and support offered where needed.

Supply chain

Ingredients/Raw Materials/Packaging

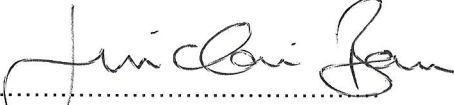
- We have started work to identify and rate modern slavery risk associated with Tier1 suppliers considering the country in which the supplier operates, their sector and division, the number of workers and annual spending.
- Supplier Approval Agreement covers supplier commitment to comply with Lunar ethical trading standards outlined in the Lunar Ethical Trade Policy and the Modern Slavery Policy.
- To improve the process of gathering ethical information we combined together the food safety and ethical questionnaires. Suppliers will be asked to complete them every 3 years.
- Data gathered from suppliers and contractors via the Ethical Questionnaire have been analysed to help us measure the risk of modern slavery in their operation.
- Where applicable, we obtain modern slavery statements from suppliers and other relevant policies and procedures they have in place in relation to human rights and tackling modern slavery.

Training for staff

Training regarding modern slavery forms an integral part of our company induction.

The modern slavery training includes a Stronger Together video about signs of modern slavery, grievance and whistleblowing procedures and the Ethical Trading Initiative Base Code. All participants receive leaflets (in their own language) with details about ways to report modern slavery, company whistleblowing line number, main contact details and reminder of the Ethical Trading Initiative Base Code. The refresher training will be provided every 3 years.

Posters and information materials from Stronger Together website and The ETI Base Code in different languages are displayed around the sites.


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Sinclair Banks, General Manager

11/12/2022
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Date

