



Regal Springs Group Ethical Trading and Social Compliance Policy

January 2023

Regal Springs Supplier Policy for Ethical Trading & Social Compliance

At Regal Springs, we are committed to integrating sustainability in our global supply chain and procurement process through the Regal Springs Sustainability and ESG programs.

A key of our collective ethical trading and social compliance obligation is captured within the release of **Regal Springs Policy for Ethical Trading & Social Compliance**. This is now a requirement for Regal Springs, as well as driven by its key customers.

We respectfully ask that, as our valued supplier and provider of services, you work with us to adopt socially responsible practices and adhere to the necessary standards with respect to human rights, labor management, occupational health and safety and community relations.

A copy of the **Regal Springs Policy for Ethical Trading & Social Compliance** is enclosed. The requirements within this form part of any contract with Regal Springs. We value the overall performance and quality of your goods and services and trust that his will continue in line with our commitment to doing business responsibly and ethically with your company.

Please sign below:

Supplier Acknowledgement Form

Regal Springs Supplier Policy for Ethical Trading & Social Compliance describes the commitments required by All Regal Springs Suppliers to do business fairly, ethically, and in compliance with all applicable laws and standards for Ethical Trading and Social Compliance.

By signing below, you have acknowledged that you have read, understood, and committed to fulfil the requirements of Regal Springs Supplier Policy for Ethical Trading & Social Compliance.

Supplier Signature
(Duly legal representative)

Name and Designation

Date





Regal Springs Group Ethical Trading and Social Compliance Policy

Title	<i>Regal Springs Group Ethical Trading and Social Compliance Policy</i>		
Scope	All key suppliers, providers of service, vendors or equivalent being part of the Regal Springs Group supply chain and at any stage of end-to-end operations in Aquaculture and Fish Processing sites, Sales and Marketing Offices and Corporate Headquarters.		
Date of Issue	January 2023	Review Due	January 2026
Version	2.0		
Sponsors	Group Human Resource Director Group General Counsel		

1. What is the Scope?

This policy specifically relates to ethical trading and social compliance across All Regal Springs Group end-to-end operations in Aquaculture and Fish Processing sites, Sales and Marketing Offices and Corporate Headquarters.

2. What is the Issue?

Seafood is one of the most-traded foods in the world. The sector provides a source of income and livelihood to close to 60 million people – with 19.3 million people employed in aquaculture and 40.3 million people engaged in fisheries¹.

However, media and non-governmental organizations (NGOs) have consistently identified the seafood sector as a significant contributor to modern slavery. While slavery has existed for centuries, modern day slavery replaces physical chains with less visible means of holding labor captive and abusing human rights. Identity or travel documents may be confiscated and held by employers, and debts (e.g., recruitment fees, fines etc.) are used to retain labor or exploit migrants and illegal workers who are reluctant to complain to the authorities.

The risks of modern slavery and human rights abuse are high in the seafood sector due to its long and fragmented supply chain.

¹ [FAO: *The State of World Fisheries and Aquaculture Report 2018*](#)



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Increasingly, retailers and consumers in key markets such as the US and EU are demanding seafood producers to provide greater transparency in their supply chains and to abide by higher ethical trading standards.

Risks may occur in Regal Spring's global supply chains, particularly in fish oil/meal and soy which are key ingredients in the feed for our Naturally Better Tilapia. It is crucial for Regal Springs to take a proactive approach in monitoring and managing ethical trading and compliance in all our fish production and supply chains, to minimize the risks of modern slavery and safeguard our business viability in the US and EU markets.

3. What is Our Response?

At Regal Springs, we have been pioneering community development and ethical trading in our aquaculture operations in remote lake communities for over thirty years. We seek to apply the same ethical trading and social compliance principles across our fish processing operations, sales business units and supply chains. Regal Springs has zero tolerance for any form of modern slavery.

Taking guidance from the International Labor Organization (ILO) Fundamental Principles and Rights at Work, we are committed to respect, promote, and fulfill the principles relating to four fundamental rights at work:

- Freedom of association and effective recognition of the right to collective bargaining.
- Elimination of all forms of forced or obligatory labor.
- Effective abolition of child labor.
- Elimination of discrimination in employment and occupation.

Beyond compliance with national labor regulations, we comply with a range of ethical trading certification standards, as well as customers' responsible sourcing guidelines and audits. Some examples of independent third-party certifications standards which Regal Springs Tilapia farms and factories are compliant with.



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INDEPENDENT THIRD-PARTY CERTIFICATIONS ACROSS REGAL SPRINGS GROUP							
		British Retail Consortium	ASC Farming	ASC Chain of Custody	ASC Social Module	GAA BAP 1,2,3,4*	Ethical Trading & Social Compliance
		Good Manufacturing Practice	Responsible Aquaculture	Traceability	Farming Social Standards	Responsible Aquaculture	Factory Social Standards
LOCATION	Honduras	●	●	●	●	●	SMETA/ESR
	Indonesia	●	●	●	●	●	SMETA/UL/BSCI
	Mexico	●	●	●	●	●	ESR

To better manage risks in our social supply chain, we set our sight on joining the SEDEX² Supplier membership where we can share data with global buyers and access suppliers' ethical performance in an industry-standard format. In addition, we aim to align our Occupational Health and Safety (OHAS) management system and procedures with global best practices such as ISO 45001. As a responsible global business, Regal Springs Group also collaborates within the wider seafood industry on harmonized platforms and standards to reduce the social and environmental risks in the seafood supply chains. We do this through our role at the Supervisory Board member of the Global Seafood Sustainability Initiative (GSSI) and by encouraging broader collaboration with the Consumer Goods Forum.

4. How will this Policy be Applied?

We expect all our key suppliers, vendors or other stakeholders within Regal Springs Group's end-to-end operations in all aquaculture and fish processing sites, sales and marketing offices and corporate headquarters to meet the following requirements in this Policy.

a) Child Labor is Prohibited

- i) There shall be no recruitment of child labor under the age of 18. There are no exceptions to this.

² SEDEX stands for Supplier Ethical Data Exchange and is one of the largest collaborative platforms for sharing responsible sourcing data on supply chains, used by more than 50,000 members in over 150 countries.



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b) No Forced, Bonded, or Involuntary Prison Labor

- i) All work shall be conducted on a voluntary basis, and not under threat of any penalty or sanctions.
- ii) The use of forced or compulsory labor in all its forms, including prison labor when not in accordance with ILO Convention 29³, is prohibited.
- iii) Workers shall not be required to make deposits or financial guarantees.
- iv) Employer shall not retain their identity and travel documents (such as passports, identity cards, etc.) nor withheld their wages and benefits outside a legal contractual agreement.
- v) Employer shall not use any form of bonded labor nor permit or encourage workers to incur debt through recruitment fees, fines, or other means.
- vi) Employer shall respect the right of workers to terminate their employment after reasonable notice, and to leave the workplace after their shift.

c) Respect for Freedom of Association and the Right to Collective Bargaining

- i) Workers, without distinction, have the right to join or form trade unions of their own choice and to bargain collectively.
- ii) Workers' rights to vote for their union leadership shall be respected.
- iii) Employer shall adopt an open attitude towards the legitimate activities of trade unions.
- iv) Where the right to freedom of association and collective bargaining is restricted under law, employer shall facilitate and does not hinder alternative forms of independent and free workers representation and negotiation, in accordance with international labor standards.
- v) Worker representatives or trade union members are not discriminated against and have access to the workplace to carry out their representative functions, in accordance with international labor standards.

³ [ILO Forced Labor Convention No. 29](#)



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d) No Discrimination, Harassment and Abuse

- i) Employer shall respect equal opportunities in terms of recruitment, compensation, access to training, promotion, termination, or retirement.
- ii) Employer shall not practice discrimination in employment including recruitment, training, working conditions, job assignments, pay, benefits, promotions, discipline, termination, or retirement based on gender, age, religion, marital status, race, ethnic origin, nationality, diseases, disability, pregnancy, union membership, political affiliation, sexual orientation, or any other personal characteristics.
- iii) Employer shall base all terms and conditions of employment on an individual's ability to do the job, not on basis of personal characteristics or beliefs.
- iv) All workers shall be treated with respect and dignity.
- v) No bullying, harassment or abuse of any kind shall be tolerated. Physical abuse or discipline, the threat of physical abuse, sexual or other harassment, and verbal abuse or other forms of intimidation shall be prohibited.
- vi) Employer shall establish written disciplinary procedures and shall explain them in clear and understandable terms to workers. All disciplinary actions shall be recorded.

e) Working Conditions are Safe and Healthy

- i) Employer shall provide a safe and healthy working environment, bearing in mind the prevailing knowledge of the industry and of any hazards. Adequate steps to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
- ii) Workers shall be provided appropriate and effective personal protective equipment as needed.
- iii) Access to adequate medical assistance and facilities shall be provided.
- iv) Access to clean toilet facilities and to drinkable water, and, if appropriate, sanitary facilities for food preparation and storage shall be provided.
- v) Housing facilities for workers, where provided, are clean, safe and meet the basic needs of the workers.



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vi) Employer shall assign the responsibility for health and safety to a senior management representative.

vii) Workers and management staff shall receive regular and recorded health and safety training for workers and management, and such training shall be repeated for all new or reassigned workers and management. This should include training in the handling and disposal of chemicals and other dangerous materials, if appropriate.

f) Living Wages and Fair Employment Terms are Provided

i) Workers shall be paid wages and benefits which meet or exceed legal minimum and/or industry benchmark standards and/or collective agreements, whichever is higher. In any event, wages should always meet basic needs and provide some discretionary income for workers and their families.

ii) All workers shall be provided with written and understandable information about their employment conditions, including wages and details on how they will be paid each time before they enter into employment.

iii) Deduction from wages as a disciplinary measure shall not be permitted, nor shall any deductions from wages which are unauthorized by the workers or not provided for by national law.

iv) Employer shall provide all legally required benefits, including paid leave, to all workers.

v) All workers shall always be compensated for overtime at a rate, either as required by national law or as agreed by the business which shall not be lower than the national law requirement.

vi) Work performed shall be based on a recognized employment relationship established in compliance with national legislation and practice.

vii) Obligations to workers under labor or social security law and regulations arising from the regular employment relationship shall not be avoided using labor-only contracting, sub-contracting, home-working arrangements, or apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall such obligations be avoided through the excessive use of fixed-term contracts of employment.



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g) Working Hours are Reasonable

i) Working hours shall comply with national law, collective agreements, and the provisions of sub-clauses (ii) to (vi) below, whichever affords greater protection to the workers. Sub-clauses (ii) to (vi) are based on international labor standards⁴.

ii) Working hours, excluding overtime, shall be defined by the contract and shall not exceed 48 hours per week.

iii) Overtime shall be used responsibly considering the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment and shall not be compensated below the rate as required by national law.

iv) The total hours worked in any 7-day period shall not exceed 60 hours, except where covered by sub-clause (v) below.

v) Working hours may exceed 60 hours in any 7 days period only in exceptional circumstances where all following are met:

- This is allowed by national law;
- This is allowed by a collective agreement freely negotiated with a workers' organization representing a significant portion of the workforce;
- Appropriate safeguards are taken to protect workers' health and safety; and
- Employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies

vi) Workers shall be provided with at least one day off following 7 consecutive days worked, as well as public and annual holidays.

vii) Employer shall respect all workers right to breaks during work shifts.

h) Respect for Indigenous and Community Land Rights and Access to Freshwater Resources

i) The rights and title to property and land of the individual, indigenous people and local communities shall be respected.

ii) There is zero tolerance of unlawful seizing of land for suppliers, vendors, etc. retained by Regal Springs country operations.

⁴ *ILO International Labor Standards on Working Time*



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- iii) The right of any individual, regardless of gender, age, ethnicity, race, or religion, to land ownership and access to land shall be recognized.
 - iv) All negotiations with regards to their property or land, including the use of and transfers of it, adhere to the principles of free, prior, and informed consent, contract transparency and disclosure.
 - v) There shall be no restriction for local communities to access public land, freshwater resources or public fishing grounds permitted by local law.
 - vi) All conflicts and complaints from local communities shall be responded to within three months of being received. Conflict resolution shall be recorded for traceability and transparency.
 - vii) In all conflicts with local communities, dialogue shall be prioritized to resolve any issue ensuring the respect of the rights of lakes and land property.
 - viii) In cases when conflicts with local communities are causing business disruption to suppliers, vendors, etc. operations, it should escalate the issues to the local government authorities to ensure a legal solution.
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