

# Thai Union Business Ethics and Labor Code of Conduct



## Working in partnership with our suppliers

### Introduction

With respect for universal human rights of individuals, Thai Union Group Public Company Limited and its subsidiaries, hereafter referred as Thai Union, strive to provide safe and fair treatment to all workers.

To ensure worker safety and freedom, our suppliers play a critical role in helping us to source responsibly, and we apply the same principles and benchmarks to our suppliers as to our own company. This Code of Conduct is our way of informing our suppliers of what we expect today and in the future.

Thai Union's Code of Conduct embodies our commitment to conduct business with integrity, openness, and respect for universal human rights and core labor principles throughout our operations. This Code of Conduct provides the framework through which we outline our responsible sourcing ambitions and approach. We will work only with suppliers that share our values and comply with our Code of Conduct. Our suppliers also must agree to ensure transparency, to remedy any shortcomings, and to drive continuous improvement under the Fundamental Principles that create the foundations to this Policy.

Our Code of Conduct specifies requirements and provides benchmarks for each component of the Fundamental Principles.

### The Fundamental Principles

Across Thai Union we have set industry-leading benchmarks for responsible sourcing to deliver on our commitment to sustainable growth. We have embedded these standards into every element of our business, and we invite our suppliers to partner with us in achieving equally robust sustainability principles. We are members of the UN Global Compact<sup>1</sup>, and are committed to the implementation, disclosure, and promotion of its ten universal principles.

The Fundamental Principles that create the foundation of our Code of Conduct are grounded in internationally recognized standards and are embedded throughout our operations.

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<sup>1</sup> [www.unglobalcompact.org](http://www.unglobalcompact.org)

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## Business Ethics and Labor Code of Conduct



1. Business is conducted lawfully and with integrity.
2. Work is conducted on the basis of freely agreed and documented terms of employment with legal compliance.
3. All workers are treated equally and with respect and dignity.
4. Work is conducted on a voluntary basis with no forced or compulsory labor.
5. All workers are of an appropriate age.
6. All workers are paid fair wages.
7. Working hours for all workers are reasonable.
8. All workers are free to exercise their right to form and/or join trade unions and to bargain collectively where permitted by law.
9. Workers' health and safety are protected at work.
10. Workers have access to fair procedures.
11. Business is conducted in a manner that embraces sustainability and reduces environmental impact.
12. Progress and compliance are monitored.

### **Implementation Guidelines**

Thai Union strives to conduct its business with integrity and respect for others. Our reputation is an asset, as valuable as our people and our brands. We expect the highest standards of behavior from all our workers and those with whom we conduct business. By becoming a supplier, you are stating that you share our Fundamental Principles.

### **A. Mandatory Requirements for Conducting Business with Thai Union**

In this section, we describe the Mandatory Requirements for our suppliers to establish and to maintain a business relationship with Thai Union.

We require all suppliers that work with or for Thai Union to confirm that all their activities comply with these Mandatory Requirements.

#### **1. Business is conducted lawfully and with integrity.**

##### **Bribery**

There is a prohibition of any and all forms of bribery, corruption, extortion or embezzlement and there are adequate procedures in place to prevent bribery in all commercial dealings undertaken by the supplier.

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### **Conflicts of Interest**

All conflicts of interest in any business dealings with Thai Union, of which the supplier is aware, are declared to Thai Union to allow us the opportunity to take appropriate action. Any ownership or beneficial interest in a supplier's business by a government official, representative of a political party or a Thai Union employee is declared to Thai Union prior to any business relationship with Thai Union. This requirement is perpetual, and Thai Union must be informed if such relationships develop after business with Thai Union has begun.

### **Gifts, Hospitality and Entertainment**

Any business entertainment or hospitality with Thai Union is reasonable in nature, and undertaken only for the purpose of maintaining good business relations and not to influence in any way how Thai Union awards future business. Gift giving between employees of suppliers and Thai Union is to be avoided. Official company-to-company gift exchanges are acceptable but must be transparent and properly recorded.

### **Competition and Competitor Information**

All information about Thai Union's competitors is obtained legitimately and will be used only for legitimate purposes in compliance with all relevant anti-trust and other laws and regulations. No attempt is made at any time to divulge to Thai Union any information about Thai Union's competitors that is confidential to them and not available in the public domain.

### **Financial Records, Money Laundering and Insider Trading**

All business and commercial dealings are transparently performed and accurately recorded in the supplier's books and records. There is no actual or attempted participation in money laundering. No confidential information in the supplier's possession regarding Thai Union is used either to engage in or support insider trading.

### **Safeguarding Information and Property**

Thai Union's confidential information, know-how, and intellectual property is respected and safeguarded. All information provided by Thai Union is used only for its intended and designated purpose. All and any personal information about individuals, such as Thai Union's consumers or employees is handled with full respect for the protection of their privacy and in compliance with all relevant privacy laws and regulations.

### **Product Quality and Responsible Innovation**

Products and services are delivered to meet the specifications and quality and safety criteria specified in the relevant contract documents and are safe for their intended use. Research and

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development are conducted responsibly and are based on good clinical practice and generally accepted scientific, technological and ethical principles.

### **Compliance with Laws**

All laws and regulations are complied with in the countries in which the supplier operates. All other applicable international laws and regulations are complied with including those relating to international trade (such as those relating to sanctions, export controls, and reporting obligations), data protection, and anti-trust/competition laws.

### **Reporting Concerns and Non-retaliation**

Employees are provided with means by which to raise their concerns about any of these requirements, and all employees who speak out about an issue are protected from retaliation.

- 1.1 Clear and effective guidelines and policies are in place describing business integrity expectations relating to anti-bribery, gifts and hospitality. The guidelines and policies must comply with competition laws and avoid any conflicts of interest.
- 1.2 Training and risk assessment mechanisms for compliance issues are in place. Non-compliance is subject to sanctioning and remedial procedures.
- 1.3 Adequate financial transaction policies and procedures are maintained to ensure proper recording of all financial transactions, as well as to identify possible money laundering. No undisclosed or unrecorded account, fund or asset will be established or maintained.
- 1.4 Adequate procedures and mechanisms are in place to ensure that all confidential information, whether business- or product-related, is safely stored with limited access rights on a need-to-know basis only.
- 1.5 Adequate procedures are in place to ensure that any product quality or safety concerns originating from the supplier or its supply chain are immediately notified to Thai Union.
- 1.6 Adequate procedures are in place to ensure that all applicable laws and regulations are complied with by the supplier and its employees.
- 1.7 Employees have a channel through which they can raise concerns without fear of retaliation.

## **2 Work is conducted on the basis of freely agreed and documented terms of employment with legal compliance.**

Policies are adopted and adhered to that respect permanent and temporary workers and outsourced workers and, at a minimum, safeguard their rights under their employment contract, local, national labor and social security laws and regulations, and applicable collective agreements.

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- 2.1 Key components of the employer / worker relationship such as hours, overtime, pay, benefits, leave, disciplinary and grievance systems are (i) freely agreed by both parties (ii) documented in writing and (iii) signed by the employer and worker.
- 2.2 The terms and conditions are clearly understood by the worker and are explained verbally, if required, in a language she or he can understand.
- 2.3 Changes to key components are agreed in writing by both employer and worker.

### **3 All workers are treated equally and with respect and dignity**

All workers are treated with respect and dignity. No worker is subject to any physical, sexual, or psychological abuse, verbal harassment, other form of intimidation, or harsh and inhumane treatment. There is no discrimination in employment, including hiring, compensation, advancement, discipline, termination or retirement. Discrimination based on caste, national origin, ethnicity, religion, age, disability, gender, marital status, sexual orientation, union membership, political affiliation, health, disability or pregnancy is prevented. In particular, attention is paid to the rights of workers most vulnerable to discrimination.

- 3.1 Policies exist that prohibit discrimination of any form on the basis of caste, national origin, ethnicity, religion, age, disability, gender, marital status, sexual orientation, union membership, political affiliation, health, disability or pregnancy are in place, and procedures for informing employees of their rights.
- 3.2 Pregnancy testing or other forms of health screening that might result in discrimination are not tolerated.
- 3.3 Workers are accorded equal opportunity to develop fully the knowledge, skills, and competencies that are relevant to the work they perform.

### **4 Work is conducted on a voluntary basis with no forced or compulsory labor**

Forced labor, whether in the form of indentured labor, bonded labor or other forms, is not acceptable. Mental and physical coercion, slavery and human trafficking are prohibited.

- 4.1 Hiring policies, procedures and trained staff are in place to ensure that workers are entering into employment freely and equally and that they are never prevented from leaving.
- 4.2 Workers have freedom of movement and are not confined to the supplier's premises.
- 4.3 Workers are not required to surrender their identification papers. Where the retention of identification papers is legally required, arrangements are made to ensure that workers can access their identification papers, are not prevented from leaving the workplace, and that their papers are returned immediately upon cessation of employment.

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- 4.4 Suppliers shall ensure that contracts are in a language understood by the worker.
- 4.5 Suppliers shall avoid or minimize cash advances or loans to employees or other acts that might bond workers to this employer through debt.

### **5 All workers are of an appropriate age**

No child under the age of 15 or under the minimum age for work as specified by labor law in that country is or shall be engaged or employed in any of the activities under direct supervision of a supplier. Suppliers shall ensure that workers younger than 18 years old shall not work in dangerous work areas, and working time shall not exceed 8 hours a day and shall not occur at night (10.00 pm – 6.00 am).

- 5.1 An employment policy is in place specifying the minimum age for employment, together with effective procedures and means of age verification (such as an identity card or a government-issued passport) to implement this policy.
- 5.2 In all circumstances the health and safety of young workers is considered and protected. This protection should preclude them from certain types of work such as hazardous or night work and requires that they be afforded a commitment of extra care.

### **6 All workers are paid fair wages**

Workers are provided with a total compensation package that includes wages, overtime pay, benefits and paid leave that meets or exceeds the country legal minimum standards and compensation terms established by legally binding collective bargaining agreements are implemented and adhered to.

- 6.1 Workers receive a pay slip for each pay period clearly indicating the components of the compensation, including exact amounts for wages, benefits, incentives/bonuses and any deductions. The pay slip shall be made in a language(s) understood by every worker.
- 6.2 Wages are paid on time and in full.
- 6.3 All work is compensated according to at least the legal minimum standards or the appropriate prevailing industry standards.
- 6.4 The compensation terms established by legally binding collective bargaining agreements are implemented and adhered to.
- 6.5 All legally mandated deductions, such as taxes or social insurance, are deposited each pay period to the legally stipulated accounts or agencies, as required by law.
- 6.6 Other than legally mandated deductions, all other deductions from wages are made only with the express and written consent of the workers.

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### **7 Working hours for all workers are reasonable**

Workers are not required to work more than the regular and overtime hours allowed by the labor law of the country where the workers are employed. All overtime work by workers is on a voluntary basis.

- 7.1 Clear policies are implemented regarding regular and overtime hours of work, with defined procedures for deciding on overtime and securing worker consent.
- 7.2 Workers are entitled to at least 24 consecutive hours of rest in every seven-day period. If workers are required to work on a rest day because of a genuine need for continuity of production or service, workers must receive an equivalent period of compensatory rest immediately following.
- 7.3 If the employment contract allows for contractual overtime, workers expressly agree to it. All overtime work by workers is on a voluntary basis
- 7.4 All overtime work is paid at least to the rate defined by law.

### **8 All workers are free to exercise their right to form and/or join trade unions and to bargain collectively where permitted by law.**

The rights of workers to freedom of association and collective bargaining are recognized and respected. Workers are not intimidated or harassed in the exercise of their right to join any organization.

- 8.1 Managers, supervisors and guards are trained to respect each workers' right to associate freely.
- 8.2 Workers know and understand their rights, feel confident to exercise them, and no other worker or manager impedes them in the enjoyment of that right.
- 8.3 The right to strike is recognized as a right of workers and their organizations and as an intrinsic corollary to the right to organize. Workers are not retaliated against in exercise of this right.

### **9 Workers' health and safety are protected at work**

A healthy and safe workplace is provided to prevent accidents and injury arising out of, linked with, or occurring in the course of work or as a result of the employer's operations.

Suppliers shall ensure that pregnant employees who have notified the company of their pregnancy shall not work in dangerous work areas. Pregnant employees shall not work more than 8 hours/day

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and shall not work in a night shift (10.00 pm - 06.00 am). Suppliers shall not lay-off, demote or reduce benefits as a result of pregnancy.

- 9.1 Suppliers shall progressively identify and eliminate or control hazards that present a risk to employees, to other persons present on site, and to the environment.
- 9.2 Clear and effective policies and procedures are in place for occupational health and safety and are updated periodically.
- 9.3 Occupational health and safety policies and procedures are widely communicated and appropriate training provided, including fire drill training.
- 9.4 All workers and other people who enter business premises are properly informed about the inherent dangers of the workplace and are provided with adequate knowledge and personal protective equipment to avoid such dangers.
- 9.5 All personnel who enter the premises or deal with products are properly informed about the appropriate actions to take should a health and safety incident occur.
- 9.6 Appropriate personal protective equipment is supplied to all personnel at the employer's expense. Employees receive the training necessary to perform their tasks safely.
- 9.7 Safe and healthy working and, where available, living conditions are provided. At a minimum, potable drinking water, adequate and clean restrooms, adequate ventilation, fire exits and essential safety equipment, an emergency aid kit, access to emergency medical care, a hygienic dining area, and appropriately-lit work stations must be provided.

### **10 Workers have access to fair procedures**

Workers are provided with transparent, fair and confidential procedures that result in swift, unbiased and fair resolution of difficulties that may arise as part of their working relationship.

- 10.1 Procedures (i) provide effective, accessible channels for workers to complain, make suggestions and lodge grievances and (ii) require such matters to be fully investigated, and result in swift, unbiased and fair resolution.
- 10.2 Grievance mechanism channels are widely communicated and guarantee the confidentiality of any complainant (if so desired) and prohibit retaliation.

### **11 Business is conducted in a manner that embraces sustainability and reduces environmental impact**

Operations, sourcing, manufacture, distribution of products and the supply of services are conducted with the aim to protect and preserve the environment and comply with environmental legislation and regulations.

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- 11.1 All necessary legal permits are held for its operations.
- 11.2 Training is provided to all personnel to ensure knowledge of and compliance with all necessary legal permits.
- 11.3 An effective environmental management plan should be in place to manage legal compliance as well as, but not limited to, the use of hazardous chemicals; waste, wastewater and air pollution generation; water and energy consumption.

### **12 Progress and compliance are monitored**

The supplier will authorize Thai Union and subsidiaries and its designated agents to engage in monitoring activities to confirm compliance with this Code of Conduct including unannounced on-site inspections of manufacturing facilities and employer-provided housing; reviews of books and records relating to employment matters; and private interviews with employees. Manufacturers will maintain on site all documentation that may be needed to demonstrate compliance with the Code of Conduct. Thai Union will seek to work with its suppliers to resolve non-compliances as the first response to non-compliance.

### **B. Reporting on Breaches**

These provisions apply to all suppliers contracted by the Thai Union. Suppliers shall ensure that these provisions are also applied to/by sub-suppliers or outsourcing companies if the product(s) sold/services provided to Thai Union require(s) services outsourced or carried-out by suppliers of the Supplier.

- 1. Any failure to comply with this Policy (including any failure by an employee of Thai Union or anyone acting on behalf of Thai Union to so comply), of which the supplier is aware, should be immediately reported to Thai Union. Failure to do so constitutes a breach of this Code of Conduct.
- 2. We strongly support a culture of speaking up for our own workers, suppliers and their workers without any fear of retaliation against those who report actual or suspected breaches.
- 3. Thai Union will investigate any reported non-conformity made in good faith and discuss findings with the supplier. The supplier shall assist with any such investigation and provide access to any information reasonably requested.
- 4. If remediation is required, the supplier will be expected to inform Thai Union and implement a corrective action plan and timeline to effectively and promptly resolve the failure.
- 5. Suppliers, their employees, or contractors may report actual or suspected breaches of this Code of Conduct to Thai Union by letter, telephone, fax or email. Reports can be submitted confidentially and anonymously (where permitted by law).

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## **The channels for reporting on breaches are as follows:**

Mrs. Taweeporn Chomchan  
Assistant General Manager, Human Resource Management  
Email: [taweeporn.chomchan@thaiunion.com](mailto:taweeporn.chomchan@thaiunion.com)

Address: 72/1 Moo 7, Sethakit 1 Road, Tambon Tarsrai,  
Amphur Muang, Samutsakorn 74000, Thailand  
Telephone: +66 (0) 3481-6500  
Fax: +66 (0) 3481-6499

Confidential Email: [labor.CoC@thaiunion.com](mailto:labor.CoC@thaiunion.com)

## Project ISSARA

Information for migrant workers on labor rights, government registration, processes, or to report a case or request assistance to the 24 hour nation-wide worker hotline in Thailand:

Myanmar language: +66-80-456-5560

Lao and Thai language: +66-86-967-2891

Khmer language: +66-86-968-6085

Web: [www.projectissara.org](http://www.projectissara.org)

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6. Failure to comply with this Code of Conduct or recommended remedial action will result in supplier contract termination and legal actions, without recourse.

Announced on 18<sup>th</sup> September 2015.

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Mr. Cheng Niruttinanon  
Executive Chairman  
Thai Union Group PCL

.....  
Mr. Thiraphong Chansiri  
President & CEO  
Thai Union Group PCL

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thaiuniongroup.com

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## **Acknowledgment and Acceptance**

This is to certify that I have fully read and understand the Thai Union Business Ethics and Labor Code of Conduct. As an authorized representative of my company, I hereby commit myself and my company to serve this Code of Conduct and to progress towards full compliance with all of its principles (as amended and supplemented).

Supplier: \_\_\_\_\_

Address: \_\_\_\_\_

Representative: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_