



# **Thai Union TCFD Disclosure 2022**

**June 2022**

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## 1. INTRODUCTION TO TCFD

TCFD or the Task Force on Climate-Related Financial Disclosures has developed recommendations for businesses to adequately assess and address climate-related impacts, as well as to disclose financial information to investors and other stakeholders so that all parties can understand and avoid potential negative financial impacts from climate change. TCFD disclosure aims to demonstrate how climate change considerations are integrated into businesses' internal processes, systems, and goals, and is structured around the following four pillars: governance, strategy, risk management, and metrics and targets.

## 2. PURPOSE OF THIS DOCUMENT

Thai Union Group (referred to as Thai Union) is a global seafood leader with a portfolio including ambient seafood, frozen seafood, pet care and other value-added products. The company acknowledges that global effort is needed to limit the global temperature increase to below 1.5°C from pre-industrial levels, as outlined in the Paris Agreement. Recognizing the potential global contribution that Thai Union could make in furthering these efforts, Thai Union has set out to incorporate climate-related issues into business strategy, and maximize opportunities that arise from the transition to a low-carbon economy, while increasing resilience against potential climate change impacts. The climate issues that impact the seafood sector are complex and delicate. Therefore, incorporating the potential impacts of climate change – both the positive and negative – on Thai Union's operations and supply chain are critical to the Group's sustainable growth and operational resilience.

Thai Union has long recognized the importance of climate action since we first introduced SeaChange®, our global sustainability strategy, in 2016. Under the 'Responsible Operations' pillar of the strategy, we set a target of reducing scope 1 and 2 greenhouse gas emission intensity by 30 percent by 2020, compared to the 2016 base year. By the end of 2020, we managed to cut the GHG emission intensity by 28 percent. Our past achievement provides us with a strong foundation to launch our next climate strategy. We will announce a new climate goal that is aligned with the Science Based Targets initiative (SBTi) in 2022.

To demonstrate our commitment to climate action to our stakeholders, we are embarking on our TCFD disclosure journey to share how Thai Union identifies, manages, and responds to the financial challenges and opportunities posed by climate change. This is the first year of our climate-related financial disclosures. Looking ahead, we will seek to continually improving our own climate risk and opportunity management in line with TCFD recommendations and global best practices. We will update this document annually.

### 3. GOVERNANCE

To ensure that climate-related risks are adequately addressed and opportunities are promptly pursued, Thai Union integrates the oversight of climate-related issues throughout our governance structure.

#### Board of Directors and Board-Level Committees

From the Board of Directors through to the Risk Management Committee, all levels are informed about sustainability and climate-related risks and opportunities, including company plans and targets to manage such risks. This includes evaluating the adequacy and appropriateness of environmental and climate-related risk assessment results and mitigation. The outcomes are regularly reported to the Board. The Risk Management Committee convenes several times per year and reports quarterly to the Audit Committee and the Board of Directors. Our Group Director of Sustainability is also a member of the Risk Management Committee to ensure a direct link between climate/sustainability strategy and the Board of Directors. Through this process, the board considers sustainability and climate-related risks and opportunities in strategic and financial planning.

Climate-related issues are also overseen by the Sustainable Development (SD) Committee. The SD Committee is chaired by the CEO and co-chaired by the Group Director of Sustainability, and brings together key senior executives to review progress towards sustainability commitments, consider and assess emerging issues, and make strategic decisions to drive Thai Union's climate change and corporate sustainability initiatives, with a view to maintaining Thai Union's sustainability leadership in the industry. This includes oversight of climate-related risks and opportunities, and the setting of Science-Based Targets. The SD Committee makes recommendations on climate strategy and action to the GLT as appropriate. The decisions are also communicated to relevant functions and business units for implementation. The SD Committee reports its work and outcomes to the Board and shareholders via Thai Union's One Report (Annual Report).

#### Management-Level Governance: Global Leadership Team (GLT)

The Global Leadership Team (GLT) is the Group's chief operating decision maker. The GLT makes decisions on Thai Union's climate strategy, allocates resources, and assesses performance, including on climate governance. The Group Director of Sustainability sits on the Global Leadership Team to provide insights and advice on climate strategy and action.

#### Operational Level Governance

The Sustainable Development; Safety, Health and Environment; Risk Management; Strategy; and Investor Relations functions contribute to the implementation of Thai Union's climate strategy.

The Sustainable Development (SD) function serves as the coordinating body within Thai Union for climate strategy implementation, overseeing the development and implementation of climate-related programs alongside other relevant functions and in collaboration with external stakeholders. The SD function also collects and consolidates climate-related primary data, in particular scope 3 GHG emissions, from business units for performance tracking and reporting.

The Safety, Health and Environment (SHE) function contributes to managing physical risks related to natural hazards, and transition risks including climate regulations monitoring. The SHE function has appointed a steering committee and internal mechanisms across the Group to monitor scope 1 and 2

GHG emissions and mitigation actions through energy efficiency measures, operational circularity, and technological adoption.

Simultaneously, the Risk Management function incorporates climate-related risks into corporate risk management processes including identification, likelihood, impact analysis, and potential mitigation measures, which is then reported to the Risk Management Committee and the President.

The Strategy function incorporates climate-related goals and targets into Thai Union's wider corporate strategy, including identifying and pursuing climate-related opportunities, and the Investor Relations function collaborates with the SD function to communicate climate-related information to regulatory bodies and the investment community.

Management of compensation of high-level executives and general employees is based on the results of the company's operations by annual targets and measures, in accordance with the company's long-term strategic plan called 'Enterprise Objectives'. The 'Enterprise Objectives' describe the company's priorities and directions, which entail the execution of 'Healthy Living, Healthy Oceans' strategy across the group, and the commercialization of sustainability initiatives to drive growth. As the SeaChange® sustainability strategy is an important part of the overall 'Healthy Living, Healthy Oceans' strategy embedded in the 'Enterprise Objectives', executive and employee compensation is linked to the company's performance in advancing SeaChange® sustainability goals, including climate-related commitments and targets. [please refer to Thai Union's One Report 2022 p.161-163]

## 4. STRATEGY & RISK MANAGEMENT

### 4.1 Risk Identification, Assessment, and Management

Thai Union Risk Management Committee assists the board in overseeing risk management implementation, including sustainability and climate-related risks. The committee reviews the corporate risks profile and mitigation strategies in response to the dynamically changing external and internal environments, including strategic risk, operational risk, legal and compliance risk, and financial risk. The committee also assesses emerging risks and mitigation planning. In 2020, climate change has been identified as a key strategic risk factor, with an increasing amount of risk.

The Group Risk Management Department coordinates and implements the risk management processes at the group level, while Risk Coordinators at a subsidiary level organize and implement risk management according to guidance from the group level. According to Thai Union's Group Risk Management Framework, a top-down risk assessment workshop is conducted annually by the Global Leadership Team to evaluate corporate risks, entities' common risks, and global emerging risks. Material risks are assigned to group risk owners who manage, monitor and report the risk status back to the Risk Management Committee and Board of Directors once a quarter. Subsidiaries also conduct a bottom-up risk assessment, and material risks are managed by subsidiary-level risk owners. However, if the risk is high or may have a group-level impact, responsibility for management is generally determined by group-level executives.

### 4.2 Methodology to assess the impacts of climate related risks

Thai Union Group has conducted a qualitative analysis of climate-related risks and opportunities that may have a material financial impact on the organization by 2030 (considered mid-term) and 2040 (considered long term). This initial, high-level analysis was conducted taking into consideration different climate-related scenarios, as outlined below. Thai Union recognizes the need to conduct a more detailed physical risk assessment, possibly at the asset level, in the future.

**Figure 1 : Climate-related scenarios**

| Climate-related Risks and Opportunities             | Scenarios   |   |
|---|---|---|
| <b>Physical Risk Assessment</b>                     | <b>Baseline Scenario</b><br>Historical data of natural hazards  | <b>IPCC RCP 8.5</b><br>High-emissions scenario developed by IPCC where warming reaches 4-5°C by 2100  |
| <b>Transition Risk and Opportunities Assessment</b> | <b>“Stated Policies Scenario” IEA STEPS<sup>1</sup></b><br>Current trajectory of the world based on the stated climate policy ambitions | <b>“Sustainable Development Scenario” IEA SDS<sup>2</sup></b><br>Aligned with the Paris Agreement to limit warming to “well below 2°C and pursuing efforts to limit to 1.5°C by 2100. |

<sup>1</sup> International Energy Agency's Stated Policies Scenario

<sup>2</sup> International Energy Agency's Sustainable Development Scenario

## 4.3 Scenario Analysis

Identified climate-related risks, opportunities, and impacts on the organization are presented in this section.

### 4.3.1 Transition risks and opportunities

For each risk, Thai Union has identified risk level according to the impact and likelihood of the risk.

**Table 1** summarizes climate-related risks that have been identified by Thai Union.

**Table 1 Thai Union’s Climate Transition Risks**

| Transition Risks   |             |             |
|--|-------------|-------------|
| <b>Policy and Legal Compliance</b>   |             |             |
| <p>Two main policy and legal risks identified are enhanced <b>GHG policy requirements</b> and <b>carbon pricing mechanisms</b>. First, countries in which we operate and market our products may deploy more stringent policies and regulations to meet the Paris Agreement and their respective nationally determined contributions (NDCs). This may in turn have an impact on seafood imports, most notably in Europe, potentially leading to an increase in operating expenses. Carbon pricing policies in our key operational sites and markets would also lead to an increase of OPEX.</p>  |             |             |
| <b>Risk Level</b>  | <b>2030</b> | <b>2040</b> |
| Stated Policy Scenario   | ● Low       | ● Medium    |
| Sustainable Development Scenario   | ● Medium    | ● High      |
| <b>Market</b>  |             |             |
| <p>Two key risks are identified as market risks: <b>climate-related product certification</b> and <b>customer climate requirements for suppliers</b>. Integration of climate-related considerations into sustainable certifications (Marine Stewardship Council, Aquaculture Stewardship Council, Best Aquaculture Practices, etc.) may present a challenge to Thai Union if Thai Union cannot source enough certified raw materials to meet the market demand. Additionally, increased climate action of downstream customers and requirements for suppliers could affect Thai Union’s status as a preferred supplier amongst customers if Thai Union cannot meet the increased requirements.</p> |             |             |
| <b>Risk Level</b>  | <b>2030</b> | <b>2040</b> |
| Stated Policy Scenario   | ● Low       | ● Medium    |
| Sustainable Development Scenario   | ● Medium    | ● High      |
| <b>Technology</b>  |             |             |
| <p>New <b>low-carbon aquaculture technologies</b> support climate-smart farmed seafood production (e.g. real-time digital monitoring and smart farm technology, sensors &amp; Internet of Things (IoT), data analytics). The risk stems from a loss of competitive advantage resulting from an inability to maintain pace with technological disruptions.</p>  |             |             |
| <b>Risk level</b>  | <b>2030</b> | <b>2040</b> |
| Stated Policy Scenario   | ● Low       | ● Medium    |
| Sustainable Development Scenario   | ● Medium    | ● High      |

## Reputation

Increasing **stakeholder interest** in how companies identify and address climate-related risks including:





- Investors (through TCFD, Principles for Responsible Investment (PRI), Climate Action 100) and
- Key opinion leaders/thought-leaders/non-governmental organizations (NGOs)

This may result in a loss of investors, higher cost of capital, and decline in sales due to negative publicity.

| <u>Risk Level</u>                | 2030     | 2040     |
|----------------------------------|----------|----------|
| Stated Policy Scenario           | ● Low    | ● Medium |
| Sustainable Development Scenario | ● Medium | ● High   |

Climate-related financial opportunities for Thai Union are presented below.

**Table 2: Thai Union's Climate Transition Opportunities**





| Climate Opportunities   | Description   |
|---|---|
|  <b>Resource Efficiency</b>  | Proactively adopting voluntary agreements on climate change mitigation can enable Thai Union's business and operation to be more energy efficient and therefore more resilient. This may help reduce OPEX.  |
|  <b>Energy Sources</b>   | Identifying and implementing renewable energy sourcing can help reduce cost from traditional fuels (which may have higher costs). May increase capital expenditures (CAPEX) in the short term, but likely to save OPEX in the long term.  |
|  <b>Products and Services</b><br>(Development of low-carbon food products) | Increasing consumer demand for healthy and climate-friendly diet choices, increases Thai Union sales of new and innovative products. These products include: <ol style="list-style-type: none"> <li>Seafood products, recognized as having lower emissions footprint versus other animal-based protein</li> <li>Alternative proteins, particularly the 'alternative seafood' category, e.g., cell-based/lab-grown, plant-based tuna and crab</li> </ol> |
|  <b>Market</b>   | Increasing access to capital through the use of sustainability-Linked, green and blue finance instruments that couple sustainability performance targets and investment projects' results with interest rates and other financing terms.  |

### 4.3.2 Physical risks

Thai Union preliminarily assesses climate physical risks may result in the following potential financial impacts to the business:



**Table 3: Thai Union’s Climate Physical Risks**

| <b>Physical Risks</b>   |  |
|---|--|
| <p> <b>Extreme Heat</b></p> <ul style="list-style-type: none"> <li>■ Shortages in raw materials (seafood and non-seafood)</li> <li>■ Business interruptions due to damage to property and equipment</li> <li>■ Increased cost and power demand for cooling</li> <li>■ Workforce health &amp; safety</li> </ul>   | <p><b>Sea Level Rise and Coastal Flooding</b></p> <ul style="list-style-type: none"> <li>■ Damage and disruption to aquaculture farms located near the coastlines, and to farmed seafood logistics.</li> <li>■ Damage to finished products due to flooding and land loss</li> <li>■ Damage to port infrastructure</li> <li>■ Business interruptions due to damage to property and equipment of our operational sites that are located near the seas</li> <li>■ Investment into asset and infrastructure adaptation</li> <li>■ Workforce health &amp; safety</li> </ul> |
| <p> <b>Drought</b></p> <ul style="list-style-type: none"> <li>■ Reduced water availability for drinking, sanitation and operations</li> <li>■ Water stress on aquaculture production, which may result in conflicts for water among different user groups, such as agriculture</li> <li>■ Shortage in raw materials (non-seafood)</li> <li>■ Increased cost and power demand for water and cooling infrastructure</li> </ul> | <p> <b>Cyclone</b></p> <ul style="list-style-type: none"> <li>■ Disruption of upstream and downstream supply chain, particularly from coastal aquaculture suppliers</li> <li>■ Business interruption due to loss of utilities supply or damage to property</li> <li>■ Increased cost and power demand</li> <li>■ Supply chain transportation delays</li> <li>■ Workforce health &amp; safety</li> </ul>   |
| <p> <b>Inland Flood</b></p> <ul style="list-style-type: none"> <li>■ Damage to finished products</li> <li>■ Business interruption due to damage to property and equipment</li> <li>■ Supply chain transportation delays</li> <li>■ Workforce health &amp; safety</li> </ul>  |  |

**4.3.3 Emerging risks – Potential impacts on raw materials**

As the physical impacts of climate change have become more apparent over the past several years, Thai Union has identified vulnerabilities relating to the procurement of tuna and shrimp. In the coming years, Thai Union will seek to conduct a deeper assessment of the impact of climate change on wild caught tuna supply and shrimp aquaculture production, and the potential risks it may pose to Thai Union’s supply chains. Preliminary considerations include the impact of rising water temperatures, which may result in the migration of tuna stocks and breeding grounds, as well as ocean acidification, which scientific studies have found to be correlated with decreased growth and survival of yellowfin tuna. This may result in lower yields in fisheries that Thai Union currently procures tuna from, or higher fuel usage for fishing vessels and transportation costs, which may also impact Thai Union’s scope 3 GHG emission reduction efforts. Similarly, rising water temperatures are expected to have negative impacts on shrimp aquaculture, as higher evaporation rates may increase pond salinity, impacting shrimp growth and likelihood of pathogens and disease outbreaks. The potential increase in coastal floods could also disrupt shrimp farming activities located near the coastlines. This may lead to risks of supply shortages or increased procurement costs due

to low supply. In order to integrate climate-related risks and opportunities into Thai Union's business strategy and decision making, Thai Union plans to conduct more in-depth assessments in the future.

#### 4.4 Climate Strategy Framework

Thai Union has created a climate strategy to oversee the management of climate-related risks and opportunities, as well as the organization's commitment to establish Science-based Targets, in line with other Seafood Business for Ocean Stewardship (SeaBOS) members. Thai Union is currently in the process of submitting targets to the Science Based Targets initiative (SBTi).

Thai Union has identified three key strategy pillars: **transition to a low-carbon organization, engage with value chain, and manage climate risks and opportunities.**

Thai Union has also identified four key enablers to support the implementation of the climate strategy, which bring together various functions to ensure that Thai Union's climate action doesn't occur in silos, as seen in **Figure 2.**

**Figure 2: Four Key Enablers for Thai Union's Climate Strategy**

| Governance   | Risk Integration   |
|--|--|
| <ul style="list-style-type: none"> <li>Integrate the climate agenda into governance at all levels, with regular board engagement</li> <li>Establish teams for the low-carbon transition and supply chain management</li> <li>Integrate climate performance KPIs into governance remuneration and incentives</li> </ul>   | <ul style="list-style-type: none"> <li>Develop location-specific climate risk and opportunity metrics, including internal carbon pricing</li> <li>Implement and integrate climate risks and opportunities into financial planning (e.g., capital expenditures (CAPEX)) and enterprise risk management</li> </ul> |
| Data Management  | Transparency and Compliance  |
| <ul style="list-style-type: none"> <li>Improve the GHG emissions data management system to incorporate scope 3 progress monitoring</li> <li>Improve scope 3 GHG data collection to be supplier specific, where possible</li> <li>Manage climate-related risk data</li> <li>Monitor and report progress towards achievement of climate-related targets</li> </ul> | <ul style="list-style-type: none"> <li>Continue third party verification of emission disclosures</li> <li>Commit to and continuously strengthen TCFD disclosure</li> <li>Publishing a full GHG Protocol compliant inventory on an annual basis</li> </ul>  |

##### 4.4.1 Transition to a Low-Carbon Organization

To drive climate strategy implementation, Thai Union will strengthen internal resources to enable the implantation of low-carbon energy on-site and regularly reviewing existing targets, as per the Science Based Targets initiative requirements. Under this pillar, Thai Union has identified two focus areas and key supporting initiatives as seen in **Figure 3.**

**Figure 3: Two Focus Areas for the Transition to a Low-Carbon Organization Pillar**

| Growing Renewables Consumption   | Use of Low-Carbon Production Technologies   |
|--|---|
| <ul style="list-style-type: none"> <li>Switch fuel for fossil-fuel based machinery, e.g., boiler electrification</li> <li>Adopt electric vehicles to reduce mobile fuel usage</li> </ul> | <ul style="list-style-type: none"> <li>Use the best available technologies</li> <li>Increase the use of zero-emission refrigerants</li> <li>Green growth, where business/ production grows without increasing GHG emissions per unit of production</li> </ul> |

| Growing Renewables Consumption   | Use of Low-Carbon Production Technologies |
|--|---|
| <ul style="list-style-type: none"> <li>■ Increase the share of electricity from renewable sources, supported by purchasing of renewable energy certificates</li> </ul> |   |

Thai Union already tracks its energy consumption and carbon footprint annually to identify the amount of GHG emitted by corporate activities.

In an effort to address climate risks and opportunities within its own operations, Thai Union has incorporated the Transition to Low-Carbon Organization Pillar into its climate strategy. The pillar aims to decarbonize its operations and reduce the potential impact of transition risks, such as a carbon tax and reputational risks.

#### 4.4.2 Engage With Value Chain

Alongside the responsibilities in the first pillar, the Sustainability Development team will also pursue climate actions throughout the supply chain by engaging with key suppliers. Under this pillar, Thai Union has also identified two focus areas and key supporting initiatives as seen in **Figure 4**.

**Figure 4: Two Focus Areas for the Engage with Value Chain Pillar**

| Supporting Internal Processes  | Engaging With Key Parties   |
|--|---|
| <ul style="list-style-type: none"> <li>■ Develop and communicate the updated supplier code of conduct with climate requirements</li> <li>■ Develop IT systems for data collection and progress monitoring</li> </ul> | <ul style="list-style-type: none"> <li>■ Identify key suppliers and engage in climate change action</li> <li>■ Building awareness and running education campaigns to promote the need for change</li> <li>■ Support suppliers with emission reduction initiatives, such as fuel switching of fishing vessels, sustainably sourcing feed for shrimp aquaculture, and reducing electricity consumption of suppliers</li> <li>■ Engage with investee companies to start collecting and reporting investee scope 1 and scope 2 emissions</li> </ul> |

This year, Thai Union has also set out to calculate its scope 3 inventory in an effort to identify mitigation opportunities in the value chain. Purchased goods and services – particularly procured seafood – makes up a significant portion of Thai Union’s scope 3 inventory. As such, Thai Union’s mitigation efforts will be primarily focused on reducing emissions from this source, particularly wild caught tuna and farmed shrimp, to reduce the impact of potential transitional risks that may occur along the supply chain.

#### 4.4.3 Manage Climate Risks and Opportunities

Thai Union also seeks to drive its climate ambition through integrating the assessment of climate-related risks and opportunities into the Corporate Risk Management and Strategy Functions, including decision-making processes and financial planning. Under this pillar, Thai Union has also identified two focus areas and key supporting initiatives as seen in **Figure 5**.

**Figure 5: Two Focus Areas for the Manage Climate Risks and Opportunities Pillar**

| Climate Adaptation   | Climate Integration   |
|--|---|
| <ul style="list-style-type: none"> <li>■ Screen portfolios to estimate risks from natural hazards, and track risks at a country level</li> <li>■ Quantify risks of financial impacts at an asset level</li> <li>■ Develop a site-level impact assessment and plans, especially for water scarcity</li> <li>■ Assess climate risks on the supply chain, including physical impacts of climate change on marine ecosystems and cascading implications</li> </ul> | <ul style="list-style-type: none"> <li>■ Screen portfolios, analyze transition risks and opportunities, and determine financial impacts to the business</li> <li>■ Include material climate risks and opportunities into business strategy and financial planning considerations</li> <li>■ Pursue identified climate opportunities under the Transition to a Low-Carbon Organization Pillar</li> </ul> |

Thai Union has developed an overarching plan to respond to climate risks, which includes developing a context-specific risk assessment and adaptation plan. The process for risk mitigation and adaptation will be as follows:

- **Portfolio Screening and Hotspot Analysis:** Estimation of climate-related risks for each of Thai Union’s assets, using publicly available data
- **Risk Validation and Quantification:** High-level financial analysis of asset-level risks
- **Impact Assessment and Adaptation:** Develop a detailed site-level assessment and mitigation/adaptation strategies

Thai Union is working in parallel to develop context-specific analysis and adaptation plans by addressing the following dimensions:

- Tracking climate risks at a country level through Thai Union’s corporate risk assessment on a quarterly basis. The following key risk indicators are tracked:
  - Actual natural hazard event’s impact to TU facilities in the previous quarter
  - Mid-term and long-term risk trend level
- Adaptation measures to address specific climate-related risks, e.g., water scarcity, given that ‘drought’ is a key physical climate risk. The following key risk indicators are tracked:
  - KPIs to reduce water usage
  - Plans for alternative water sources
  - Emergency plans in cases of flooding at each site
- Preparedness for natural disasters through INFORM process:
  - Thai Union is utilizing the INFORM process to support decision-making for risk responses based on quantitative and analytical indices

The outputs will be incorporated into Thai Union’s climate strategy, under the third pillar of “Manage Climate Risks and Opportunities.”

## 5. METRICS AND TARGETS

Thai Union utilizes its own environmental data collection tool across the group, which collects data based on location, according to Factory, Farm & Hatcheries, and Office, as is reported in the Sustainability Report. The overarching methodology of Thai Union's greenhouse gas emissions can be found on page 86 of Thai Union's Sustainability Report.

The calculated **scope 1 and 2 GHG emissions** in fiscal year (FY) 2021 serves as a base year from which we develop our near-term and long-term SBTi-aligned emissions targets. Thai Union has also calculated **scope 3 GHG emissions** in an effort to better understand value chain emissions and direct value chain climate action. In line with Thai Union's climate ambitions, we conducted a screening assessment of scope 3 emissions using FY2021 and have calculated relevant scope 3 categories in line with specifications from the GHG Protocol. Our mixed methodology approach prioritizes average data methods for calculating material categories, such as Purchased Goods and Services, while relying on spending-based data for less relevant categories, such as Business Travel. We seek to use the FY2021 inventory as a base year from which we will establish scope 3 emission targets in line with the Science Based Targets initiative. As we establish and mature our supplier engagement program, we seek to use supplier specific emission factors to report our value chain emissions and monitor our progress more accurately.

### 5.1 Climate-related Metrics

#### 5.1.1 GHG Emissions Data

**Table 4: GHG Emissions Data for Thai Union**

| Performance   | Unit                          | 2017    | 2018    | 2019    | 2020    | 2021      |
|---|-------------------------------|---------|---------|---------|---------|-----------|
| <b>Scope 1 GHG Emissions</b>  | Metric tons CO <sub>2</sub> e | 366,642 | 369,887 | 337,317 | 317,453 | 323,493   |
| <b>Scope 2 GHG Emissions</b>  | Metric tons CO <sub>2</sub> e | 117,997 | 169,743 | 172,424 | 186,852 | 188,119   |
| <b>Scope 3 GHG Emissions</b>  | Metric tons CO <sub>2</sub> e | N/A     | N/A     | N/A     | N/A     | 3,785,759 |
| For other metrics, such as water withdrawal, energy consumption, and waste disposal, please refer to Thai Union's sustainability report on page 86. |                               |         |         |         |         |           |

Thai Union has performed a screening of relevant scope 3 emission categories based on FY2021 data, which will be used as the base year for setting Science Based Targets. As part of our scope 3 assessment exercise, emissions from purchased goods and services accounted for 79.3% of scope 3 emissions in 2021. The largest sources of Thai Union's emissions come from tuna, shrimp and packaging. Collectively, these three hotspots represent over 75 percent of purchased goods and services and will be the focus of our decarbonization efforts as we move forwards.

## 5.2 Climate-related Targets

|   |
|---|
| <b>Emissions Targets</b>  |
| <ul style="list-style-type: none"><li>■ <b>We will announce our new climate targets across scope 1-3 GHG emissions in alignment with the SBTi in 2022.</b></li></ul>  |
| <b>Climate-related targets for responsible operations</b>   |
| <ul style="list-style-type: none"><li>■ We will ensure <b>100% of our branded packaging is reusable, recyclable, or compostable</b> by 2025, where there will be 30% average recycled content in our branded packaging</li><li>■ We are committed to <b>sourcing palm oil used for Thai Union branded products from certified sustainable sources</b>, such as those certified by the Roundtable on Sustainable Palm Oil (RSPO) or equivalent. From the end of 2021, mass balance supply chain RSPO certification or a higher level of certification (segregated or identity preserved) is accepted, with a preference for segregated or identity preserved. By 2025, all palm oil sourced shall meet segregated or identity preserved RSPO or equivalent requirements. Palm oil shall not originate from areas of deforestation.</li><li>■ We will <b>reduce food loss</b> across our ambient, frozen and chilled seafood operations by <b>50 percent</b> by 2025, compared to a 2021 baseline.</li><li>■ Through our sustainability-linked financing framework, we have obtained the first ever sustainability-linked bond in Thailand and sustainability linked loans in Thailand and Japan. We have incorporated climate change into our Sustainability Performance Targets (SPTs) aiming to <b>reduce Thai Union's scope 1 and 2 manufacturing operations' emissions intensity by 4% annually to meet 2023</b> (carbon intensity scope 1 &amp; 2 of 0.64) <b>and 2026</b> (carbon intensity scope 1 &amp; 2 of 0.56) <b>targets</b> against a baseline of 2019 (SPT 2). Progress against these targets will be measured with the carbon intensity of finished goods (Key Performance Indicator 2). Please visit our Sustainability-Linked Financing Framework for further details.</li></ul> |