



# Thai Union

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## Human Rights Risk Assessment Report 2021

Updated April 2021

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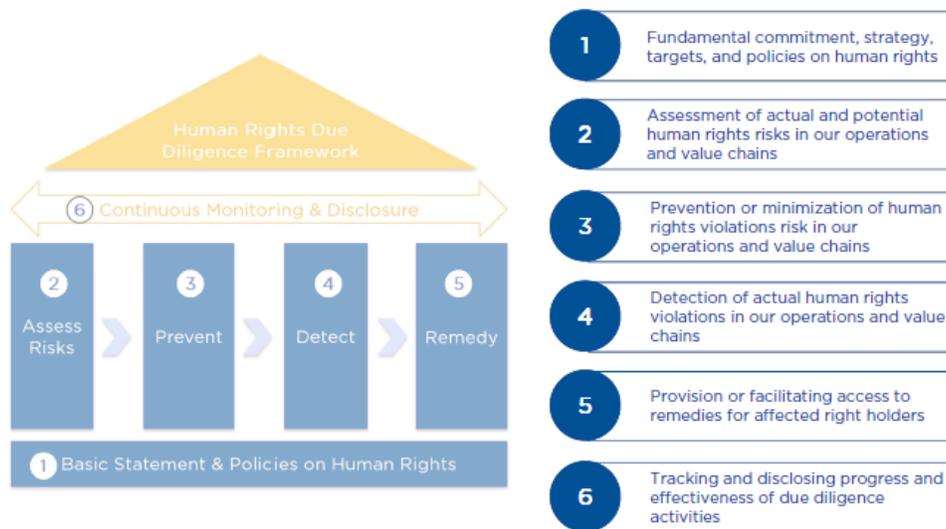
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## 1. Introduction

Assessment of potential human rights risks is one of the key pillars of Thai Union's [Human Rights Due Diligence Framework](#) ("Pillar 2 – Assess Risk"). We use findings from previous risk assessment exercises to inform our key activities, policies, and measures to prevent or minimize human rights risks, identify actual human rights violations as well as non-compliance with laws, regulations, or global best practices that could lead to increased risk of violations. Lastly, we commit to provide remedies or facilitate access to remedies for affected rights holders in the cases where we cause or contribute to adverse human rights impacts. These various efforts are explained in our [SeaChange® Sustainability Website](#), our annual Sustainability Report, as well as [the UK Modern Slavery Act Transparency Statement](#).

### Component of the Framework – Brief Description of Six Pillars



## 2. Previous Human Rights Risk Assessments

This section of the document summarizes the methodologies of the human rights risk assessments that were conducted previously during 2015-2020. The most recent iteration of the risk assessment is described in Section 3.

In 2015, we conducted a human rights risk assessment for our [fisheries supply chain](#) and separately a global consultation with stakeholders to discuss sustainability risks including human rights risks.

In 2016, we conducted a human right risk assessment [for packaging, food ingredients, and our shrimp supply chain in Thailand](#). In addition, we conducted social dialogue-based audits of the labor supply chain in Thai Union's factories, in partnership with the Migrant Worker Rights Network (MWRN), an NGO. In particular, the labor supply chain assessment found high risk of abuse and extortion by job recruitment agencies.

The human right risks assessments conducted in 2015-2016 were based on a combination of risk analysis methods as "Supply chain mapping" and "Activity-based risk analysis through audits and social dialogue". The assessment covered the following groups:

- Own employees

- Women
- Children
- Indigenous people
- Migrant labor
- Third-party contracted labor
- Local communities
- Others, including consumers, suppliers' employees and suppliers' contractors

Based on these exercises, we have identified the following eight salient human rights risks in both our operations and value chains:

- Forced labor or modern slavery
- Indebted or bonded labor arising from excessive recruitment fees
- Lack of freedom of association or lack of worker voice
- Child labor
- Excessive overtime
- Unsafe and unhealthy working conditions
- Community health & safety in the event of major accidents in production plants
- Consumer health & Safety

Starting in 2018, we began to conduct an annual desk-based research on human rights risk at a country level for where we operate and source from, focusing on labor rights of workers employed in our operations and supply chain including the issues of labor trafficking, forced labor, and child labor. Our previous human rights risk assessments consistently identified risks associated with employment and workplaces as our key salient human rights risks identified above. The annual desk-based human rights risk assessment relies on publicly available information sources, namely the US Trafficking in Persons (TIPs) Report, the Walk Free Foundation's Global Slavery Index, and the US Department of Labor's 2019 reports on Child Labor and Forced Labor [the 2019 Trafficking in Persons \(TIPs\) Report](#), [the Walk Free Foundation's 2019 Measurement, Action, Freedom Report](#), and [the Walk Free Foundation's 2018 Estimates of modern slavery vulnerability and prevalence Index](#), and the [US Department of Labor's 2019 reports on Child Labor and Forced Labor](#)

Furthermore, in 2020 we began to use private information sources specific to our operation sites and supply chain to deepen our risk assessment in order to obtain more granular and accurate risk profiles. These specific data sets are:

**2.1) Results of the first-party and third-party social audits of our processing facilities around the world:** our facilities are subject to internal audits as well as world recognized external verifications and audits by third party certification bodies working to promote standard labor practices. These include the Ethical Trade Initiative (ETI) Base Code and Amfori BSCI as well as a number of retailer-specific programs to audit and verify safe and legal labor conditions. Furthermore, our Thailand-based facilities are subject to an annual internal audit against Thai Union's Business Ethics and Labor Code of Conduct (CoC).

**2.2) Results of the second-party social audits of food ingredients, packaging materials, and logistics providers in Thailand.** For providers of non-seafood-based food ingredients, packaging materials, and logistic services based in Thailand, all potential suppliers must complete a Self-Assessment Questionnaire (SAQ) on social compliance to evaluate their human and labor rights risks. The SAQ was developed based on Thai Union's CoC. Suppliers identified as "high risk" or "medium risk" based on the SAQ responses will receive independent third-party audits to verify their

ability to comply with the CoC. Such suppliers will be exempted from the audits only if they have valid social standard certifications in place such as Sedex Members Ethical Trade Audit (SMETA), Amfori Business Social Compliance Initiative (BSCI), Social Accountability (SA 8000), or Thai Labor Standard (TLS 8001).

**2.3) Results of the third-party social audits of fishing vessels in our supply chain.** In 2018, we began to conduct a third-party audit program of our global tuna fishing vessels and Thai-flagged vessels in our supply chain against the Vessel Code of Conduct (VCoC). The VCoC is an extension of Thai Union's CoC that was previously introduced in 2015 but reflects a unique set of working conditions on fishing vessels. The code is applicable to vessels from which Thai Union sources around the world.

**2.4) Results of second-party social audits of the Thai shrimp supply chain in our supply chain.** In 2016, we began a special oversight and audit process for shrimp supply chain in Thailand. We identified early on the potential high risks of labor rights abuses in shrimp farms and on-board vessels supplying for fishmeal in our supply chain. In 2016, 100 percent of our shrimp feed supply chain was externally audited by UL, in collaboration with the Seafood Task Force. In addition, we began our own second-party social audit programs against Thai Union's CoC for the fishmeal plants and vessels supplying fish for the fishmeal as well as shrimp farms in our supply chain.

With the above private sources of data from audit findings, we were able to hone our insights of our human rights risks for specific types of labor issues and for specific operations and supply chains and implement mitigation actions accordingly.

### 3. Most Recent Human Rights Risk Assessments - 2021

In 2021, we updated our human rights risk assessments, once again drawing on the most recent publicly available information sources as well as social audit findings described above in Section 2. In addition, in 2020-21 we commissioned an independent human rights expert to conduct a human rights risk assessment for the supply chain of *Chicken of the Sea Frozen Foods* (COSFF), under our U.S.-based subsidiary importer and distributor of frozen seafood. Finally, we conducted a special desk-based human rights risk assessment focusing on the potential impact on the rights of indigenous people from our operations and supply chain. The risk assessment methodologies and results are described below:

#### 3.1 Risk Assessment of Our Processing Operations & Tier-1 Seafood Suppliers

In 2021, we repeated the desk-based research on human rights risk at a country level using a similar methodology to the previous exercise in 2018-20 but with more updated data sources.

In particular, for 2021 we conducted an assessment for the 12 countries that have at least one of Thai Union's own production facilities. These cover activities by Thai Union's own subsidiaries, associated companies, and joint ventures with Thai Union's management controls. The assessments rely on key indicators found in three public reports pertaining to labor trafficking, forced labor, child labor, and other types of labor rights violation. These are: [the 2020 Trafficking in Persons \(TIPs\) Report](#), [the 2020 ITUC Global Rights Index](#), and the [US Department of Labor's 2020 reports on Child Labor and Forced Labor](#). It should be noted we relied on The Walk Free Foundation's measurement and index on modern slavery vulnerability in the previous rounds of annual human rights risk assessment. However, we decided to use the ITUC Global Rights Index instead for the first time this year because the Walk Free Foundation's data is no longer updated and the ITUC's Index reflects a wider scope of labor rights risks.

First, we rank the countries for each indicator of labor trafficking, forced labor, child labor, and labor rights violation rating found in these public sources. It should be noted that an individual country ranking is not

aligned across the three data sources due to their different methodologies and focuses. Secondly, we compute a simple average ranking from all the indicators considered. We then group the countries into three categories of risk – high-priority, medium-priority, low-priority – based on average ranking. The “High-priority” Group represents average higher risk than the “Medium Priority” and “Low Priority” Groups. The results of risk ranking for the 12 countries where we operate are presented in Table 1 below. A separate ranking exercise was undertaken for the 13 countries where our tier-one seafood suppliers operate, and the results are presented in Table 2 below. However, it should be noted that there are disparities within each of the three categories of risk. For example, the recent lifting of the EU’s Yellow Card for Thai fisheries and upgrading of Thailand to “Tier-2” from “Tier-2 Watch List” in the U.S. TIPs report highlight a recent decrease of labor abuse risk in Thailand.

**Table 1- Risk Assessment for Our Operations (2021)**

High Priority	Medium Priority	Low Priority
India Seychelles Thailand Vietnam	Ghana Poland USA	France Germany Norway Portugal Lithuania

**Table 2 - Risk Assessment for Our Tier-one Seafood Suppliers (2021)**

High Priority	Medium Priority	Low Priority
Bangladesh Ecuador China Honduras India Indonesia Thailand Sri Lanka Vietnam	Mexico Peru Panama Philippines	Argentina Chile Norway Panama USA

To gain more in-depth insight of the risk profile, the high-level country-based risk assessment was supplemented by a processing facility-level labor risk assessment for the production facilities under Thai Union subsidiaries using social audit findings. Separately, a desk-based assessment was conducted to identify the risks to indigenous people based on facility location.

To capture risk profiles of each facility in 2021, we analyzed the results of social audits conducted in 2020, focusing on labor rights. We refer to three types of audits most commonly implemented at the facilities: third-party audit against the BSCI Code of Conduct, third-party SMETA audit, and internal audit against Thai Union Business Ethics and Labor Code of Conduct. Combined audit results show that the areas of improvement on the topics of reasonable working hours, wage & benefits, and occupational health and safety across several sites. In contrast, the areas of discrimination, freedom of association, and indigenous rights see a low level of risk.

Further in-depth assessments of human rights risks are described in sections 3.2-3.4 below:

### 3.2 Risk Assessment of Fishing Vessels in Our Supply Chain

In 2021, we updated our risk assessment focusing on fishing crews' labor rights in our supply chain based on the social audit findings. In 2020, third-party social audits against our Vessel Code of Conduct (VCoC) were conducted on almost 60 global tuna fishing vessels and, separately, almost 20 Thai-flagged fishing vessels in our supply chain. As mentioned in Section 2.3 above, the 2020 audit program is part of the broader VCoC and VIP Program implemented since 2018. For the 2020 audits, the audited vessels were selected to ensure that they are representative samples of all vessels in our supply chain. In particular, for the tuna vessels in our supply chain, the audited vessels cover 12 flag states, 3 fishing gear types (longline, purse seine, and pole-and-line vessels), and 3 oceans where they operate (The Atlantic, Pacific, and Indian oceans)

To understand the risk profiles of the vessels, we analyzed the VCoC audit results for the tuna supply chain and the Thai-flagged vessels supply chain separately. For each audited vessel, an audit report identifies Areas for Continuous Improvement (AFI) where vessels have not fully complied with the Code and need to implement a Vessel Improvement Program (VIP). Overall, for the tuna supply chain the combined audit results show areas for improvement in the areas of employment contracts & legal right to work, fair wages, reasonable working hours, and access to a grievance mechanism. For the Thai-flagged vessels in our supply chain, the audit results show needed improvement and therefore risks in the areas of employment contracts & legal right to work, fair wages, reasonable working hours, occupational health & safety, and access to a grievance mechanism.

In addition to the VCoC audit focusing on the rights of workers on board fishing vessels, we also conducted a desk-based assessment of the potential negative impact of the tuna fishing operations on the rights of indigenous people. We found that a large majority of the tuna fishing vessels in our supply chain do not hire indigenous people as they typically hire either local non-indigenous people or foreign migrants. In addition, a large majority of the vessels operate and fish in high seas. Therefore, there is low risk of resource usage conflicts between potential indigenous groups and commercial fishers in our supply chain.

### 3.3 Risk Assessment of Thailand-based Food Ingredients, Packaging, and Logistic Service suppliers

As previously indicated in Section 2.2, Thai Union implements an annual self-assessment and third-party social audit programs for suppliers of food ingredients, packaging materials, and logistic services based in Thailand. The suppliers must complete a Self-Assessment Questionnaire (SAQ) on social compliance to evaluate their human and labor rights risks. Suppliers identified as "high risk" or "medium risk" based on the SAQ responses will receive independent third-party audits to verify their ability to comply with the CoC.

In 2020, out of the total of 626 Thailand-based suppliers of food ingredients, packaging materials, and logistic services, we have identified 54 critical tier-1 suppliers that are deemed high or medium risk through the SAQ results or fit other indicators of high labor risk groups. Out of the 54 critical suppliers, 37 suppliers were chosen for the third-party audit against our TU CoC, whereas the other 14 suppliers were exempted because they provided valid third-party social audit results against recognized standards such as SMETA or BSCI. Based on the audit results, we found needed improvements by the suppliers on the areas of health & safety, reasonable working hours, and fair wages.

### 3.4 Risk Assessment of COSFF's Supply Chain

In 2021, we commissioned an independent human rights expert to conduct a human rights risk assessment for the supply chain of *Chicken of the Sea Frozen Foods* (COSFF), under our U.S.-based subsidiary importer and distributor of frozen seafood. The assessment exercise evaluates forced & child labor risks of more than 70 product-country combinations and provides the rating of low', 'medium' or

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'high' risk for each combination. The risk evaluation considers risks in both primary production stage (fishery & aquaculture) and processing stage. In 2021, we will conduct more targeted risk assessments based on the outcome exercise and design tailored mitigations accordingly.

Going forward, we will continue to further refine risk assessment findings by considering a wider scope of human rights risks (beyond trafficking, forced labor and child labor) and fieldwork and consultation with stakeholders, prioritizing on parts of operations and supply chains that have been identified as "high-priority" above. We will then use the updated risk assessment findings to inform our future activities to prevent, detect, and remedy human rights violations at a country or sector-level, based on our Human Rights Due Diligence Framework.