



Thai Union's Living Wage Assessment

June 2021

Background

Ensuring that employees are paid fair wages is one of the twelve key principles of [Thai Union's Business Ethics and Labor Code of Conduct \(CoC\)](#), which we have enforced in our own operations and supply chain since its launch in 2015. Our implementation of the CoC is part of our broader commitment to the UN Global Compact Network's 10 Principles and our commitment to respect internationally recognized human rights including the ILO's Declaration on Fundamental Principles and Rights at Work per our [Human Rights Policy](#).

Throughout our operations, we continue to follow and, in some instances, exceed all national laws and regulations related to wage and benefits. In addition, we have conducted labor risk assessment and social audits of our operations and supply chain to ensure full compliance with our Code, including specific requirement on wages and benefits.

As a seafood leader committed to sustainability, we recognize the need to continuously improve and strive to follow the global best practice beyond our Code to ensure employees' well-being. In 2021, we began to assess whether our employees receive *living wages*. According to the [Global Living Wage Coalition](#), living wage is defined as "*the remuneration received for a standard workweek by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transportation, clothing, and other essential needs including provision for unexpected events.*" We recognize that living wage can often exceed legal minimum wage and that achieving living wage is key to our corporate vision of *Healthy Living, Healthy Oceans*.

In particular, starting from 2021 we commit to assess whether our employees receive living wages, with the goal of completing the assessment for at least 75% of the employees by end of 2021 and 100% by end of 2022.

We also commit to repeat the assessment annually to reflect potential changes in the cost of living and to incorporate updated living wage calculation methodologies or the voice of workers' representatives.

Below is a summary of our most recent round of living wage assessment.

Living Wage Assessment Methodologies

To assess potential gaps between living wage and actual wage earned by our employees, we compared average actual monthly wages earned by our employees in 2020 against publicly available living wage benchmarks calculated by credible third-party sources, namely Global Living Wage Coalition, the Living Wage Foundation, and the MIT Living Wage Calculator. Important aspects of our assessment are as followed:

- 1) In all countries where we have completed the assessment, we covered 100% of our employees regardless of type of employment contracts, salary grades, or nationalities.

- 2) For the assessment exercise, only remuneration from standard work week (i.e., excluding overtime) is counted. This reflects the consensus in the living wage community that workers should not have work overtime to earn living wage.
- 3) We have completed the assessments for 6 countries with considerable employee headcounts in 2020, out of the total of 18 countries where our employees operate. Altogether, the 6 countries with completed assessment account for about 93.9% of the total Thai Union's employee headcounts.
- 4) We use the third-party calculation of the living wage benchmarks for all except one country (Seychelles) due to the lack of alternative publicly available data. Instead, for Seychelles, we referred to a living wage benchmark research that we privately commissioned in 2019. The study surveyed sampled Seychellois employees on monthly expenses on critical items such as housing loan or rent, food, utilities, transportation, and childcare costs. The survey was conducted for Seychellois nationals, and therefore it should be noted that the findings cannot be generalized to non-Seychellois expatriate workers. Lastly, the survey also measured employees' satisfaction level with their employee benefits and working environment.
- 5) The publicly available third-party provided benchmarks are outdated in some instances as they were calculated long before 2020. Wherever possible, we adjusted these benchmarks by taking into account annual inflation/deflation rate to reflect potential changes in the cost of living.
- 6) Thai Union is a global company, and in many circumstances some subsidiary companies also form part of our own supply chain. For example, our factories in Thailand, Vietnam, and Seychelles supply products to our trading companies in US and Europe. Therefore, the assessment below for our own operations can be considered partial assessment of living wage in our supply chain.

The table 1 below describes specific methodology for the living wage assessment of six countries in 2020.

Country	Percentage (%) of total TU headcount	Living Wage Benchmark used in the Assessment, expressed in local currency	Source	Methodology Note
Thailand	82.6%	THB 12,750 , per month	Based on Workers' representative group's demand	For example, see reference to the Thai Labour Solidarity Committee (TLSC)'s demand here .
Seychelles	4.4%	SCR 11,031 , per month	The Living wage study in Seychelles commissioned by Thai Union in 2019	The living wage figures from the study are then adjusted by Seychelles' official 2020 inflation rate to derive the final number for the assessment.

Country	Percentage (%) of total TU headcount	Living Wage Benchmark used in the Assessment, expressed in local currency	Source	Methodology Note
Vietnam	3.5%	VND 4,618,167 , per month	The Global Living Wage Coalition , with reference to the Living Wage Economic Zone 4, updated in March 2020	
Ghana	2.1%	GHC 1,368 , per month	The Global Living Wage Coalition , with reference to the living wage for Lower Volta Region, Ghana, updated in February 2019.	The GLWC living wage benchmark is then adjusted by Ghana’s official 2020 inflation rate to derive the final number for the assessment.
USA	1.1%	USD 12.76 – 23.33 , per hour	MIT Living Wage Calculator , with reference to county-level living wage levels for each county where our employees live	We compare employee’s earning against the county-level living wage benchmark for the county where he or she lives.
UK	0.2%	GBP 9.50 , per hour	The Living Wage Foundation	