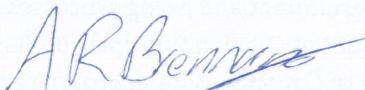




Thai Union Group:

Global Ethical Recruitment Policy

Issued by: 

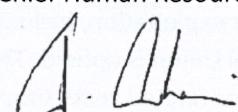
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Group Director of Sustainable Development & Corporate Communications

Verified by: 

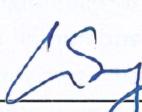
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Executive Director of TU Group

Version: 001/2024

Effective Date: 01 June 2024

Introduction

Thai Union (TU) is committed to conducting business with integrity, openness, and respect for universal human rights. These are expressed in the International Bill of Human Rights and the principles concerning fundamental rights, set out in the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. We do not tolerate child labor, human trafficking and any forms of forced labor. The Company promotes equal opportunities; non-discrimination standards on the basis of caste, country of origin, ethnicity, religion, age, disability, gender, marital status, sexual orientation, union membership, political affiliation, health, or pregnancy and seeks to ensure consistent practices throughout Thai Union and its subsidiaries. Our recruitment and hiring processes must meet our obligations under the UN Global Compact, the United Nations Guiding Principles on Business and Human Rights, and our own [Business Ethics and Labor Code of Conduct](#). With appropriate operational controls in place, we can ensure workers are hired with practices that comply with the law and conform to international standards on discrimination, any forms of forced labor (debt bondage, indentured and forced prison labor), child labor (younger than the legal minimum age), human trafficking and other social responsibility risks.

Objectives

The objectives of this policy are to provide a set of requirements to ensure that recruitment and hiring are managed consistently, professionally, fairly, transparently, and are in line with the "Employer Pays Principle (EPP)." The policy aims to ensure safe migration and reduce the potential vulnerability of domestic and foreign migrant workers to debt bondage and labor exploitation, including the worst forms of child labor and human trafficking, and that the integrity of Thai Union is upheld. The policy seeks to comply with the international principle that no recruitment fees or related costs should be charged to, or otherwise borne by, workers or jobseekers based on the ILO General Principles and Operational Guidelines for Fair Recruitment and Definition of Recruitment Fees and Related costs ([ILO Principles and Guidelines](#)).

Scope

This policy covers all aspects of new recruitment and hiring of all TU's workers throughout TU and its subsidiaries globally, from June 1, 2024. The policy shall cover both local and foreign migrant workers.

The policy covers the following types of workers:

- TU employees, whether they are under full-time or part-time employment contracts;
- Agency workers that are hired to perform any tasks integral to production activities at TU premises such as preparing raw materials, processing, packing, transporting products. Agency workers are defined as those employed by a third-party employment agency. The agency has a contract with TU where the agency workers carry out their work.

Professional staff - defined as those hired to perform professional, desk, managerial, or administrative work, as opposed to manual labor - are exempted from the Policy Scope.

Policy Effective Date

June 1, 2024

Definitions of Terms

- **Recruitment agencies** refer to any entities that provide services for matching offers of, and applications for, employment.
- **Sub-agencies** refer to any entities engaged or subcontracted, formally or informally, by recruitment agencies or other sub-agencies to perform any part of the recruitment service.
- **Employment agencies** refer to any entities that provide service consisting of hiring or engaging workers to make them available to a third-party (end-user employer) that assigns tasks and supervises the execution of these tasks.
- **Third-party Service Providers** refer to any entities engaged or subcontracted to perform specific services to facilitate or meet the requirement of the recruitment process. Examples are: (1) hospitals or clinics providing medical testing, (2) bus operators hired to transport workers from their home country to the destination country, (3) agents facilitating work permits or the passport renewal process, (4) local newspapers paid to advertise job openings.
- **Job seekers** refer to any persons who has approached and applied for jobs with TU or employment agencies contracted by TU. Job seekers may or may not be eventually given offers.
- **Workers** refer to a subset of job seekers who are given job offers.

Detailed Policy Requirements

Section 1: Usage of Recruitment Agencies, Employment Agencies, and Third-party Service Providers

- 1.1** Wherever possible and to whatever extent desirable, TU will recruit workers directly without using recruitment agencies.
- 1.2** Wherever available, TU will preferentially work with recruitment agencies that are certified with internationally recognized ethical recruitment schemes such as IOM IRIS and TFHI's On The Level (OTL) or participate in credible ethical recruitment improvement programs.
- 1.3** Only recruitment agencies and employment agencies that are legally approved and registered/licensed according to relevant laws and regulations shall be utilized.
- 1.4** No recruitment agencies and employment agencies shall be utilized until they have signed and acknowledged that they comply with TU's Supplier Business Ethics and Labor Code of Conduct, this Ethical Recruitment Policy, and service-level agreement with TU. Supplier onboarding and training shall be provided to new recruitment agencies and employment agencies to ensure they understand TU's requirements.
- 1.5** Service-level agreements and contracts with recruitment agencies and employment agencies shall explicitly state the requirement to comply with the Employer Pays Principle (EPP) and other relevant ethical recruitment standards. If recruitment agencies use sub-agencies, they must be legally registered, declared, and approved by TU.

1.6 If recruitment agencies use sub-agencies or any other third-party service providers, they shall have a due diligence process in place to ensure that these entities comply with this Policy and relevant laws and regulations.

Likewise, if employment agencies contracted by TU use a service of recruitment agencies or any other third-party service providers, the employment agencies shall have a due diligence process in place to ensure that these entities comply with this Policy and relevant laws and regulations.

1.7 TU may institute a special monitoring program where there is a high risk of non-compliance against this Policy. Recruitment agencies, employment agencies, and relevant third-party service providers shall authorize TU or designated social auditors/third parties to engage in monitoring activities to confirm compliance with this Policy.

Section 2: Application of Employer Pays Principle (EPP)

2.1 The following recruitment-related fees and costs shall not be borne by job seekers or workers:

- All recruitment-related service fees which are payments for recruitment services offered by labor recruiters, in matching offers of, and applications for, employment including: (1) contract development or contract signing ceremony costs and (2) Recommendation or approval documents.
- Applications for, & renewal of, passports, Visas, Work Permits and Residence Permits. The only exceptions are when the documents are lost or misplaced due to the workers' own fault and when workers already possess valid documents prior to applying for a job at TU. In these circumstances, workers are not entitled to reimbursement.
- Background check & security clearance
- Security deposits and bonds
- Documentation costs including notarization, translation, and legal fees
- Legally required or mandatory medical check-up, health insurance, and vaccination
- Qualification and skills testing as part of the job application
- Required pre-departure or post-arrival training/orientation sessions
- Uniforms, Personal Protective Equipment (PPE), or other items required for work
- Compensation for the cost of job seekers commuting or travelling from their current place of residence to TU's or designated recruitment agencies' or employment agencies' premises, or for a job interview after they have been contacted and personally invited to an interview. The compensation grid shall be developed and regularly updated based on a reasonable average cost taking into account distance travelled and available public transportation options¹.
- Relocation costs of workers if they are required to move once employment has begun
- Repatriation of foreign migrant workers under the following circumstances: (1) upon completion of their employment contracts, (2) termination due to workplace closure, downsizing, or restructuring, (3) workers' ill health or an injury seriously affecting their job performances, (4) failure to perform to expected standards (e.g. failing probation), (5) proven cases of workers being subjected to harassment, labor abuse, or other violations against the relevant local labor law, and (6) death.

¹ Please refer to the Internal Guidance Document on how a travel compensation grid can be developed.

2.2 The following are considered reasonable costs for job seekers or workers to cover:

- Costs to meet minimum qualifications for the job such as any degree or certificates
- Costs to prepare for job interviews/applications such as preparing copies of their CV, photos, or copies of existing documents and certificates
- Costs of obtaining new passports, Visas, Work Permits, Residence Certificates, or other personal documents due to loss or damage caused by the worker
- Cost of job seekers commuting or travelling from their current place of residence to TU's or designated recruitment agencies' or employment agencies' premises for a job interview if they have not been previously contacted and personally invited to an interview. Examples are job seekers who show up at TU factories uninvited in response to online job advertising.
- Workers' transportation between their accommodation and work places, after they start working
- Workers' accommodation after they start working
- Repatriation of foreign migrant workers under the following circumstances: (1) termination due to misconduct including criminal activities and disciplinary measures, and (2) voluntary resignation prior to completion of their employment contracts

2.3 For any recruitment-related fees and costs listed in clause 2.1 which are initially paid by job seekers due to practical necessities or logistical reasons (e.g. cost of commuting to interview site), they shall be reimbursed within 30 days after starting their employment or within the legally required timeline, whichever is more stringent.

If job seekers fail the job application (e.g. failing to pass a health examination or qualification test) at any point in the recruitment process, they shall be entitled to reimbursement for the fees or costs already incurred as soon as practicable or within the legally required timeline, whichever is more stringent.

However, if job seekers voluntarily withdraw from the job application process, they are not entitled to any reimbursement for the fees or costs already incurred prior to their withdrawal.

Section 3: Fair & Transparent Process

3.1 All job announcements/advertising communications shall clearly explain the nature of job openings in languages that potential jobseekers can understand. These include, but are not limited to: key roles, workplace location, minimum requirements, desired qualifications, key restrictions, TU's Policy of EPP, and complaint mechanism.

3.2 All aspects of the recruitment process and practice shall be non-discriminatory, unbiased, and in line with TU's Anti-Discrimination & Anti-Harassment Policy:

- Formal candidate selection criteria shall be objective, non-discriminatory, and free of prejudice, seeking to screen the most qualified persons for the jobs. The only exception is a management-approved affirmative action hiring program.
- Pregnancy testing and HIV testing are prohibited unless local laws require it.

- All job-related announcements/advertising communications as well as the conduct of all persons involved in the recruitment process shall be non-discriminatory. Language or conduct that might unintentionally discourage certain groups from applying for the jobs should be avoided.
- Any form of solicitation of bribery, gifts, or favors in order to influence the job application outcome is prohibited.

- 3.3 Workers shall be provided with copies of signed employment contracts written in languages that they understand, as soon as possible after being given a job offer.
- 3.4 Employment contract substitution is prohibited. If workers are required to sign more than one employment contract, the terms of all contracts that the workers will be asked to sign must be explained to them as soon as possible after being given a job offer.
- 3.5 In the case where TU, appointed recruitment agencies, or employment agencies that source workers directly in sending countries, pre-departure training or an information package shall be provided to all successful candidates in languages they understand, to help workers prepare their transitions prior to migration. These should include, at minimum: contract details, specific job roles, job location, welfare & benefits, grievance mechanism, legal rights, applicable labor laws, and local culture/customs in destination countries.
- 3.6 Upon arriving and starting to work for TU, all new workers shall be provided with post-arrival orientation within 15 days or within the legally required timeline, whichever is more stringent.
- 3.7 Job seekers or workers should be regularly informed of timelines of all key recruitment processes from the start of the job application until the start of employment.

Section 4: Other Requirements

- 4.1 Age verification process shall be in place to prevent under-aged labor.
- 4.2 Other forms of background and document checks shall be conducted to ensure that job seekers are legally allowed to work.
- 4.3 A process is in place to detect and minimize the risk of forged documents submitted by job seekers or workers. All job seekers must ensure the authenticity and validity of their submitted documents. TU reserves the right to turn down applicants with forged documents and takes disciplinary measures against workers who knowingly submitted forged documents for job applications.
- 4.4 Job seekers shall have freedom of movement throughout the recruitment process. Restrictions on their physical movement shall not be allowed throughout the recruitment process.
- 4.5 The retention of job seekers' and workers' personal ID/documents is prohibited throughout the recruitment process. If their documents must be taken away for processing for more than one day, they must be informed of the reasons, expected timeline for the return of the documents, and are issued receipts.
- 4.6 Job seekers shall not be subjected to harsh, inhumane, or unsafe qualification testing.
- 4.7 All aspect of recruitment must meet local health and safety standards. When transportation or accommodation is provided or arranged for job seekers by TU, recruitment agencies, employment agencies, or third-party service providers during the recruitment process, the transportation or accommodation shall be safe and clean.
- 4.8 The entire recruitment process shall comply with all relevant and applicable national or international laws and regulations including but not limited to labor, immigration, and personal data protection law.

Section 5: Grievance mechanisms & Access to Remedies

Where job seekers or workers are negatively impacted as a result of non-compliance against this Policy, they shall be entitled to effective remedies provided for, or facilitated by, TU and/or designated recruitment agencies or employment agencies. In the case where job seekers or workers are found to have paid recruitment-related fees and costs that should have been covered by TU, repayment to affected individuals shall be made as soon as possible. Repayment should be made within 30 days after the incidence of excessive payment is confirmed through an investigation.

Furthermore, where an OpCo finds proven or reasonable evidence of worker-paid fees & costs at scale (as opposed to an isolated case), it must notify the Ethical Recruitment Committee immediately.

Section 6: Policy Awareness

It is critically important that all relevant stakeholders, including the Human Resources (HR) function, Employee Relations (ER) function, job seekers, recruitment agencies, sub-agencies, and employment agencies understand the Policy.

Each Operating Company (OpCo) under a TU Subsidiary is encouraged to review the Policy and an internal Guidance document thoroughly. It should also disseminate the Policy to all relevant stakeholders. Regular training shall be conducted for HR and ER functions, designated recruitment agencies, employment agencies, or other stakeholders involved in the recruitment process.

All existing and new recruitment agencies and employment agencies must sign and acknowledge that they can comply with this Policy to continue working with TU.

Section 7: Local Implementation & Governance

All OpCos under a TU Subsidiary shall strictly adhere to this Global Policy. Each OpCo may develop its own Policy, standard operating procedure, and risk-based due diligence process & monitoring to ensure Policy compliance based on local context. However, the terms of those local policies shall be no less favorable to job seekers/workers than the terms required in this Policy.

There may be disputes, concerns, or queries about the interpretation of this Policy and its application in local context, requiring nuanced consideration. Whenever these arise, they must be raised to and arbitrated by the Ethical Recruitment Committee, comprising TU's Group Director of Human Resources, Group Director of Sustainability, and Human Rights Manager.

Furthermore, before an OpCo begins working with a new recruitment agency or employment agency, it must inform the Ethical Recruitment Committee about steps it has taken to conduct due diligence of the agency.

Section 8: Monitoring and Reporting

Regular monitoring and evaluation of the recruitment process are conducted to ensure compliance with the Ethical Recruitment Policy. Each OpCo is encouraged to develop its own risk-based due diligence especially for areas posing high risk of non-compliance, as well as internal KPIs to monitor compliance. Furthermore, Key Performance Indicators (KPIs) described in the separate Internal Guidance document

shall be monitored and reported on at least quarterly or every six months to the Ethical Recruitment Committee.

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