

UK MODERN SLAVERY ACT TRANSPARENCY STATEMENT 2018

This statement is written in compliance with the requirements under the UK Modern Slavery Act 2015, with particular reference to Section 54 Transparency in Supply Chains.

The purpose of this statement is to describe efforts by Thai Union Group PCL (Thai Union) to prevent, detect, and remedy violations of human rights, particularly modern slavery and forced labor within our operations and supply chains. The statement covers periods up to 31 May 2019. In summary, key highlights of recent activities & achievements for enhancing our due diligence on modern slavery and forced labor are:

- Raising social compliance standards of fishing vessels in our supply chain by introducing our [Vessel Code of Conduct \(VCoC\) and Vessel Improvement Program \(VIP\)](#);
- Publication of [aggregate results of the first industry collaborative third-party audit](#) of Thai fishing vessels in our supply chain, in our effort to promote transparency;
- Launch of [Responsible Aquaculture Commitment](#) for our branded aquaculture product to meet Monterey Bay Aquarium Seafood Watch recommended ratings and certifications as well as social responsibility standards being developed and accepted by GSSI or SSCI;
- Publication of our [Diversity Policy](#) to promote an inclusive work environment and further reinforce prohibition of discrimination in any aspect of employment, in line with the previously issued [Business Ethics and Labor Code of Conduct \(CoC\)](#);
- Strengthening the implementation of our [Ethical Migrant Recruitment Policy](#) through capacity building of recruitment agents and internal improvement based on independent evaluation;
- Creation of [Supplier Business Ethics and Labor Code of Conduct](#) to focus in more detail on supplier requirements, particularly with respect to ethical recruitment.
- Launch of a project to strengthen internal worker voice mechanisms for our key processing facilities in Thailand;
- Publication of our [case study on worker welfare committee](#) to share our experience and learning
- Announcement of our [public support](#) for the establishment of the International Transport Workers' Federation Fishers' Rights Network, and also the Thai government's ratification of International Labour Organization Convention 87 on Freedom of Association and Convention 98 on Collective Bargaining;
- Receiving number one ranking globally in the Food Products Industry of the [Dow Jones Sustainability Index \(DJSI\) Emerging Markets](#), with industry best-in-class 100th percentile rankings in a number of areas, including Codes of Business Conduct and Human Rights;
- Receiving Thomson Reuters Foundation's 2018 [Stop Slavery Award](#) Honorable Mention for our work on ethical recruitment and migrants' rights;
- Publication of a [Safe and Legal Labor Update Report](#), outlining our progress on advancing safe and legal labor in our operations and supply chains;
- Continued collaboration with partner NGOs for capacity building of our workers and suppliers on labor rights and addressing emerging labor issues within our facilities and supply chains

1) ABOUT THAI UNION

Thai Union Group PCL (Thai Union) is the world's seafood leader bringing high quality, healthy, tasty and innovative seafood products to customers across the world for more than 40 years.

Today, Thai Union is regarded as the world's largest producer of shelf-stable tuna products with annual sales exceeding THB 133.3 billion (US\$ 4.1 billion) and a global workforce of over 47,000 people who are dedicated to pioneering sustainable, innovative seafood products.

Thai Union's global brand portfolio includes market-leading international brands such as Chicken of the Sea, John West, Petit Navire, Parmentier, Mareblu, King Oscar, and Rügen Fisch, as well as Thai-leading brands SEALECT, Fisho, Qfresh, Monori, Bellotta, and Marvo. In addition, we manufacture private-label products for a number of global retailers.

As a company committed to innovation and globally responsible behavior, Thai Union is proud to be a founding member of the UN Global Compact Network Thailand and a founding member of the International Seafood Sustainability Foundation (ISSF). In 2015, Thai Union introduced its [SeaChange®](#) sustainability strategy. Thai Union's ongoing work on sustainability issues was recognized by its inclusion in the Dow Jones Sustainability Index Emerging Markets (DJSI) in 2014. In 2018, Thai Union was ranked number one globally in the Food Products Industry Index of the DJSI. Our SeaChange® strategy helped drive our DJSI score to achieve best-in-class 100th percentile rankings for Codes of Business Conduct, Materiality, Health and Nutrition, Human Rights, Supply Chain Management, Risk and Crisis Management, Packaging, Water-Related Risks, Genetically-Modified Organisms, and Talent Attraction and Retention.

Our main products are ambient seafood and value-added products such as ready-to-eat meals and pet food. In addition to tuna, we produce sardines, mackerel, salmon, shrimp, crab and other seafood-based products.

Thai Union has 17 production locations in 13 countries in North America, Europe, Africa, and Asia. A full list of Thai Union's brands, subsidiaries and product categories can be found on our website [here](#).

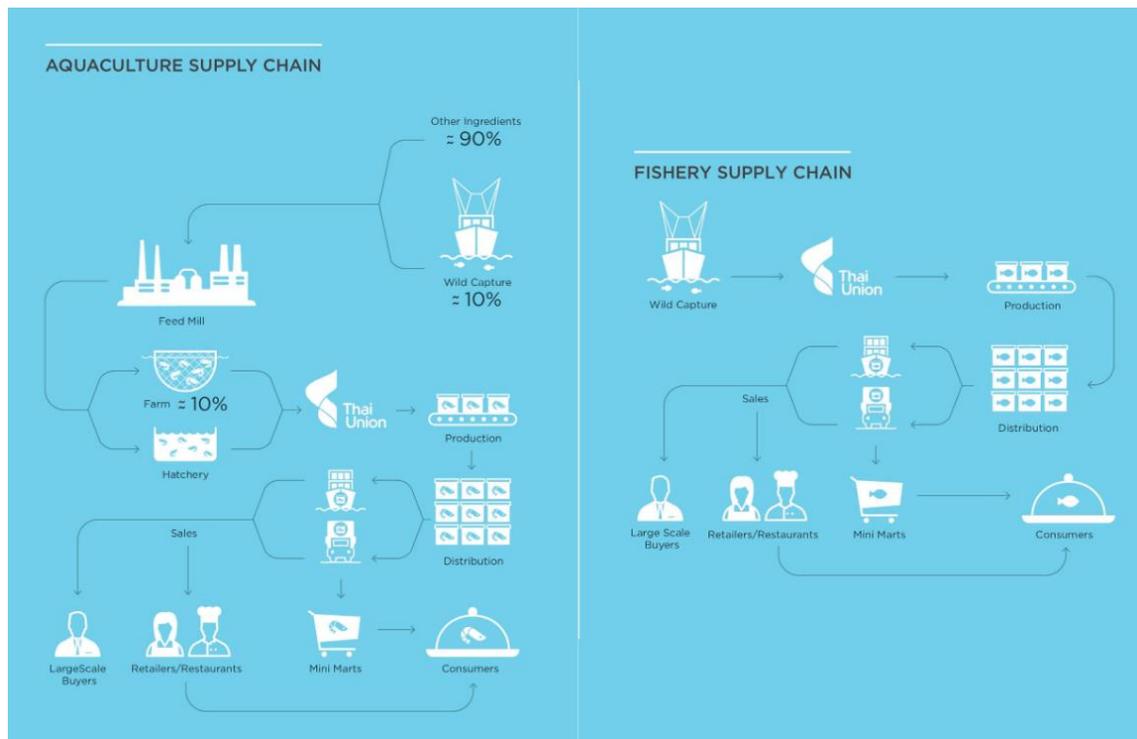


2) THAI UNION'S SUPPLY CHAINS

Seafood supply chains are complex, particularly where multiple species are involved. Thai Union is a processor. Globally, we do not own fishing vessels and own a very small number of aquaculture farms. Seafood raw materials are therefore sourced from suppliers from oceans and aquaculture operations around the world, and we use our market position to drive sustainable practices.

Thai Union sources from six main categories of seafood: tuna, shrimp, salmon, sardine, mackerel and cephalopod.

The supply chains for key seafood raw materials can be visualized as the following:



For transparency, we published the sourcing locations of key seafood species in our [Annual 2018 Sustainability Report](#). In addition, in collaboration with WWF, we published the [Sourcing Transparency: Wild Caught Fish and Shellfish Report](#) for our European operations, including species sourced and locations. This report covers products sold in the UK as well as across Europe and is in line with the Ocean Disclosure Project.

In addition to seafood raw materials, we also source a variety of food ingredients, packaging materials, and logistic services from suppliers based in the countries where we operate. It should be noted that Thai Union does not own any vessels.

3) THAI UNION’S COMMITMENT ON HUMAN RIGHTS AND SUSTAINABILITY

Thai Union’s mission is to be a seafood industry’s leading agent of change, making a real positive difference to our consumers, our customers and the way the category is managed. In line with this mission, we are taking a leading role in tackling human & labor rights abuses, including modern slavery and human trafficking within the seafood industry in Thailand and globally.

3.1) SeaChange® Strategy

Our policies on human rights, including modern slavery and human trafficking, and broader sustainability areas are guided by [SeaChange®](#) – our sustainability strategy designed to deliver real and lasting changes in the way that we operate in the wider Thai and global fishing industries. SeaChange® is an integrated plan of initiatives organized into four programs. One of the pillars of SeaChange® is “Safe & Legal Labor,” which aims to provide safe, legal, and freely-chosen employments in our own facilities and supply chains. Our strategy therefore aims to eliminate a wide range of unethical labor practices including modern slavery and human trafficking.



The 2020 milestones under the “Safe & Legal Labor” pillar are as follows:

- We will treat all workers, whether migrant or local employees, fairly and with dignity. They will have safe and freely-chosen employment.
- Our supply chains, from vessel to factory, will comply with labor regulations and our Business Ethics and Labor Code of Conduct.
- With full traceability of all the seafood we purchase, we will have information about the labor practices on board vessels.
- Through education and open dialogue, we will empower our workers, giving them a voice today and into the future.
- We are committed to leading an ongoing and active dialogue with industry, government and civil society to ensure lasting improvements in labor practices across the entire industry.

We are currently setting 2025 milestones & goals for our SeaChange® Strategy.

While this sustainability work is designed to have a positive impact on the seafood industry, the milestones we achieve under our programs will also deliver against the UN Sustainable Development Goals (SDGs), particularly for the SDG 2 (“Zero Hunger”), SDG 8 (“Decent Work and Economic Growth”), and SDG 14 (“Life below Water”). More specifically, achievements under the “Safe & Legal Labor” pillar will contribute to the SDG 8.7 to end modern slavery.

3.2) Global Leadership in Sustainability for Industry Transformation

To serve as a truly effective change leader, we align our sustainability with globally recognized collective sustainability priorities and programs. Our participation in sustainability and industry alliances and initiatives include:

- [The United Nations \(UN\) Global Compact](#) – Thai Union has been a member of the United Nations (UN) Global Compact since 2013. As a member, Thai Union upholds the Global Compact’s 10 principles on the areas of human rights, labor standards, environment, and anti-corruption, including the commitment to eliminate all forms of forced and compulsory labor. The principles have been incorporated into a number of the company’s human rights related policies (see Section 5 below). We are also a founding member of the UN Global Compact Local Network for Thailand (GCNT), whose objective is to promote knowledge sharing and implementation of the Global Compact’s 10 principles in Thailand. In 2018, we officially launched the UN GCNT, along with other founding members. We report annually on our progress in our sustainability reports.
- [The Seafood Task Force](#) – Thai Union has been a proud and active member of the Seafood Task Force, which is an industry-led coalition tackling human rights and environmental issues in Thailand. Each member organization commits to supporting progress against the Task Force objectives of strengthening supply chain oversight in the Thai seafood industry. In 2019, a representative of Thai Union was elected as a member of the Board of Directors.
- [Labour Rights Promotion Network Foundation \(LPN\)](#) – LPN was formed to improve the lives of migrant laborers in Thailand by addressing the injustice brought on by discrimination and inequality. Thai Union

has been partnering with LPN on labor rights training and a program on preschools for the children of migrant workers.

- [Migrant Worker Rights Network \(MWRN\)](#) - Thai Union has been partnering with MWRN to develop and implement our Ethical Migrant Recruitment Policy and Worker Welfare Committees.
- [International Seafood Sustainability Foundation \(ISSF\)](#) – Thai Union is a founding member of the ISSF, whose objective is to improve the sustainability of global tuna stocks.
- [National Fisheries Institute \(NFI\) Crab Council](#) – Thai Union is a founding member of the NFI Crab Council, an association of U.S. seafood companies working to promote crab sustainability.
- [Global Sustainable Seafood Initiative \(GSSI\)](#) – Thai Union is a funding partner of GSSI whose mission is to ensure confidence in the supply and promotion of certified seafood as well as to promote improvement in the seafood certification schemes.
- [Seafood Business for Ocean Stewardship \(SeaBOS\)](#) – in June 2017, Thai Union signed a groundbreaking [pledge as part of its membership in the \(SeaBOS\)](#), committing to improve operations as well as challenge the rest of the seafood industry to follow, all with the goal of helping the world achieve the United Nations Sustainable Development Goals (SDGs). As one of the signatories, Thai Union pledged to work diligently to eliminate Illegal, Unreported and Unregulated (IUU) products and any form of modern slavery in the supply chain.
- [World Economic Forum](#) – in June 2017, Thai Union committed to the World Economic Forum’s [Tuna 2020 Declaration](#). This includes a pledge to eliminate any form of slavery and ensure suppliers at least meet minimum social standards in management practices as recommended in the Universal Declaration of Human Rights and International Labour Organization’s Conventions and Recommendations, by 2020.
- [Greenpeace](#) – in July 2017, under [a joint agreement with Greenpeace](#), Thai Union made additional commitments to support current best practice fisheries, improve other fisheries, reduce illegal and unethical practices from global supply chains, and bring more responsibly-caught tuna to key markets. The commitments include enhanced labor rights due diligence on vessels supplying to Thai Union and social compliance for Thai Union facilities, among others. In 2018, we released a report on [progress against the Greenpeace agreement](#).
- [The Bali Process Government and Business Forum](#) - In 2018, Thai Union continued to support the [Bali Process Government and Business Forum](#), including the endorsement of its Acknowledge, Act and Advance (AAA) Recommendations as a pathway for action to achieve Target 8.7 of the UN Sustainable Development Goals (SDGs). The Bali Process allows governments to better engage the private sector to combat human trafficking, forced labor and related exploitation. Through this initiative, CEOs and business leaders can advise government on how to prevent and combat human trafficking and related abuses and share experiences on best practices.
- [International Labour Organization \(ILO\)’s “Ship to Shore Rights” Project](#) – The project works with the Thai Government, employers’ organizations, workers’ organizations and buyers towards the prevention and reduction of unacceptable forms of work in Thailand’s fishing and seafood industries. Thai Union has been an active partner of the project, particularly under the objective of improving compliance with the Fundamental Principles and Rights at Work through implementation of the Good Labour Practices (GLP). We previously conducted GLP training in our own facilities.
- [Mekong Club’s Business Pledge Against Modern Slavery](#) – In August 2018, we became a signatory to the Business Pledge Against Modern Slavery. As a signatory, we declare our commitment to help end the crime of modern slavery across Asia and work to collect and share relevant information to inform business decisions, promote education and training, and contribute to the development of tools to help prevent and address modern slavery.

We also work with other stakeholders including NGOs to implement our human rights due diligence. Specific collaboration with partner organizations is described in the subsequent sections of this statement.

Our works on sustainability earn us awards and recognitions by leading organizations around the world. Recent examples related to human rights include:

- In 2019, Thai Union and WWF-UK have been recognized as leaders in ‘Sustainable Supply Chains’ at the [edie Sustainability Leaders Awards](#).
- In November 2018, Thai Union was highly commended for its work on ethical recruitment and migrants’ rights by judges for the [Stop Slavery Award](#) from the Thomson Reuters Foundation. The award recognizes companies that have taken concrete steps to eradicate forced labor from their supply chains.
- In 2018, we remained on the [FTSE4Good Emerging Index](#) managed by FTSE Russell, a leading global provider of benchmark, analytics, and data solutions for institutional and retail investors. The Index is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices.
- In 2018, we were ranked number one globally in the Food Products Industry of the [Dow Jones Sustainability Index \(DJSI\)](#) Emerging Markets, with industry best-in-class 100th percentile rankings for Codes of Business Conduct, Materiality, Health and Nutrition, Human Rights, Supply Chain Management, Risk and Crisis Management, Packaging, Water-Related Risks, Genetically-Modified Organisms, and Talent Attraction and Retention.
- In October 2018, Thai Union was honored as Business Leader of the Year at the [Ethical Corporation Responsible Business Awards](#).

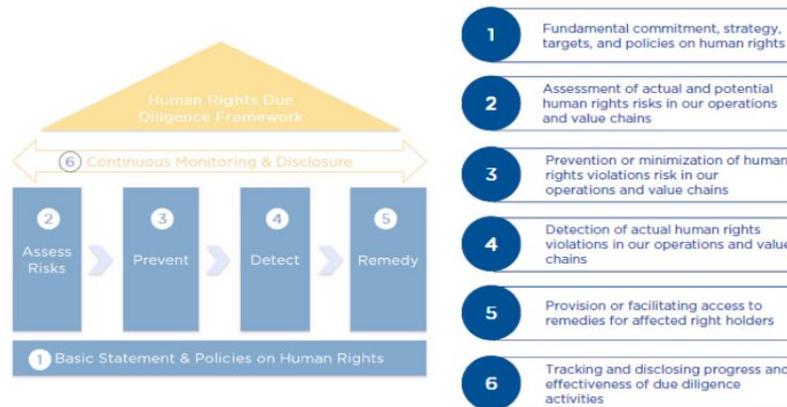
The latest list of awards and recognitions can be found on the SeaChange® webpage [here](#).

4) HUMAN RIGHTS RISK ASSESSMENT

The seafood industry is generally labor intensive and has a complex supply chain with many stakeholder groups involved. The industry faces real challenges like human trafficking, human rights abuses and labor exploitation. In most cases, these issues occur outside the direct operational control of a single company, and the complexities of the seafood industry prevent any single company or institution from solving them alone.

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”). Findings from risk assessments help us design appropriate and proportionate human rights policies as well as subsequent measures to further prevent, detect and remedy non-compliance by our staff and suppliers.

Component of the Framework – Brief Description of Six Pillars



4.1) Risk Assessment Methodology

Thai Union identifies human rights risks, including modern slavery and forced labor, in our supply chain through supply chain mapping and risk analysis. Our suppliers are segregated into critical and non-critical suppliers based on both spend and risk assessment through audits and social dialogue. We engage with civil society and third parties to assist with this process.

We conduct an activity-based risk analysis for all our suppliers to establish which suppliers are potentially high risk for certain activities. This can be as a result of a variety of external factors such as the location where a supplier operates, the nature of the work, and whether there is any third-party involvement.

Previous risk assessment activities included:

- 2015 – human rights risk assessment was conducted to help identify and visualize potential human rights risk in our **fisheries supply chain**.
- 2015 – Global consultation with internal and external stakeholders was conducted to discuss sustainability risks.
- 2016 – human rights risk assessment was conducted **for packaging, food ingredient, and shrimp supply chain in Thailand**.

In 2017, we published this information on our website to be more transparent about our management approach to human rights. While the risks and challenges associated with each step in our supply chain may vary regionally, this process will continue improving our global ability to promote human rights within our supply chains.

In particular, Thai Union identified human rights risks throughout our value chain, with a particularly high risk on board vessels and at farms and processing facilities. These include:

- Forced labor or modern slavery;
- Indebted or bonded labor arising from the use of brokers charging excessive fees;
- Lack of freedom of association or the lack of a worker voice to negotiate;
- Child labor;
- Excessive overtime;
- Unsafe and unhealthy working conditions;

- Security;
- Community health and safety in the event of major incidents from production plants; and
- Consumer health and safety

In 2018 and 2019, we conducted desk-based research on human rights risks at a country level for countries where we operate and source from, focusing on the issues of labor trafficking, forced labor and child labor. The purpose was to help us get a more granular understanding of the risks and compare risks across the countries in order to prioritize our efforts. Risk assessment methodologies and assessment results are published [here](#).

5) POLICIES ON MODERN SLAVERY, HUMAN TRAFFICKING, AND HUMAN RIGHTS

Thai Union issued the following policies to support the achievement of the milestones on human rights under our SeaChange® Strategy:

5.1) Human Rights Policy

Launched in 2018, the policy states the commitment to use our commercial leverage and leadership role to address human rights issues not in our value chain but also in the wider global seafood industry. In line with the previously issued [Business Ethics and Labor Code of Conduct](#), the Human Rights Policy reiterates our commitment to respect universal human rights, as those expressed in the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

5.2) Business Ethics and Labor Code of Conduct (CoC)

Launched in 2015, [the Business Ethics and Labor Code of Conduct](#) (CoC) embodies our commitment to conduct business with integrity, openness, and respect for universal human rights and core labor principles throughout our operations. The CoC is based on 12 Fundamental Principles grounded in internationally recognized standards. The Code is applicable to all Thai Union employees, suppliers, and any sub-suppliers employed by primary suppliers in business with Thai Union.

In particular, the Code states:

- All laws and regulations are complied with in the countries in which the supplier operates.
- 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.

We have integrated the CoC into our recruitment and procurement procedures. All Thai Union employees are required to acknowledge and sign the CoC, as are all primary suppliers. New suppliers and new staff must sign the CoC prior to working with Thai Union.

In 2018, we created and published a separate [Suppliers' Business Ethics and Labor Code of Conduct](#). The Suppliers' CoC shares the same common principles with the previously issued CoC, but focuses in more detail on supplier requirements, particularly with respect to ethical recruitment.

As of today, 100 percent of Thai Union full-time employees based in Thailand have signed acknowledgement of the Code. Also, 100 percent of contracted tier-one suppliers in Thailand for shrimp, fish, chicken, food ingredients, packaging, and logistics services have signed acknowledgement of the Code.

Thai Union seeks to work with the suppliers to resolve non-compliances as the first response to non-compliance. If remediation is required, suppliers are expected to inform Thai Union and implement a time-bounded corrective action plan, which is verified through a reaudit. The timeline for remediations depend on the severity of non-compliances in question. Failure to implement timely remedial action can lead to suspension until proof of rectification is available. Thai Union reserves the right to take legal action and report illegal activities to the relevant authorities and trade associations. Audits of our operations and suppliers against the CoC are described in sections 6.1 and 7.3 below.

5.3) Vessel Code of Conduct (VCoC) & Vessel Improvement Program (VIP)

To further mitigate the risks, including forced labor and modern slavery on the supplying vessels, we introduced [the Vessel Code of Conduct \(VCoC\)](#) in December 2017. The VCoC is an extension of the Thai Union's CoC that was previously introduced in 2015 but reflects a unique set of working conditions on fishing vessels. This code will be applicable to vessels from which Thai Union sources around the world. The VCoC must be signed by suppliers before we enter into a business relationship and by all of our existing suppliers. Those suppliers who fail to adhere to the Code and engage in unfair and illegal labor practices will be asked to provide a time-bound remedial plan through the Vessel Improvement Program (VIP) or may have their contracts terminated.

Following the launch of the VCoC, in 2018 we published the [Guidance to the Thai Union Fishing Vessel Improvement Program and Code of Conduct](#) that provides explanations and clarifications on the VCoC clauses and assists in the ability of our suppliers, if needed, to improve their level of compliance. Audits against the VCoC are described in the sections 7.1 and 7.2 below.

5.4) Vessel Documentation Requirements to Prevent Illegal, Unreported and Unregulated (IUU) Seafood

We work with the Royal Thai Government and other competent authorities to drive port-state measures to eliminate Illegal, Unreported and Unregulated (IUU) seafood from our supply chains. In Thailand, we have implemented a robust vessel-to-processor traceability system that cross references Marine Catch Purchase Documentation (MCPD) with the Thai Department of Fisheries. In addition to addressing IUU, this process works to ensure that labor is legal through crew manifests (Port In and Port Out certification to ensure no one is lost at sea), captain's licenses, vessel registration details, gear type registration, legal employment through contracts and pay slips for crew members, number of days spent fishing and catch data.

5.5) Policy on At-sea Transshipment & Observer Coverage

Transshipment is often linked with high risk of labor abuse including forced labor. To minimize the risk, in 2015 Thai Union introduced [a policy that bans transshipment](#) at sea in Thai and international waters in line with the Royal Thai Government Resolution and the International Seafood Sustainability Foundation Resolution. In addition, to help meet our 2020 commitments in the [Greenpeace agreement](#), we are working with partners on electronic and human observer programs for longline vessels. Our commitment and related progress on transshipment can be viewed in the [progress report on the Greenpeace Agreement](#).

5.6) Ethical Migrant Recruitment Policy

Migration and recruitment of migrant workers is recognized as one of the highest risk areas for workers to become involved in human trafficking, forced labor or debt bondage. Thai Union's migrant workforce in

Thailand is primarily composed of workers from Myanmar and Cambodia. Recognizing this, Thai Union has focused on reducing the potential for abuse and extortion by agents and brokers in recruitment of migrant workers. As a result, in 2016 we issued and began to implement an [Ethical Migrant Recruitment Policy](#) that covers all aspects of recruitment and hiring of migrant labor throughout Thai Union and its subsidiaries. The policy ensures zero recruitment fees for migrants and full transparency about migrant workers' rights and terms of employment contracts. Subsequently in 2017, this policy was expanded to cover all of Thai Union's facilities globally.

In 2018, we worked with partners to assess the efficiency and efficacy of the Ethical Migrant Recruitment Policy. Key findings will be shared in 2019 so that broader community working on ethical recruitment can learn from our experiences. Furthermore, in 2018 we translated the Ethical Migrant Recruitment Policy into Khmer and Burmese languages to facilitate agents' and workers' understanding of the policy.

Since the policy implementation began in 2016 until June 2019, more than 12,000 newly recruited migrant workers have been brought into Thailand under this policy to work with Thai Union.

5.7) Diversity Policy

In 2018, we issued our [Diversity Policy](#) to ensure a diverse work environment and further reinforce the prohibition of discrimination in any aspect of employment, in line with the previously issued Business Ethics and Labor Code of Conduct. Amongst others, the policy promotes gender diversity as important criteria in the appointment process and proactive reviews of hiring practices to reduce unintended bias.

6) INTERNAL ACCOUNTABILITY

6.1) Audits of Thai Union's Own Facilities

Our own factories 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; Amfori BSCI; SMETA; and Verité social capacity standards as well as a number of retailer specific programs to audit and verify safe and legal labor conditions.

Since 2016, we have conducted an annual program of internal audits of our Thailand-based facilities against Thai Union's Business Ethics and Labor Code of Conduct, Ethical Migrant Recruitment Policy, and applicable labor law. The program covered nine facilities in 2016 and expanded to all facilities under Thai Union's subsidiaries in 2017 and 2018. Based on the audit results, the facility management team must submit a time-bound remedial action plan to address issues of non-compliance.

The 2019 audit program is in progress.

6.2) Worker Voice & Grievance Channels

We provide several grievance and whistleblowing channels for reporting unethical treatment of workers in our operations and our supply chains. Any Thai Union employees, contractors, suppliers and their employees may report actual or suspected breaches of the CoC, including practices of modern slavery and forced labor, to Thai Union confidentially and anonymously. These grievance channels provide workers with a voice and allow Thai Union to monitor incidences and patterns of unethical labor practices, including modern slavery and forced labor, that may not be detected through audits. These channels are as follows:

- **Confidential Email** – Anyone can report actual or suspected breaches of the CoC by our employees or our suppliers through a confidential email (labor.coc@thaiunion.com). This confidential email is applicable for all Thai Union sites, offices, and suppliers globally.
- **Internal hotlines** – Thai Union employees can call site-specific hotlines to seek help, request consultation on employee relation issues or report grievances anonymously.
- **Suggestion boxes** – Each Thai Union factory in Thailand provides a suggestion box for workers to anonymously report grievances.
- **Human Resources Clinics** – Each Thai Union factory in Thailand sets aside dedicated time for any workers to seek consultation on employee relation issues as well as report grievances confidentially.
- **Welfare Committee** - In Thailand, an employer with at least 50 workers is legally required to establish a welfare committee whose role is to provide consultations and opinions about welfare issues that are beneficial to the company and its employees. The committee will also monitor, control and take care of the provision of welfare from employers for employees and generally will be encouraged to work to enhance social dialogue opportunities between the company and its employees. In Thailand, all of our factories have established a welfare committee. Starting in 2016, the Migrant Worker Rights Network (MWRN) has worked with Thai Union to promote and support our migrant workers' election onto the committee, to ensure that their voice is represented. Further information about our work on the Welfare Committee can be found in a short case study [here](#).
- **Issara Institute's physical outreach, independent helpline, smartphone app, and social media platform** - Since 2014, we have partnered with the Issara Institute, an NGO tackling issues of human trafficking and forced labor, to improve conditions for workers in Thailand. In 2015, we provided workers with access to the Issara helpline, provided free of charge and available in five languages to accommodate migrant workers. Anyone can report issues of concern or submit requests for help independently of Thai Union management. The details of the helpline are provided in posters at our factories and the ports in which we operate. We have actively addressed key issues uncovered through this grievance channel. We will continue to partner with the Issara Institute and other NGOs to strengthen access to grievance mechanisms such as hotlines in our facilities and supply chains.

We are now in a process of rolling out a third-party global grievance mechanism which will be accessible to all of our employees globally. Employees will be able to file a complaint via web intakes or telephone hotlines in their own languages.

Thai Union has also taken other steps to support a stronger worker voice at an industry level through advocacy such as announcing our [public support](#) for the establishment of the International Transport Workers' Federation Fishers' Rights Network, and also the Thai government's ratification of International Labour Organization Convention 87 on Freedom of Association and Convention 98 on Collective Bargaining.

Finally, in collaboration with Verité, we recently began a project to strengthen worker voice mechanisms in our key processing facilities in Thailand.

7) APPROVAL & AUDITS OF SUPPLIERS

Thai Union maintains a rigorous process to screen and approve potential suppliers before we can source from them. The screening and approval processes are different across key types of procured goods & services due to different levels of human rights risks associated with different supply chains.

First of all, compliance with Thai Union's CoC is required for all suppliers. After the launch of the CoC, new suppliers must acknowledge and accept the CoC before supplying to Thai Union. Existing suppliers were requested to review and sign the CoC as well.

After the mandatory acknowledgement of the CoC, additional screening and audit policies vary across different categories of suppliers due in part to varying human rights risks. These policies are explained below.

7.1) Approval and Audit Policy for Seafood Raw Materials Sourced from Thailand

Thai Union conducts an additional approval process for all locally sourced seafood raw materials from Thai-flagged vessels to ensure no Illegal, Unreported and Unregulated (IUU) fishing and prevention of labor rights abuses. All suppliers must pass Thai Union's pre-appraisal to ensure compliance with applicable laws & regulations including those related to human and labor rights abuses. The pre-appraisal comprises a physical review of all documents and/or vessels at the suppliers' location. Required evidence for pre-appraisal includes, but is not limited to, the following:

- Commercial Fishing License
- Vessel License
- Vessel Audit Certificate
- Aggregator License (where applicable)

Thai Union can start purchasing raw materials from the suppliers only after they pass the pre-appraisal. Furthermore, all suppliers are subject to an internal audit by Thai Union within the first three months after the pre-appraisal. From then on, regular internal and external audits are conducted on randomly selected vessels.

In addition to the audits, each purchase from the approved suppliers must come with additional documentation to ensure no IUU and the legal status of workers on board vessels. No raw materials will be used or payment of purchasing orders will occur until the suppliers submit the completed set of documents as follows:

- Marine Catch Purchasing Document / Marine Catch Transportation Document
- Vessel's Port-In, Port-Out certifications (where applicable)
- Fishing Log Book (where applicable)

In 2017, Thai Union conducted the first external audit of Thai vessels in our supply chains. The aggregate results of the audits were published [here](#) for transparency and to help drive changes throughout the industry. Audit results have been used to put in place vessel improvement projects to raise the standard of suppliers to Thai Union. Further details about the vessel improvement programs can be found in the section below.

In 2018, we began a program of third-party audits of Thai-flagged fishing vessels in our supply chains against the [Vessel Code of Conduct \(VCoC\)](#). Aggregate audit results will be published for transparency.

7.2) Approval and Audit Policy for Internationally Sourced Seafood Raw Materials

Similar to the seafood raw materials sourced from Thailand, we also have a process in place to ensure traceability, no IUU fishing, and no labor abuses on board vessels, for all seafood raw materials sourced outside Thailand. Before supplying to Thai Union, suppliers must provide documentation such as information available to map full chain of custody down to the vessels, National or European Union (EU) Catch Certificate, and Captain Statement. Furthermore, supplying vessels must comply with the at-sea transshipment policy described in section 5.5.

In 2016-17, we conducted external audits of the fleet supplying tuna to our European markets. The audit checked against compliance with regulations by the EU and the International Seafood Sustainability Foundation (ISSF); around IUU fishing; quality and food safety; our own sustainability policy and Business Ethics and Labor Code of Conduct (CoC).

In 2018, we began a third-party audit program of global tuna fleets in our supply chain, against the [Vessel Code of Conduct \(VCoC\)](#). Aggregate audit results will be published for transparency.

7.3) Approval and Audit Policy for Other Food Ingredients, Packaging Materials, and Logistics Providers based in Thailand

For providers of 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 Business Ethics and Labor Code of Conduct (CoC). Suppliers identified as high risk based on the SAQ responses will receive independent third-party audits to verify their ability to comply with the CoC. Suppliers identified as medium risks are also subject to the third-party audits if they do have selected social standard certifications such as Sedex Members Ethical Trade Audit (SMETA), Amfori Business Social Compliance Initiative (BSCI), Social Accountability (SA 8000), or Thai Labor Standard (TLS 8001).

Suppliers that do not pass the audit have an opportunity to undergo a supplier performance improvement program, which helps suppliers develop their practices to meet Thai Union's social compliance requirements. Refusal to participate in the performance improvement program will lead to termination of the supplier in question. During 2016-2017, about 8 percent of the total number of suppliers received third-party audits by SGS, an auditor. In 2018, about 26 percent of the total number of suppliers received either third-party audits by Intertek against our CoC or submitted third-party audit results based on recognized standards such as BSCI and SMETA. For 2019, we expand our audit program to cover new group of suppliers deemed high-risk such as rubber gloves, soy, and sugarcane.

7.4) Special Oversight & Audit Policy for Shrimp Supply Chain in Thailand

While Thai Union co-owns a very small number of shrimp farms, the vast majority of our shrimp are sourced from supplier farms to help meet market demand for our products. We buy shrimp primarily from aggregators who in turn aggregate catches from their network of shrimp farmers.

In addition to processing shrimp, we also produce shrimp feed for our own shrimp farms and for sales. Shrimp feed is primarily made of fish meal from independent producers. Fish meal is in turn produced from bycatches or other wild-caught fishes deemed unsuitable for human consumption.

Thai Union identified early on perceived high risks of labor rights abuses in shrimp farms and on board vessels supplying fish for fish meal 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. To reduce risks, in 2016 we vertically integrated all external pre-processing, bringing in house over 1,200 workers with the oversight of a local NGO partner to ensure all new staff had safe and legal labor. In addition, we conducted an internal audit on over 90 percent of the fish meal plants and 60 percent of the vessels in the supply chain in 2017. By the end of 2018, about 90 percent of the vessels in the supply chain were audited.

In 2018-2019, our internal audit team conducted a social audit of more than 2,000 Thai shrimp farms in our supply chain. We are also implementing a new program to strengthen human rights due diligence of our entire shrimp supply chain, consisting of supply chain mapping, auditing, engagement, and capacity building.

8) TRAINING AND CAPACITY BUILDING ON MODERN SLAVERY, HUMAN TRAFFICKING, AND HUMAN RIGHTS

We recognize that addressing modern slavery and human trafficking is an issue that we must take responsibility for and at the same time work collaboratively for shared responsibility. Together with our partner NGOs, regulators, intergovernmental agencies, and customers, we developed initiatives to improve awareness and knowledge of human rights within our own factories or across our supply chains. Training and capacity building activities form a core pillar under our Due Diligence Program to help prevent human rights violations in the first place. Our efforts to date include:

8.1) Training on the Business Ethics and Labor Code of Conduct for Thai Union employees

Following the launch of the Business Ethics and Labor Code of Conduct (CoC) in 2015, a staff training package was developed and delivered to executives, human resources and procurement staff in Thailand in December 2015. Furthermore, the CoC was incorporated in the mandatory orientation for incoming staff. To date, all monthly employees and new employees (for both monthly and daily employees) based in Thailand have received training on the CoC. Furthermore, in 2018 we completed CoC training for 100 percent of daily employees in Thailand, the majority of whom are migrant workers.

8.2) Sustainability Academy Training for Thai Union employees

We recently began a new training program to raise awareness and understanding among our staff of our SeaChange® sustainability strategy, including our work on modern slavery. The purpose of the Thai Union Sustainability Academy Employee Training is to ensure that Thai Union staff are acquainted with the concepts, definitions, purpose and main challenges of sustainability and that they understand it from the perspective of our business. The first level of the academy launched in Q4 2018 and aims to deliver training that is appropriate to the needs of different individuals within the business whether it be legal, marketing, sales etc. This will enable everyone to be able to discuss our sustainability strategy and have the right level of understanding to perform in their different roles. So far, the sustainability team has led around 15 sessions with approximately 180 people attending. The second level is in development and roll out of level one continues.

8.3) Pre-departure Training for Thai Union's Migrant Workers

As mentioned in the previous section, Thai Union rolled out an Ethical Migrant Recruitment Policy in 2016 to reduce the potential vulnerability of migrant workers to labor exploitation, including the worst forms of child labor and human trafficking. Under the policy, successful candidates will receive training by Thai Union and the Migrant Workers Rights Network (MWRN) on terms & conditions of employment, complaint mechanisms, and relevant laws for working and living in Thailand, prior to leaving their countries of origin. Thai Union is responsible for the cost of the training.

8.4) Training on Labor Rights for Thai Union's Migrant Workers

We aim to prevent instances of child labor and trafficking by ensuring our migrant workers in Thailand understand their rights, through a partnership with the Labor Rights Promotion Network (LPN) Foundation, an NGO. In December 2016, Thai Union and LPN developed an educational labor rights booklet for migrant workers in the province of Samut Sakhon, Thailand. The booklet provides information on labor rights, child labor, children's rights and education, human trafficking, and emergency numbers. This community

engagement program helps ensure migrant workers understand their rights under Thai law, as well as educates them about the risks of human trafficking and how to protect themselves. In 2017, LPN distributed 20,000 human rights booklets to migrant workers and organized four training sessions for migrant workers based on the contents of the booklets.

8.5) Suppliers Capacity Building

As described in the previous section, all contracted and prospective suppliers that wish to conduct business transactions with Thai Union must sign an acknowledgement of the Business Ethics and Labor Code of Conduct (CoC) or Vessel Code of Conduct (VCoC) (for fishing vessels), whereby they accept to strictly follow our mandatory principles and policies for human trafficking and forced labor. Following the launch of the Codes, Thai Union established various supplier capacity building programs to ensure that suppliers understand and can comply with the Codes. The program creates awareness of the Codes and addresses any emerging and ongoing social compliance issues. Capacity Building programs for different types of suppliers are as follows:

8.5.1) Food Ingredients, Packaging Materials, and Logistics Providers based in Thailand

Since 2016, we have organized training on the CoC for Thailand-based suppliers of food ingredients, packaging materials, and logistics. In 2016, 100 percent of our critical tier-1 suppliers participated in the training. The training program takes place annually to target new or high-risk suppliers.

8.5.2) Fishing vessels

In 2017, we provided an update on expectations for labor compliance and auditing to all of our international tuna suppliers through two workshops, held in Bangkok and Paris.

In 2018-19, we began to implement the [Vessel Improvement Program \(VIP\)](#) to raise suppliers' capacity to meet our VCoC standards. We rolled out [new Capacity Building for Fisher Safety at Sea program](#) for vessel operators in our supply chain, in collaboration with the ILO and International Transport Workers' Federation (ITF). To date, we have held four workshops in the provinces of Pattani, Ranong, Rayong, and Chumphon, with about 300 participants who are fishers in our supply chain. Participants received a range of guidance, including first aid and basic medical training techniques such as CPR, and how to effectively respond to a potential life-threatening situation while at sea. Each fisher also received a medical kit containing supplies to use while on board vessels.

Finally, we will potentially roll out new VIP activities to address thematic issues found through the VCoC audits such as health & safety and employment contracts.

8.5.3) Aquaculture farms

Thai Union's work with the Seafood Task Force, as well as the Southeast Asian Shrimp Aquaculture Improvement Protocol (SEASAIP), Best Aquaculture Practice (BAP) and Aquaculture Stewardship Council (ASC) all forms part of our journey towards sustainable aquaculture.

In 2018, we provided training on our Business Ethics and Labor Code of Conduct (CoC) for shrimp aggregators in our supply chain. We also have an ongoing project to raise the capacity of selected shrimp farms in achieving BAP certifications which address environmental and social responsibility, animal welfare, food safety, and traceability. In 2018, 91 shrimp farms in our program received BAP certifications.

Recently, Thai Union, our Chicken of the Sea® brand, and Monterey Bay Aquarium launched [SeaChange® Ignite](#), a collaboration to advance new sustainability initiatives and improvements throughout the supply chain. The combined commitment for the initiative is USD \$73 million through 2025, with a focus on

improvements in Southeast Asia and other key seafood producing regions. As part of the collaboration, we will work with the Monterey Bay Aquarium and the Asian Seafood Improvement Collaborative (ASIC) to improve the sustainability of farmed shrimp in Thailand and Vietnam. The project will focus on both social and environmental aspects of sustainability, including the issues of labor conditions on farms.

Further details of Thai Union's work in our aquaculture supply chain can be found in this [video](#).

8.5.4) Labor recruitment agencies

In 2018-19, we continued to focus on strengthening the implementation of our Ethical Migrant Recruitment Policy in partnership with our NGO partners and recruitment agents in our supply chain. Recently in 2018, we conducted a refresher and informational training for the agents and their sub-agents on the topics of Thai Union's Business Ethics and Labor Code of Conduct (CoC), Ethical Migrant Recruitment Policy, a new standard for workers' dormitories, and roles and responsibilities of agents. As a follow up, the agents were required to create action plans to address gaps in their practices.

Finally, at the invitation of the Seafood Task Force, the recruitment agencies in our supply chain recently began to participate in a capacity building program by the Fair Hiring Initiative (FHI) in order to raise their standards towards On The Level core principles and Standards of Ethical Recruitment.

9) OTHER ACTIVITIES RELATED TO HUMAN RIGHTS

9.1) Demonstration Boat Project

In 2017, Thai Union and Nestlé launched the successful first departure of a [demonstration boat](#) built to raise awareness among fishing boat owners, captains and crew of best practices to ensure the fair, safe and legal treatment of workers on vessels in the Thai fishing industry.

The two companies, in collaboration with Verité, renovated a standard Thai fishing boat, transforming it into a modern model with improved working conditions and labor standards on board. The initiative was originally created in March 2016, supported by the Thai Ministry of Foreign Affairs (MFA), Southeast Asian Fisheries Development Center (SEAFDEC) and the Thai Department of Fisheries (DOF).

The vessel was renovated to meet standards set by the International Labour Organization's (ILO) C188 convention for human rights at sea, as well as to comply with Thailand's updated fisheries regulations. These regulations have been implemented progressively in the industry since 2015 to help secure the health, safety and welfare of seamen.

To date, we organized two training events in the provinces of Trat and Pattani to improve awareness and understanding on a wide range of topics such as ethical on-board living and working condition, using the demonstration boat as a key medium. The events were organized in collaboration with Verité, Stella Maris, Nestle, and SEAFDEC. Participants include more than 100 vessel owners, captains, aggregators, and crew supervisors that are part of Thai Union's supply chain.

9.2) Digital Traceability Pilot Program for Vessels

We believe that traceability is the backbone of sustainability. Traceability gives us the ability to wholly trace our seafood. From catch to consumption, full traceability helps us to identify, investigate and improve upon the industry's most critical issues, including modern slavery and human trafficking. In 2017, Thai Union, Mars Petcare, along with a coalition of other industry and government groups such as USAID's Oceans and Fisheries Partnership (USAID Oceans), launched a [digital traceability pilot program](#). Inmarsat's "Fleet One" terminals were successfully installed on fishing vessels in Thailand, while the crew members, captains and fleet owners

were trained on “Fish Talk” chat applications developed by Xsense that enable them to connect with families and peers around the world while at sea – an industry first for Thai fisheries.

The pilot program tests scalable platforms for electronic Catch Data and Traceability (eCDT) systems that utilize mobile applications and satellite connectivity, making it possible to demonstrate true electronic end-to-end traceability and supply chain management.

9.3) Promoting Children’s Right to Education through Preschools

In Thailand, many migrant workers’ children have limited access to education due to language barriers and insufficient knowledge about the Thai school system. To promote children’s rights to education, by the end of May 2019 we established three preschools for children of our migrant and local workers in the province of Samut Sakhon, Thailand, in collaboration with the LPN Foundation. The fourth preschool was opened in July 2019. The schools help the children enter into the Thai education system so they can progress to primary schools. By encourage school attendance, the preschool program also ensures safety of children during the day and discourages child labor.

Thai Union also organized key education initiatives for children at our preschools throughout the year, including a [photography workshop](#), [nutritional workshops](#), [a science camp](#), and a series of [football clinics](#) to promote physical education.

9.4) ASEAN Economic Community Language Learning Center

Many migrant workers in Thailand face communication barriers due to language differences. To help resolve this challenge, SCC Thailand introduced the ASEAN Economic Community (AEC) Language Learning Center, which aims to place interpreters in Thai Union plants to communicate with migrant workers. This year, workers volunteered to teach Burmese, Lao, Khmer and English to SCC Thailand staff. In the future, SCC Thailand plans to extend the program by opening it to the general public. The program has resulted in an increased number of SCC staff interpreters, approximately half of whom are able to communicate with migrant workers at Thai Union plants.

9.5) Promoting Local employment in Seychelles

Thai Union’s Indian Ocean Tuna (IOT) factory has been a key contributor to the Seychelles’ economy since it was established 32 years ago. In addition to the 2,300 people directly employed by the factory, the tuna processing activities have helped create 1,900 indirect jobs for the local economy. The factory’s production relies on over 300 local suppliers and contractors including local businesses supplying the 4,000 meals that are served daily at the plant and its 53 employee residences. Thai Union also made plans to increase the number of Seychellois working for the factory, as part of its commitment to directly benefit the local community and in close collaboration with the Ministry of Employment.

This statement was reviewed by the Thai Union Board of Directors and authorized by the Chief Executive Officer and Executive Chairman. The Statement will be reviewed annually and published on the Thai Union website.

A handwritten signature in black ink, appearing to read "Cheng Niruttinanon".

Cheng Niruttinanon
Executive Chairman
Thai Union Group PCL

A handwritten signature in blue ink, appearing to read "Thiraphong Chansiri".

Thiraphong Chansiri
CEO and President
Thai Union Group PCL