

Suppliers' Business Ethics and Labor Code of Conduct



Working in partnership with our suppliers

Introduction

With respect for universal human rights of individuals, Thai Union Group Public Company Limited and its subsidiaries (hereafter referred to collectively as “Thai Union”) strive to provide safe and fair treatment to all workers.

To ensure workers' safety and freedom, our suppliers play a critical role in helping us source responsibly, and we apply the same principles and benchmarks to our suppliers as to our own company. This Code of Conduct is our way of informing our suppliers of our expectations.

Thai Union's Suppliers' Code of Conduct embodies our commitment to conduct business throughout our operations with integrity, openness, and respect for universal human rights, as those 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. This Code of Conduct provides the framework through which we outline our responsible sourcing requirement and approach. We will work only with suppliers who share our values and comply with our Code of Conduct. Our suppliers must also agree to ensure transparency, to remedy any shortcomings, and to drive continuous improvements under the Fundamental Principles that create the foundations to this Code of Conduct.

Our Code of Conduct specifies requirements and provides benchmarks for each component of the Fundamental Principles.

Thai Union has more specific requirements for vessels in the Company's supply chain. Fishing vessel operators supplying to Thai Union should consult the Vessel Code of Conduct (VCoC) through this link [here](#).

The Fundamental Principles

Across Thai Union, we have set industry-leading benchmarks for responsible sourcing to deliver on our commitment to sustainable growth. We have embedded these standards into every element of our business, and we require our suppliers to comply with our standards. We are a member of the United Nations Global Compact¹, and are committed to the implementation, disclosure, and promotion of its ten universal principles.

The Fundamental Principles, which are the foundation of our Code of Conduct, are grounded in internationally- recognized standards, and are embedded throughout our operations, as follows:

¹ www.unglobalcompact.org
Version 3.0

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1. Business shall be lawfully conducted with integrity;
2. Work shall be conducted on the basis of freely-agreed and documented terms of employment with legal compliance;
3. All workers shall be equally treated with respect and dignity;
4. Work shall be conducted on a voluntary basis with no forced or compulsory labor;
5. Child labor shall not be permitted;
6. All workers shall be paid with fair wages;
7. Working hours for all workers shall be reasonable;
8. All workers shall be free to exercise their rights to form and/or join trade unions and to bargain collectively where permitted by law.
9. Workers' health and safety shall be protected at work;
10. Workers shall have access to fair procedures;
11. Business shall be conducted in a manner that embraces sustainability and reduces environmental impacts; and
12. Progress and compliance shall be continuously monitored.

Implementation Guidelines

Thai Union strives to conduct its business with integrity and respect for others. Our reputation is an asset, as valuable as our people and our brands. We expect the highest standards of behavior from all our workers and those with whom we conduct business. By becoming a supplier, you are stating that you share our Fundamental Principles.

A. Mandatory Requirements for Conducting Business with Thai Union

In this section, we describe the Mandatory Requirements for our suppliers to establish and to maintain a business relationship with Thai Union.

We require all suppliers who work with or for Thai Union to confirm that all of their activities comply with these Mandatory Requirements.

1 Business shall be lawfully conducted with integrity.

1.1 Bribery

Any and all forms of bribery, corruption, extortion and embezzlement are absolutely prohibited. Adequate procedures must be in place to prevent any bribery in all commercial dealings undertaken by the supplier. Bribery could be in any form such as offering, promising, giving, accepting or requesting anything of value in order to influence the decision-making of another person. Examples of something that is of value include, among other things, offers of cash or a cash equivalent, services, offers of employment, charitable donations, political contributions, travel and/or entertainment expenses, meals and gifts. Facilitation payments paid to speed up an administrative process, such as the issuing of a permit or license by a local authority are considered as a bribe as well and are prohibited irrespective of where they are given. However, lawful fast-track procedures (such as the express lane at the airport or quick turnaround visa

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and passport services), are acceptable so long as they are open and available to everyone and are never paid directly to the individual. Such legitimate procedures do not constitute facilitation payments.

1.2 Conflicts of Interest

A conflict of interest typically happens whenever your personal interests are allowed to influence – or appear to influence – the decisions you make at work or on behalf of the business. If they are not managed properly, conflicts of interest may damage the business and harm our reputation. In extreme cases, conflicts of interest may facilitate fraud or discrimination. All conflicts of interest, known to the supplier, in any business dealings with Thai Union, shall be declared to Thai Union to allow us the opportunity to take appropriate action. Any ownership or beneficial interest in a supplier's business by a government official, representative of a political party or a Thai Union employee shall be declared to Thai Union prior to any business relationship with Thai Union. This requirement is perpetual, and Thai Union must be informed if such conflicts of interest or ownership/beneficial interests develop after business with Thai Union has begun. If supplier is unsure whether a conflict situation exists, supplier shall seek an opinion from Thai Union via channels indicated in Section B of this document.

1.3 Gifts, Hospitality and Entertainment

Any business entertainment or hospitality with Thai Union shall be reasonable in nature, and undertaken only for the purpose of maintaining good business relations and not to influence in any way how Thai Union awards future business. Gifts or entertainment that may be construed as bribes or would cause a conflict of interest or damage the reputation of the business are prohibited and must be avoided at all times. Gift giving between employees of suppliers and Thai Union shall be avoided. Official company-to-company gift exchanges are acceptable but must be transparent and properly recorded. The giving of gifts or entertainment to public officials or to their close family members is generally discouraged and prohibited if they are intended to influence the decisions of a public official or could give that impression. Donations to charities associated with public officials and their families represent a significant risk for bribery and should be carefully considered and recorded.

1.4 Competition and Competitor Information

All information about Thai Union's competitors shall be obtained legitimately and may be used only for legitimate purposes in compliance with all relevant anti-trust and other laws and regulations. No attempt shall be made at any time to divulge to Thai Union any information about Thai Union's competitors that is confidential to them and not available in the public domain.

1.5 Financial Records, Money Laundering and Insider Trading

All business and commercial dealings shall be transparently performed and accurately recorded in the supplier's books and records. There shall be no actual or attempted participation in money laundering. No confidential information in the supplier's possession regarding Thai Union is used either to engage in or support insider trading.

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1.6 Safeguarding Information and Property

Thai Union's confidential information, know-how, and intellectual property shall be respected and safeguarded. All information provided by Thai Union may be used only for its intended and designated purpose. Personal information about individuals, such as Thai Union's consumers or employees shall be handled with full respect for the protection of their privacy and in compliance with all relevant privacy laws and regulations, and should not be kept for longer than reasonably necessary. If suppliers have been aware of, or suspect, a data security breach (such as an unauthorized access to personal data), suppliers must report the issue to Thai Union immediately via channels indicated in Section B of this document.

1.7 Product Quality and Responsible Innovation

Products and services shall be delivered to meet the specifications, quality, and safety criteria specified in the relevant contract documents and be suitable for their intended use. Label of the products must be accurate and clear to help Thai Union be informed in accordance with the applicable laws and rules. Research and development are conducted responsibly and are based on good clinical practice and generally accepted scientific, technological and ethical principles.

1.8 Compliance with Laws

All laws and regulations shall be complied with in the countries in which the supplier operates. All other applicable international laws and regulations shall be complied with, including those relating to international trade (such as those relating to sanctions, export controls, and reporting obligations), data protection, and anti-trust/competition laws.

Reporting Concerns and Non-retaliation

Suppliers' workers shall be provided with the means to raise their concerns about any of these requirements, and all workers who speak out about an issue shall be protected from retaliation.

- a) Clear and effective guidelines and policies shall be in place describing business integrity expectations relating to anti-bribery, gifts and hospitality. The guidelines and policies must comply with competition laws and avoid any conflicts of interest.
- b) Training and risk assessment mechanisms for compliance issues shall be in place. Non-compliance is subject to sanctioning and remedial procedures.
- c) Adequate financial transaction policies and procedures shall be maintained to ensure proper recording of all financial transactions, as well as to identify possible money laundering. No undisclosed or unrecorded account, fund or asset may be established or maintained.
- d) Adequate procedures and mechanisms shall be in place to ensure that all confidential information, whether business- or product-related, is safely stored with limited access rights on a need-to-know basis only.
- e) Adequate procedures shall be in place to ensure that Thai Union is immediately notified of any product quality or safety concerns originating from the supplier or its supply chain.
- f) Adequate procedures shall be in place to ensure that all applicable laws and regulations are complied with by the supplier and its workers.

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- g) Workers shall have a channel through which they can raise concerns without fear of retaliation.

2 Work shall be conducted on the basis of freely agreed and documented terms of employment with legal compliance.

Policies shall be adopted and adhered to that respect permanent and temporary workers and outsourced workers of supplier and, at a minimum, safeguard their rights under their employment contract, local, national labor and social security laws and regulations, and applicable collective agreements.

- 2.1 Key components of the employer / worker relationship such as hours, overtime, pay, benefits, leave, disciplinary and grievance systems, shall be (i) freely agreed to by both parties (ii) documented in writing and (iii) signed by the employer and worker.
- 2.2 The terms and conditions of employment shall be clearly understood by the worker and explained verbally, if required, in a language she or he can understand.
- 2.3 Changes to key components shall be agreed in writing by both employer and worker.

3 All workers shall be equally treated with respect and dignity.

All workers shall be equally treated with respect and dignity. No worker may be subject to any physical, sexual, or psychological abuse, verbal harassment, other form of intimidation, or harsh and inhumane treatment. There shall be no discrimination in any aspect of employment, including hiring, compensation, advancement, discipline, termination or retirement. There shall be no discrimination based on caste, national origin, ethnicity, religion, age, disability, gender, marital status, sexual orientation, union membership, political affiliation, health, disability or pregnancy. In particular, attention shall be paid to the rights of workers who are most vulnerable to discrimination.

- 3.1 Policies that prohibit discrimination of any form on the basis of caste, national origin, ethnicity, religion, age, disability, gender, marital status, sexual orientation, union membership, political affiliation, health, disability or pregnancy shall be in place, and procedures shall be adopted for informing employees of their rights.
- 3.2 Pregnancy testing or other forms of health screening that might result in discrimination shall not be tolerated.
- 3.3 Suppliers shall not lay-off, demote or reduce benefits as a result of pregnancy. Suppliers shall allow workers to return to the same works after giving birth.
- 3.4 Workers shall be accorded equal opportunity to develop fully the knowledge, skills, and competencies that are relevant to the work they perform.

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4 Work shall be conducted on a voluntary basis with no forced or compulsory labor.

Forced labor, whether in the form of indentured labor, bonded labor or other forms, shall not be permitted. Mental and physical coercion, slavery and human trafficking shall be prohibited.

- 4.1 Hiring policies, procedures and trained staff shall be in place to ensure that workers are entering into employment freely and equally.
- 4.2 Workers shall have freedom of movement and not be confined to the supplier's premises. Workers are free to leave of their own volitions.
- 4.3 Workers shall not be required to surrender their identification papers. Where the retention of identification papers is legally required, arrangements shall be made to ensure that workers can access their identification papers, are not prevented from leaving the workplace, and that their papers are returned immediately upon written request or cessation of employment.
- 4.4 Suppliers shall ensure that contracts are in a language understood by the worker.
- 4.5 Suppliers shall avoid or minimize cash advances or loans to employees or other acts that might bond workers to the employers through debt.

5 Child labor shall not be permitted.

No child under the age of 15 or under the minimum age for work as specified by labor laws in that country shall be engaged or employed by suppliers. Suppliers shall ensure that workers younger than 18 years of age shall not work in dangerous work areas, and working time shall not exceed 8 hours per day and shall not occur at night (10:00 pm - 6:00 am).

- 5.1 An employment policy shall be in place specifying the minimum age for employment, together with effective procedures and means of age verification (such as an identity card or a government-issued passport) to implement this policy.
- 5.2 In all circumstances the health and safety of young workers shall be considered and protected. This protection should preclude them from certain types of work such as hazardous or night work and requires that they be afforded a commitment of extra care.

6 All workers shall be paid with fair wages.

Workers shall be provided with a total compensation package that includes wages, overtime pay, benefits and paid leave that meets or exceeds the country legal minimum standards and compensation terms that are established by legally binding collective bargaining agreements shall be implemented and followed.

- 6.1 Workers shall receive a pay slip for each pay period clearly indicating the components of the compensation, including exact amounts for wages, benefits, incentives/bonuses

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and any deductions. The pay slip shall be made in a language(s) understood by the worker.

- 6.2 Wages shall be paid on time in accordance with the pay slip.
- 6.3 All works shall be compensated according to at least the legal minimum standards or the appropriate prevailing industry standards, and in accordance with the employment contracts.
- 6.4 The compensation terms established by legally binding collective bargaining agreements shall be implemented and followed.
- 6.5 All legally mandated deductions, such as taxes or social insurance, shall be deposited each pay period to the legally stipulated accounts or agencies, as required by law. Other than legally mandated deductions, all other deductions from wages shall be legal and made only with the express and written consent of the workers.
- 6.6 Thai Union is committed to 'zero recruitment fees' for migrant workers, which means that fees for recruitment services will be covered by Thai Union. Suppliers of Thai Union are encouraged to consider the zero recruitment service fee principle and adopt it in manners that fit with their particular circumstances.

7 Working hours for all workers shall be reasonable.

Workers shall not be required to work more than the regular and overtime hours allowed by the labor laws of the country where the workers are employed. All overtime work by workers shall be on a voluntary basis.

- 7.1 Clear policies shall be implemented regarding regular and overtime hours of work, with defined procedures for deciding on overtime and securing worker consent.
- 7.2 Workers shall be entitled to at least 24 consecutive hours of rest in every seven-day period (except for certain kinds of work which the law allows the employer and workers agree otherwise). If workers are required to work on a rest day because of a genuine need for continuity of production or service, workers must receive an equivalent period of compensatory rest immediately following or compensatory wage at the rate defined by law.
- 7.3 If the employment contract allows for contractual overtime, workers expressly shall agree to it. All overtime work by workers is on a voluntary basis.
- 7.4 All overtime work shall be paid at least to the rate defined by law.

8 All workers shall be free to exercise their rights to form and/or join trade unions and to bargain collectively where permitted by law.

The rights of workers to have the freedom of association and collective bargaining shall be recognized and respected. Workers shall not be intimidated or harassed in the exercise of their rights to join any organizations.

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- 8.1 Managers, supervisors and guards shall be trained to respect each worker' right to associate freely.
- 8.2 Suppliers shall inform workers about their rights so that workers understand and feel confident to exercise them. Workers are not impeded by any other workers or supervisors in their enjoyments of their rights.
- 8.3 The right to strike shall be recognized as a right of workers and their organizations and as an intrinsic corollary to the right to organize. Workers shall not be retaliated against in exercise of this right.

9 Workers' health and safety shall be protected at work.

A healthy and safe workplace shall be provided to all of supplier's workers to prevent accidents and injury arising out of, linked with, or occurring in the course of work or as a result of the suppliers' operations.

- 9.1 Suppliers shall progressively identify and eliminate or control hazards that present risks to employees, to other persons present on site, or to the environment.
- 9.2 Clear and effective policies and procedures shall be in place for occupational health and safety and be updated periodically.
- 9.3 Occupational health and safety policies and procedures shall be widely communicated and appropriate training provided, including fire-drill training.
- 9.4 All workers and other people who enter business premises shall be properly informed about the inherent dangers of the workplace and are provided with adequate knowledge and personal protective equipment to avoid such dangers.
- 9.5 All personnel who enter the premises or deal with products shall be properly informed about the appropriate actions to take should a health and safety incident occur.
- 9.6 Appropriate personal protective equipment shall be supplied to all personnel at the employer's expense. Employees shall receive the training necessary to perform their tasks safely.
- 9.7 Safe and healthy working and, where available, living conditions shall be provided. At a minimum, potable drinking water, adequate and clean restrooms, adequate ventilation, fire exits and essential safety equipment, an emergency first aid kit, access to emergency medical care, a hygienic dining area, and appropriately-lit work stations must be provided.
- 9.8 In all circumstances the health and safety of pregnant employees shall be considered and protected. Suppliers shall ensure that pregnant employees who have notified the company of their pregnancy shall not work in dangerous work areas, do not perform works involving physical strain or works involving exposure to biological, chemical, or physical agents which represent a reproductive health hazard. In addition, suppliers shall ensure that pregnant employees do not work excessive hours and are not obliged to do night work. Suppliers shall comply with relevant national law aimed to protect health and safety of pregnant employees.

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10 Workers shall have access to fair procedures.

Workers shall be provided with transparent, fair and confidential procedures that result in swift, unbiased and fair resolution of difficulties that may arise as part of their working relationship.

- 10.1 Procedures shall (i) provide effective, accessible channels for workers to complain, make suggestions and lodge grievances and (ii) require such matters to be fully investigated, and result in swift, unbiased and fair resolution.
- 10.2 Grievance mechanism channels shall be widely communicated to ensure workers are aware of the mechanisms available and provided with a guarantee of the confidentiality of any complainant (if so desired) and prohibit retaliation.

11 Business shall be conducted in a manner that embraces sustainability and reduces environmental impact.

Operations, sourcing, manufacture, distribution of products and the supply of services shall be conducted with the aim to protect and preserve the environment and comply with environmental legislation and regulations.

- 11.1 All necessary legal permits shall be held for operations.
- 11.2 Training shall be provided to all personnel to ensure knowledge of and compliance with all necessary legal permits.
- 11.3 An effective environmental management plan shall be in place to manage legal compliance as well as, but not limited to, the use of hazardous chemicals; waste, wastewater and air pollution generation; water and energy consumption.

12 Progress and compliance are continuously monitored.

The supplier shall authorize Thai Union and its designated agents to engage in monitoring activities to confirm compliance with this Code of Conduct including unannounced on-site inspections of manufacturing facilities and employer-provided housing; reviews of books and records relating to employment matters; and private interviews with employees. Manufacturers shall maintain on site all documentation that may be needed to demonstrate compliance with the Code of Conduct. Thai Union will seek to work with its suppliers to resolve non-compliances as the first response to non-compliance, except in the case of significant labor violations.

B. Reporting on Breaches

These provisions apply to all suppliers contracted by Thai Union. Suppliers shall ensure that these provisions are also applied to/by sub-suppliers or outsourcing companies if the product(s) sold/services provided to Thai Union require(s) services outsourced or carried-out by suppliers of the Supplier.

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Any failure to comply with this Code of Conduct (including any failure by an employee of Thai Union or anyone acting on behalf of Thai Union to so comply), of which the supplier is aware, should be immediately reported to Thai Union. Failure to do so shall constitute a breach of this Code of Conduct.

1. We strongly support a culture of speaking up for our own workers, suppliers and their workers without any fear of retaliation against those who report actual or suspected breaches.
2. Thai Union will investigate any reported non-conformity and discuss findings with the supplier. The supplier shall assist with any such investigation and provide access to any information reasonably requested.
3. If remediation is required, the supplier will be expected to inform Thai Union and implement a corrective action plan and timeline to effectively and promptly resolve the failure.
4. Suppliers, their workers, or contractors may report actual or suspected breaches of this Code of Conduct to Thai Union by letter, telephone, fax or email. Reports can be submitted confidentially and anonymously (where permitted by law).
5. Failure to comply with this Code of Conduct or recommended remedial action will result in supplier contract termination and legal actions, without recourse.

The channels for reporting breaches are listed on the following webpage:

<http://www.thaiunion.com/en/sustainability/code-of-conduct>

Announced on 10th December 2018.

Handwritten signature of Mr. Thiraphong Chansiri.

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Mr. Thiraphong Chansiri
President & CEO
Thai Union Group PCL

Handwritten signature of Mr. Cheng Niruttinanon.

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Mr. Cheng Niruttinanon
Executive Chairman
Thai Union Group PCL

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Acknowledgment and Acceptance

My signature below certifies that I have fully read and understand the Thai Union's Supplier Business Ethics and Labor Code of Conduct. As an authorized representative of my company, I hereby commit myself and my company to comply with this Code of Conduct and all of its principles. Thai Union reserves the rights to amend the Code of Conduct at any time and will provide an amended copy to all suppliers for their acknowledgement and signature.

Supplier: _____

Address: _____

Representative's name:

Representative's position:

Signature: _____

Date: _____

<u>Company's seal</u>
