

2018

SUSTAINABILITY REPORT

THAI UNION GROUP
PUBLIC COMPANY LIMITED

CHANGING SEAFOOD FOR GOOD

MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM



FTSE4Good

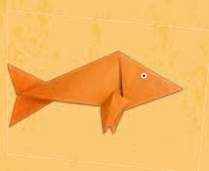
thaiunion.com
seachangesustainability.org



sea
CHANGE

CONTENTS

About This Report	4
CEO Message	6
Business Overview	8
Sustainability at Thai Union	11
Our Material Issues and Stakeholder Engagement	15
2018 in Brief	22
Safe and Legal Labor	23
Responsible Sourcing	25
Responsible Operations	30
People and Communities	36
Performance Summary	40
GRI Content Index and UNGC COP	46
Lloyd's Register Quality Assurance Statement	52



ABOUT THIS REPORT



Welcome to Thai Union's

2018 Sustainability Report. This is the sixth annual sustainability report we have made publicly available. This report details our annual performance (January–December 2018) with key performance indicators and targets outlined in our sustainability strategy, [SeaChange®](#). To make our report more sustainable and accessible for readers, we have transitioned to a digital-exclusive approach, with the report designed and tailored in a PDF format specifically

for an online audience. Further, we rely upon our SeaChange® website (seachangesustainability.org) to deliver the most up-to-date information about Thai Union's sustainability program.

This report was prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Option and its Food Processing Sector Supplement (FPSS). In keeping with the intent of the GRI Guidelines, we have focused on the GRI Standards, as described below. This report has been assured by Lloyd's Register at a limited level. The scope of this report covers companies under Thai Union Group and subsidiaries with holding above 50 percent and companies under Thai Union operational control.

PRINCIPLES FOR DEFINING REPORT CONTENT

Determining the content of this report began by understanding the impacts of our value chain on different stakeholders, including suppliers, customers, governments, local communities and civil society. Next, we engaged external experts and our global leadership team for their insights. The report addresses items of significant interest to stakeholders important to Thai Union's business strategy.

In conducting the analysis of internal and external environments, we abided by the GRI Standards: sustainability context, materiality, completeness and stakeholder inclusiveness. To find out more about our materiality assessments, see our materiality issues section on page 15.

DEFINING REPORTING QUALITY

The GRI Standards define reporting quality through a set of quality aspects: balance, comparability, accuracy, timeliness, clarity and reliability.

We have taken numerous actions to meet these:

- We continue to improve the quality of information in our sustainability reports and we publish them in a timely manner, so our stakeholders can effectively integrate the information in their decision making.

- We value the opinion of our stakeholders, including employees, local communities and interest groups, non-governmental organizations, customers, suppliers and contractors. In preparing our report, we listen and respond to stakeholder feedback to help ensure the information we report is balanced and reliable.

- We are moving toward more efficient and effective operations with minimum adverse social and environmental impacts along the entire value chain.

- We have developed ongoing reporting on key topics throughout the year, including our Tuna Commitment Progress Report, our first Safe and Legal Labor update, an annual progress report on our European partnership with WWF, and a progress update on our landmark agreement with Greenpeace.

COMMUNICATION ON PROGRESS

As a participant in the United Nations (UN) Global Compact, this report also serves as our annual Communication on Progress (COP) to stakeholders. The COP reports our progress in implementing the Ten Principles of the UN Global Compact within our sphere of influence as well as our progress in supporting the environmental and social responsibilities of the broader UN Sustainable Development Goals (SDGs).

The report's content has been reviewed and approved by the leadership of relevant business units at Thai Union and our Sustainability Committee. There has been no significant change in the materiality reported compared to the previous year.



CEO MESSAGE

6



Sustainability is a never-ending challenge. In the seafood industry those challenges can be vast in their scope. From the health of the oceans on which our business depends, to other environmental issues, worker safety, and building better communities. But with every challenge comes opportunity, and Thai Union works tirelessly to be at the forefront of positive change.

As a global seafood industry leader, we embrace these challenges. Sustainability is at the heart of our business strategy and we are driving meaningful improvements across the entire industry.

With consumers increasingly conscious of where and how their food is sourced, it is our responsibility to ensure that fish stocks remain sustainable, that our oceans are healthy, and that workers across our entire supply chain are safely and legally employed.

Through our actions, Thai Union is setting new benchmarks for others to follow. As we constantly search for solutions to the industry's challenges, we continue to focus on four key programs through our sustainability strategy, SeaChange®:

- Safe and Legal Labor
- Responsible Sourcing
- Responsible Operations
- People and Communities

I take great pride in the leadership Thai Union continues to take in sustainability. In our 2018 Sustainability Report, we demonstrate how our



commitments and measures we take are ensuring we fulfil our vision to be the world's most trusted seafood leader.

I am very proud of our continued progress in 2018. Thai Union was ranked number one globally in the Food Products Industry Index of the Dow Jones Sustainability Index (DJSI). This is the fifth consecutive year that we have been listed in the DJSI, one of the oldest and most respected sustainability indices, and I am very proud of our continued progress. Our SeaChange® strategy helped drive our score with industry best-in-class 100th percentile ranking for total sustainability score. We also achieved 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.

A major initiative last year was Thai Union's decision to join forces with the Global Ghost Gear Initiative (GGGI), working together to reduce the increasing problem of abandoned, lost and discarded fishing gear (ALDFG) worldwide, in line with our commitment to combat marine plastic >>

» pollution. As such fishing gear is estimated to make up to 70 percent by weight of macro plastics in the ocean, this represents a decision to work on what is most material to our industry as well as on a global issue.

As part of our 2017 landmark agreement with Greenpeace, Thai Union also made substantial, positive progress last year on our commitment to implement measures to tackle illegal fishing and overfishing, while also improving the livelihoods of hundreds of thousands of workers across our supply chains. We reported publicly on our progress in 2018.

We also released our first annual Tuna Commitment Progress Report, providing a public update on our ambitious strategy to ensure 100 percent of our branded tuna is sustainably sourced, with a target of achieving a minimum of 75 percent by 2020, as well as our first Safe and Legal Labor update.

Our sustainability efforts last year did not go unnoticed.

Our Global Director of Corporate Affairs and Sustainability Dr. Darian McBain, was named Sustainability Leader of the Year at the prestigious *edie* Sustainability Leaders Awards 2018. Dr. McBain also received the Business Leader of the Year Award at the Ethical Corporation's 8th Annual Responsible Business Awards for sustainability leadership. I am also very proud that we were Highly Commended in the Thomson Reuters Foundation Stop Slavery Awards.

These are just some examples of the success Thai Union achieved in sustainability last year. Of course, we do not rest on our laurels, and our team continues to focus on ensuring Thai Union remains a leader in driving meaningful change.

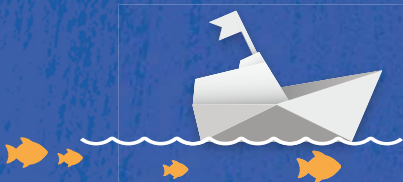
Pursuing such change is not only positive for the entire industry, but allows Thai Union to deliver against three of the United Nations Sustainable Development Goals (SDGs) we have identified where we can have the biggest impact: zero hunger, decent work and economic growth, and life below water, as well as the broader set of goals.

As a participant in the United Nations Global Compact (UNGC), this report also serves as Thai Union's annual Communication on Progress (COP) to stakeholders. The COP reports our progress in implementing the Ten Principles of the UNGC within Thai Union's sphere of influence.

I encourage you to read this report and see how the Thai Union team is working hard to bring positive change to the seafood industry.



Thiraphong Chansiri
Chief Executive Officer



BUSINESS OVERVIEW



Thai Union is a global seafood leader bringing high quality, healthy, tasty and innovative seafood products to customers across the world for more than 40 years. We are the world's largest producer of shelf-stable tuna products with annual sales exceeding US \$4.1 billion and a global workforce of over 47,000 people dedicated to pioneering sustainable, innovative seafood products.

Thai Union is proud to have been rated number one in the world in the food products industry in the 2018 Dow Jones Sustainability Index (DJSI). SeaChange®, the company's sustainability strategy, successfully drove the score with an industry best-in-class 100th percentile ranking for total sustainability score.

OUR VISION

To be the world's most trusted seafood leader, caring for our resources to nurture generations to come.

THAI UNION'S SIX CORE VALUES



PASSIONATE



RESPONSIBLE



HUMBLE



COLLABORATIVE



RESPECTFUL



INNOVATIVE

OUR MISSION

To be the seafood industry's leading agent of change, making a real positive difference to our consumers, our customers and the way the category is managed.

COMPANY PORTFOLIO

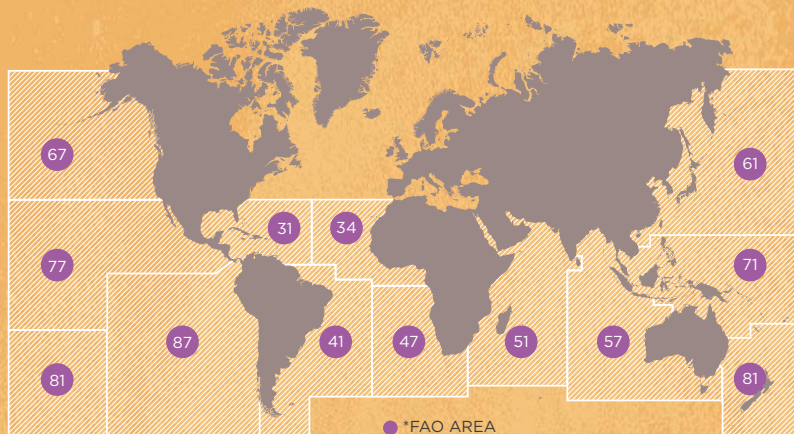
Thai Union portfolio brands include global market leaders Chicken of the Sea, John West, Petit Navire, Parmentier, Mareblu, King Oscar, and Rügen Fisch, along with Thai-leading brands SEAELECT, Fisho, Qfresh, Monori, Bellotta and Marvo. Learn more in our [2018 Corporate Annual Report](#), including consolidated financial statements. View our maps detailing our [operations and footprint](#) on the SeaChange® website.

THAI UNION SEAFOOD SOURCING LOCATIONS

9



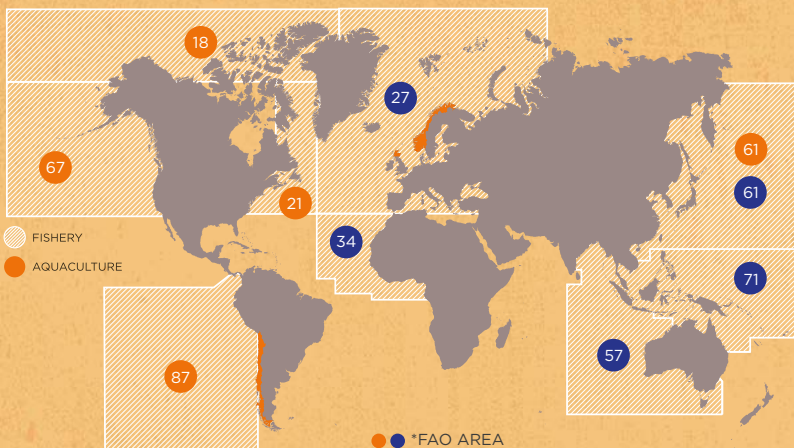
TUNA



SARDINE AND
MACKEREL

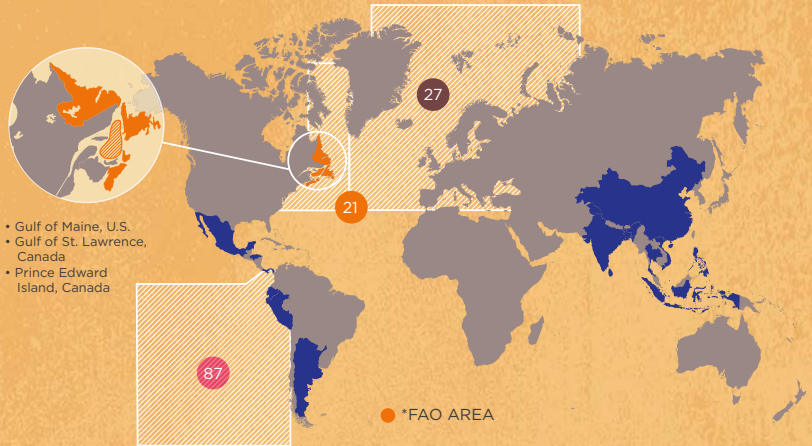


SALMON

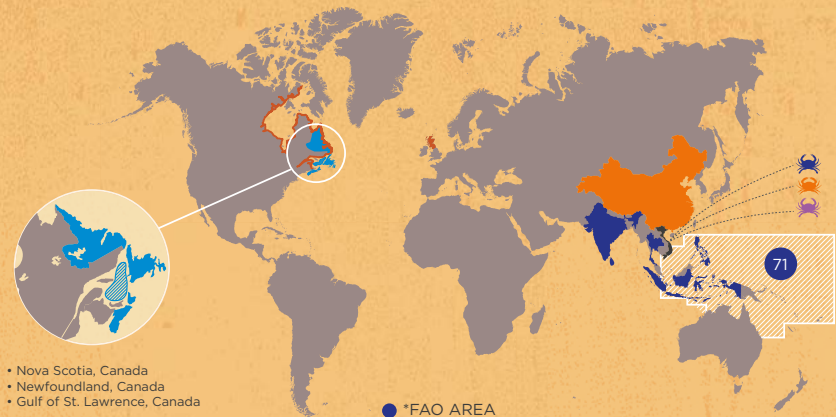


THAI UNION SEAFOOD SOURCING LOCATIONS

-  SHRIMP
-  AMERICAN LOBSTER
-  JUMBO FLYING SQUID
-  QUEEN SCALLOPS



-  SNOW CRAB
-  WARTY/RED SWIMMING CRAB
-  NAUTILUS CRAB
-  SHETLAND/BROWN CRAB
-  BLUE SWIMMING CRAB



To improve transparency, Thai Union has produced a [Transparency Report](#) for our European operations, including all species sourced and locations. This is in line with the Ocean Disclosure Project.

SUSTAINABILITY AT THAI UNION

11

Sustainable development is essential to the future of Thai Union's business and our growth; it is fundamental to being a responsible corporate citizen and it is how we will achieve our vision of being the world's most trusted seafood leader.

As a global seafood leader, we have a responsibility to set the standard for social, environmental and economic performance across our operations and into our supply chains. Recognizing this responsibility to show leadership, we heeded the calls of our stakeholders with SeaChange®, Thai Union's sustainability strategy with measurable commitments to delivering real, lasting changes in the way we operate. SeaChange® aims to drive a positive transformation throughout the global seafood industry.

CHANGING SEAFOOD FOR GOOD

We think of SeaChange® as a journey that covers every aspect of the seafood business: from how we look after the oceans to how we manage our waste; from the responsibility we take for our workers to building brighter futures for the communities around our key sites.

The backbone of our sustainability strategy is the ability to fully trace our seafood—from catch to consumption. With full traceability in place, we will be able to identify, investigate and improve performance on key issues such as labor and responsible sourcing.



©ISSF (2014)

Photo by David Itano



seaCHANGE

OUR OVERARCHING OBJECTIVES

**Sustainable seas,
now and for future
generations**

**Workers are safe,
legally employed
and empowered**

**Legal and licenced
vessels, operating
responsibly**

OUR PROGRAMS



SAFE AND LEGAL LABOR

Providing safe, legal and freely-chosen employment in our own facilities and in supply chains is critically important to Thai Union.

Fair Labor Goals and Roadmap



RESPONSIBLE SOURCING

Traceability is the key to improving the transparency and operational practices of the entire seafood supply chain.

Responsible Sourcing Goals and Roadmap



RESPONSIBLE OPERATIONS

The way we operate must be environmentally responsible and show a duty of care for our workers.

Responsible Operations Goals and Roadmap



PEOPLE AND COMMUNITIES

At Thai Union we take responsibility for improving the lives of those living and working in the regions in which we operate.

People and Communities Goals and Roadmap

SeaChange® is an integrated plan of initiatives, organized into four programs, to drive meaningful improvements across the entire global seafood industry.

OUR OPERATING PRINCIPLES

Good Governance

Robust leadership, policies and processes ensure our business is focused on delivering our sustainability objectives and is ethical across all our operations.

Transparency

We will remain transparent in all communications with stakeholders, customers and the industry, sharing our learnings and providing regular updates on our progress.

Partnerships and Collaboration

We have and will continue to actively seek out NGOs, governments and industry partners to work with us on initiatives designed to deliver against our overarching objectives. We will continue to share our findings so the entire industry can benefit from our experience and findings.



SUSTAINABILITY COMMITTEE

The [Sustainability Committee](#) meets twice per year and is chaired by the Global Director of Corporate Affairs and Sustainability. It brings together team members across functions and locations throughout the world. The Global Director of Corporate Affairs and Sustainability also sits on the [Global Leadership Team](#) and the [Risk Management Committee](#) to ensure there is a direct link between sustainability and the Board.

TECHNOLOGY FOR SOCIAL INNOVATION

Technology is a key enabler to producing sustainable seafood, which, in many regions is the most readily-available source of protein. Often, the technology isn't new, such as providing workers onboard fishing vessels with adequate connectivity to contact shore regularly. However, there are also revolutionary innovations being made. Blockchain and cryptocurrencies are two of the most exciting recent tech advances, with applications in combating hunger and ensuring ethical seafood.

In particular, Thai Union is trialing the use of blockchain to input key data elements relating to catch

and production from the farm to the processor. The information will be secure, visible to all participants, and aids transparency and traceability, enhancing confidence. Working with partners, Thai Union has focused on initiatives which incentivize data sharing and ensure accurate reporting. The technology will facilitate market-based pricing of data and create a user-pay, whole-chain traceability system which enables accurate, transparent reporting, providing direct incentives to meet sustainability standards.

The need to combat hunger and produce seafood ethically is ongoing. Technology advances mean we have many more tools at our disposal to ensure all our food is produced sustainably and that we are continuously working to maintain fish stocks for generations to come.

UN SUSTAINABLE DEVELOPMENT GOALS AND UN GLOBAL COMPACT

While this work is designed to have a positive impact on the seafood industry, the milestones we achieve under our programs will also deliver against the United Nations (UN) Sustainable Development Goals (SDGs) and is guided by our commitment to the UN Global Compact (UNGC).

In line with SeaChange®, Thai Union is focused on delivering across all the SDGs but is focused on three contributing to broad societal change.



Thai Union is a member of the UNGC and has worked to implement the commitments in its Ten Principles since 2013.



Human Rights

Thai Union will support and respect the protection of internationally proclaimed human rights; and

1

Make sure that they are not complicit in human rights abuses.

2

Labor Standards

Thai Union will uphold the freedom of association and the effective recognition of the right to collective bargaining;

3

The elimination of all forms of forced and compulsory labor;

4

The effective abolition of child labor; and

5

The elimination of discrimination in respect of employment and occupation.

6

Environment

Thai Union will support a precautionary approach to environmental challenges;

7

Undertake initiatives to promote greater environmental responsibility; and

8

Encourage the development and diffusion of environmentally friendly technologies.

9

Anti-Corruption

Thai Union will work against corruption in all its forms, including extortion and bribery.

10

The launch of the UN Global Compact Network Thailand, December 2018.



OUR MATERIAL ISSUES AND STAKEHOLDER ENGAGEMENT



In 2018, we continued to address our most material issues through SeaChange®. We continued to conduct face-to-face meetings with our key stakeholders, including governments, customers, consumers, nongovernmental organizations (NGOs) and civil society, as well as staff and research institutions, to constantly assess and address our material issues and those of most concern to our stakeholders.

MATERIALITY IN RISK ASSESSMENT

One way we assess our materiality is through our risk management procedure. Through reviewing activities and partnerships, assessing forthcoming legislation and the implementation of regulations, customer preference and feedback, as well as media profile and risk, Thai Union continuously

monitors the materiality of issues and the impact they have on our internal risk profile. These risks are presented quarterly to the [Risk Management Committee](#), and action is taken as required.

EMERGENT MATERIAL ISSUES

Stakeholder concern regarding [oceans plastic](#) increased and became a significant material issue. As a user of primarily recyclable packaging, in the form of steel and aluminum cans and paper outer cardboard, we assessed that our greatest



A delegation from the European Union visits Thai Union Manufacturing in 2018.

» impact beyond our packing commitment is through supporting work to reduce marine litter and abandoned, lost and discarded fishing gear (ALDFG).

Every year around 8 million tons of plastic enter into the ocean, mostly urban waste, particularly plastic litter and microplastics. ALDFG makes up to 70 percent by weight of macro plastics in the ocean. It washes up on beaches, tangles on coral reefs, threatens navigation and ensnares marine life. It has obvious impacts on global food security and the seafood supply chain, as well as an impact on the livelihoods of coastal communities. In this way, the issue of ocean plastic and marine litter impacts all three of the SDGs we have chosen to focus on and is therefore a material issue not only to our stakeholders but also to Thai Union. So, in 2018, we joined the Global Ghost Gear Initiative

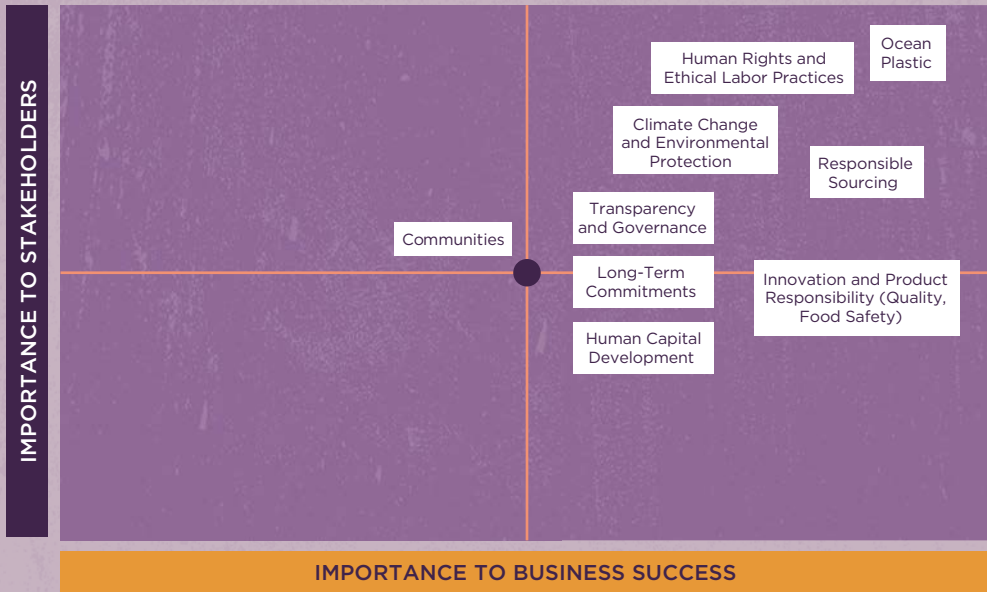
(GGGI) to actively [promote solutions](#) for reducing this waste.

You can see an assessment of our progress in 2018 [here](#).

MATERIALITY MATRIX

All of Thai Union's key materiality issues remained the same for 2018. However, sub-issues became more prominent. For example, under the category of Human Rights and Ethical Labor Practices, the issue of ethical recruitment became more salient. Thai Union has worked on ethical recruitment for numerous years, and in 2018 we strengthened our efforts both locally and at an international level. For our Ethical Migrant Recruitment Policy, we opted to have an independent review funded »

Materiality Matrix



» by Humanity United and Freedom Fund to share our experiences and lessons learned to help develop a business case for ethical recruitment. Thai Union also continued to support the Bali Process Business and Government Forum, including an 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) and eliminate transnational crimes currently afflicting people throughout the Indo-Pacific region.

It is time we all demand liberty, equality and security for everyone, so that no one is sentenced to an existence of oppression, servitude or other exploitation. The poor—the most vulnerable among us—cannot afford to subsidize the lives of the rich at the expense of their basic human rights. It is incumbent upon all of us, particularly the governments and businesses involved in the Bali Process, to lead in this fight. We do this, in part, through genuine political will, multi-party collaboration, and resolute, uncompromising determination.

If we work together, we can create the future we all envision, for every man, woman and child; a future where no one profits off another's misery; and a future where no one is suppressed by the scourge of slavery.

– Dr. Darian McBain, Thai Union Global Director of Corporate Affairs and Sustainability

Attendees at the 7th Bali Process Business and Government Forum.
Photo by Caitlin Di Stefano, Minderoo Foundation

7th Bali Process Ministerial Conference

Bali, Indonesia, 6 - 7 August 2018



2018 SUSTAINABILITY REPORT

THAI UNION GROUP PUBLIC COMPANY LIMITED

CHANGING SEAFOOD FOR GOOD

STAKEHOLDER ENGAGEMENT

Thai Union regularly engages with our key stakeholders, allowing us to understand and prioritize our sustainability risks and define appropriate responses to emerging corporate challenges. Given our global scale of operations, our material issues and impacts are complex and transcontinental. Thai Union carried out a materiality assessment, which analyzed our worldwide operations, to identify and prioritize the most important issues to our stakeholders and the business as a whole—our material issues—including those related to environmental, social and governance risks. Building on the stakeholder feedback from the December 2015 materiality assessment, we developed our SeaChange® sustainability strategy, which launched in 2016. In 2019, we will conduct a structured stakeholder engagement process to review and input on our 2025 SeaChange® goals.












Thai Union's Human rights manager, Prad Kerdpairaj (far right), participates in the Humans of Seafood public seminar in June 2018 in Thailand.





Our Stakeholders	Online Consultation	Tailored Strategy Presentation	Reporting (e.g. newsletter, emails)	Trainings	Site Visits	Events (Internal, external)	Microsite	Corporate Sustainability Campaign
Thai Union Management	✓	✓	✓			✓	✓	
Thai Union Staff	✓	✓	✓			✓	✓	
Thai Union Legal Staff	✓	✓	✓			✓	✓	
Consumers							✓	✓
Customers	✓	✓	✓	✓ ⁽¹⁾	✓	✓	✓	
Industry Associations/Lobbyists	✓	✓					✓	
International Organizations (UN, Interpol, etc.)	✓	✓			✓	✓	✓	
NGOs/Foundations	✓	✓			✓		✓	
Policy Makers/Regulators	✓	✓	✓		✓	✓	✓	
Shareholders/Investors	✓	✓ ⁽²⁾	✓	✓ ⁽³⁾	✓		✓	
Suppliers	✓			✓			✓	
Think Tanks	✓	✓					✓	

(1) sales teams / (2) personalized emails & letters / (3) investor relations team

FEEDBACK FROM THAI UNION'S STAKEHOLDERS

OUR STAKEHOLDERS	ISSUES	THAI UNION RESPONSES
 INVESTORS	<ul style="list-style-type: none"> • Improvement of business performance • Good governance • Transparency of information 	<ul style="list-style-type: none"> • Transparency and governance (anti-corruption, data disclosure, tax policy and reporting) • Investor Relations Communications team, quarterly face-to-face investor updates with a sustainability briefing
	<ul style="list-style-type: none"> • Social and environmental responsibilities 	<ul style="list-style-type: none"> • Climate change and environmental protection
 SUPPLIERS	<ul style="list-style-type: none"> • Fair trade • Consistency expectation • Increasing orders 	<ul style="list-style-type: none"> • Responsible sourcing (traceability, viability) • Code of Conduct • Supplier audits and capacity building
 CUSTOMERS	<ul style="list-style-type: none"> • Product quality (health and nutrition) • Food safety • Service quality • Competitive price 	<ul style="list-style-type: none"> • Innovation and product responsibility (quality food safety) • Increased customer communication and face-to-face meetings on sustainability held globally • Offering more sustainable alternatives to meet customer demands
	<ul style="list-style-type: none"> • Social and environmental responsibilities • Eco-labelling (e.g. MSC, dolphin safe, ASC, BAP, carbon footprint of products) 	<ul style="list-style-type: none"> • Responsible sourcing • Climate change and environmental protection • Updates on Safe and Legal Labor, our Tuna Commitment, our Greenpeace agreement and our European partnership with WWF

OUR STAKEHOLDERS	ISSUES	THAI UNION RESPONSES
 END-CONSUMERS	<ul style="list-style-type: none"> • Eco-labelling • Competitive price • Food safety • Product quality (health and nutrition) 	<ul style="list-style-type: none"> • Innovation and product responsibility (quality, food safety)
 EMPLOYEES	<ul style="list-style-type: none"> • Social and environmental responsibilities • Eco-labelling (e.g. MSC, dolphin safe, ASC, BAP, carbon footprint of products) 	<ul style="list-style-type: none"> • Responsible sourcing • Can trackers and traceability data as well as product information
 DAILY/ MIGRANT WORKERS	<ul style="list-style-type: none"> • Fair compensation and benefits • Fair labor practices • Safety and wellness • Career development and opportunity • Career security • Work-life balance 	<ul style="list-style-type: none"> • Human rights and fair labor practices • Human capital development
 COMMUNITIES	<ul style="list-style-type: none"> • Legal compliance 	<ul style="list-style-type: none"> • Transparency and governance (anti-corruption, data disclosure, tax policy and reporting)
 GOVERNMENT	<ul style="list-style-type: none"> • Social and environmental responsibilities • Partnership in community development • Socioeconomic development 	<ul style="list-style-type: none"> • Nutritional information • Communities
 GOVERNMENT	<ul style="list-style-type: none"> • Legal compliance • Participation in government programs 	<ul style="list-style-type: none"> • Transparency and governance (anti-corruption, data disclosure, tax policy and reporting)

OUR STAKEHOLDERS	ISSUES	THAI UNION RESPONSES
 NGOS	<ul style="list-style-type: none"> • Social and environmental responsibilities • Marine conservation • Participation in social and environmental programs 	<ul style="list-style-type: none"> • Climate change and environmental protection • Communities • WWF partnership report, Greenpeace agreement update
 INTERNATIONAL ORGANIZATIONS	<ul style="list-style-type: none"> • Regulatory compliance • Transparency of information 	<ul style="list-style-type: none"> • Transparency and governance (anti-corruption, data disclosure, tax policy and reporting)
 ACADEMIA	<ul style="list-style-type: none"> • Social and environmental responsibilities • Marine conservation • Participation in social and environmental programs 	<ul style="list-style-type: none"> • Joint workshops such as with the ILO • Communities
 MEDIA	<ul style="list-style-type: none"> • Transparency of information • Timeliness of information 	<ul style="list-style-type: none"> • Transparency and governance (anti-corruption, data disclosure, tax policy and reporting) • Engagement on material issues

2018 IN BRIEF

We have embraced our role as a leader for positive change as one of the largest seafood companies in the world. This means putting sustainability at the heart of our business with our SeaChange® sustainability strategy. We worked every day in 2018 to ensure the company values we embrace are being translated into real and demonstrable change for good, and it is an honor to be recognized as sustainable development leaders. Here are some of the year's highlights.

EDIE SUSTAINABILITY LEADER OF THE YEAR AND ETHICAL CORPORATION BUSINESS LEADER OF THE YEAR



Along with our Chicken of the Sea brand and Monterey Bay Aquarium, launched

SEACHANGE® IGNITE

to advance new sustainability initiatives and improvements throughout our supply chain



ADDRESSED WORLD LEADERS

on combating modern slavery at UN General Assembly



NO. 1 COMPANY IN WORLD IN FOOD PRODUCTS INDUSTRY

by the Dow Jones Sustainability Index (DJSI)—SeaChange® paved the way with a best-in-class 100th percentile ranking for total sustainability score



RECEIVED THOMSON REUTERS FOUNDATION'S STOP SLAVERY AWARD HONORABLE MENTION



Joined the

GLOBAL GHOST GEAR INITIATIVE

to help combat marine plastics

SAFE AND LEGAL LABOR

Providing [safe, legal and freely-chosen employment](#) in our own facilities and in supply chains is critically important to Thai Union. While we have significant programs in place for our own employees, we are also partnering with specialist organizations and NGOs to ensure that those working in the wider industry are protected.

Thai Union owns no vessels, but we are using our market position to improve labor conditions throughout the seafood supply chain. We know that full traceability of all our seafood products, from catch to consumption, will help accurately identify gaps in safe and legal labor and, critically, give workers a voice.

We are committed to this work and to helping the industry deliver against the UN SDG 8 aim to provide decent work and economic growth for communities and individuals throughout the world.

Thai Union continues to adhere to our revised Business Ethics and Labor Code of Conduct, which was released in 2015 to promote a higher level of accountability and transparency throughout our supply chain. Thai Union published our first Vessel Code of Conduct in December 2017, which is applicable to vessels from which Thai Union sources around the world. Guidance for specific fleets was developed in 2018. The program started rollout in 2018, in accordance with an agreement reached between Thai Union and Greenpeace. Learn more about our codes of conduct [here](#). To

learn about our supplier engagement with our codes, see [here](#).

In 2018, we created a specific Supplier Business Ethics and Labor Code of Conduct to focus in more detail on supplier requirements, particularly with respect to ethical recruitment.

Thai Union supports safe and legal migration, as it provides a good opportunity for workers to access a better income than available in their home countries. In 2018, we worked with partners to assess the efficiency and efficacy of the [Ethical Migrant Recruitment Policy](#). An ethical migrant recruitment policy review was undertaken in 2018 and key findings will be shared in 2019. The Ethical Migrant Recruitment Policy Review Report will be shared widely so that the broader community working on ethical recruitment can learn from our experiences. Since implementation in 2016, 9,407 migrant workers have been brought into Thailand under this policy to work with Thai Union.

To strengthen our existing programs on gender and diversity, in 2018 Thai Union published our [Diversity Policy](#). And we maintained our support >>



Thai Union presents on its Worker Welfare Committee at a Seafood Taskforce meeting in Bangkok with Committee representatives from Thailand and Myanmar.

» for freedom of association as per our commitment to the UN Global Compact. For example, we continued to develop worker welfare committees at our factories and [supported the Fishers' Rights Network](#) establishment in Thailand.

Further, in 2018, we released a [Safe and Legal Labor Update Report](#), outlining our progress on this important pillar of SeaChange®. To find our more about our approach to human capital development, see [here](#).

Case Study

Thai Union Makes Positive Progress on Agreement with Greenpeace for More Sustainable, Socially-Responsible Seafood

Thai Union announced in [June 2018](#) that we made substantial, positive progress on our commitment to implement measures that tackle illegal fishing and overfishing, as well as improve the livelihoods of hundreds of thousands of workers throughout its supply chains, as outlined in our landmark agreement with Greenpeace.

The agreement between Thai Union and Greenpeace was originally announced in July 2017. Thai Union committed to build upon our SeaChange® sustainability strategy, including efforts to support best practice fisheries, improve other fisheries, reduce illegal and unethical practices in its global supply chains, and bring more responsibly-caught tuna to key markets.

Additionally, Thai Union and Greenpeace will continue to maintain an ongoing dialogue on how both organizations can coordinate to address the sustainability of the ocean and marine life, as well as protect human rights. In 2019, an independent third party will review and publicly report on progress-to-date on the commitments.



“Thai Union is determined to promote safe and legal labor practices in the global seafood industry. We have strengthened enforcement of our Business Ethics and Labor Code of Conduct for both our own facilities and direct suppliers though regular audits, supplier training, and the launch of our Vessel Code of Conduct—and we have continued to implement our Ethical Migrant Recruitment Policy.”

— Vorarat Lertanatrakool,
Thai Union's Director of
Human Resources



RESPONSIBLE SOURCING

25



The seafood industry is complex, whether looking at wild-caught or aquaculture fisheries. Given the complexities of the seafood industry, we recognize the importance of proactively addressing both emerging and ongoing issues in our dynamic business environment. Supply chain management, part of the **Responsible Sourcing** program within SeaChange®—is vital to the effective and successful management of our business.

Traceability is the key to improving the transparency and operational practices of the entire seafood industry. With traceability in place, we can track every product from catch to consumption—and we can ensure our suppliers abide by the same sustainability commitments as Thai Union. Without full traceability of our supply chain, we cannot begin to understand its risks. As such, we refer to traceability as the backbone of SeaChange®.

Our Responsible Sourcing program focuses not only on traceability, but also engagement. We view our suppliers as partners, and we support and encourage them to meet our high standards our customers and other stakeholders expect. This includes training for 204 individuals from 125 suppliers of food ingredients, packaging and logistics on our Business Ethics and Labor Code of Conduct, as well as training for 300 captains,



A participant in a health and safety training workshop co-hosted by Thai Union and the International Transport Workers' Federation (ITF) receives a safety kit with basic first aid supplies.

boat owners and fishers on health and safety at sea. Similar to most sectors, the seafood industry has inherent risks that Thai Union actively works to mitigate. These risks include:

- Illegal, unreported and unregulated (IUU) fishing, a legal compliance risk.
- Labor and human rights violations, a social risk.
- Fish population depletion, an environmental risk.

Our **supply chain management** approach primarily focuses on the sourcing of raw fishery and aquaculture materials as these processes have the highest potential to carry risk. But we also recognize the need to manage our supply chains for a range of other categories—from packaging to >>

non-seafood ingredients to logistics. [Learn more about supplying to Thai Union.](#)

Thai Union continued to work with our partners to deepen our understanding and approach to responsible sourcing. In 2018, we:

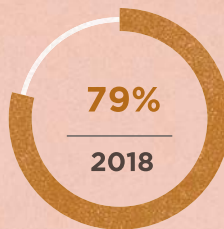
- Completed our [four-year partnership with WWF](#)

- [Announced our partnership with the Global Ghost Gear Initiative \(GGGI\)](#) to develop our approach on abandoned, lost and discarded fishing gear (ALDFG);
- And [announced a partnership](#) at the Our Oceans Conferences with Monterey Bay Aquarium and the Carnegie Endowment for International Peace on SeaChange® IGNITE.

Tuna sourced from ISSF PVR vessels



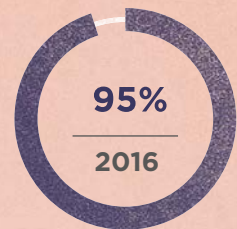
Percentage of PVR listed large scale purse seine vessels



Percentage of PVR listed vessels for all fishing gear types



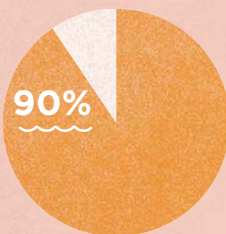
Percentage of PVR listed vessels for all fishing gear types



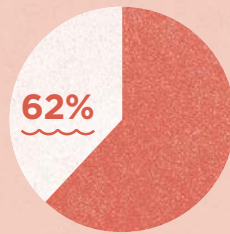
Percentage of PVR listed vessels for all fishing gear types

*Decrease from 2017 to 2018 is due to larger purchase volume in 2018 from vessels not PVR listed, primarily pole and line.

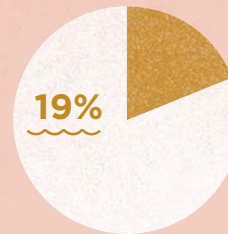
Global Fishery responsible sourcing performance 2018



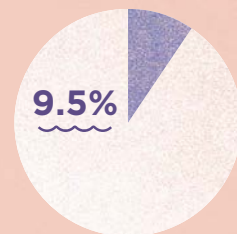
Share of tuna sourced from MSC fishery or FIP for Thai Union markets in Europe



Share of non-tuna sourced from MSC fishery or FIP




Share of tuna sourced from MSC fishery or FIP globally




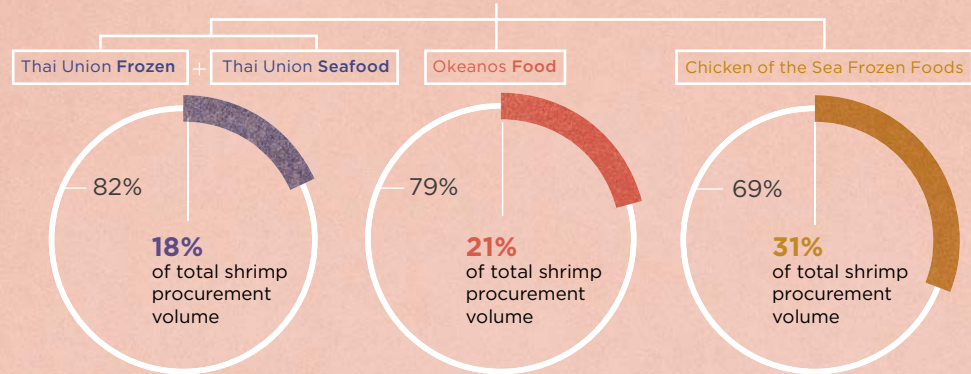
Share of pole-and-line tuna

Note: Entire TU purchases in the year 2018. Non-tuna species include crab, wild salmon, sardines, mackerel, lobster, Pollock, sole, herring and cod.

Share of shrimp raw materials sourced from internationally certified farms

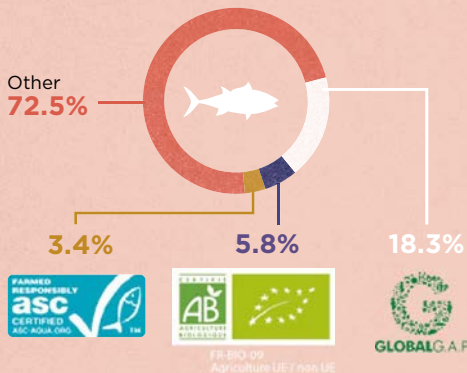
 Internationally Certified

 Others



Share of internationally certified farmed salmon sales revenue

Thai Union Europe Chilled



DIGITAL TRACEABILITY

Digital traceability continues to be an important part of our supply chain management. Our custom-built traceability system, Trax, provides us with digital data management tools to not only run our global operations efficiently, but also to facilitate the functionality of can trackers, which are found on our brands' products around the world. In recent years, Trax has been expanded to cover more of our facilities and supply chains.

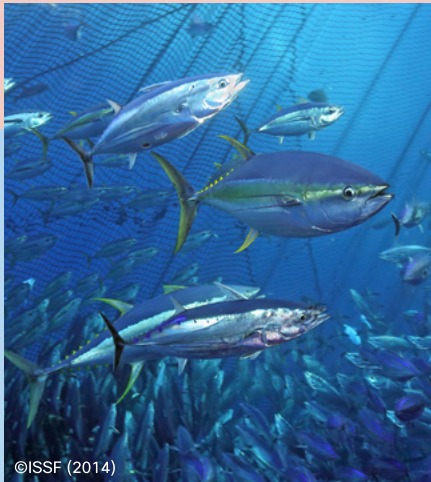
The Trax digital mapping system provides better visibility into our supply chain, which helps us conduct an effective risk analysis. For our wild-caught species, we also started conducting thorough stock and market analysis on a monthly basis, enabling us to more accurately forecast fish availability. The analysis takes into consideration a number of conditions, including stock status, fishery regulations and closure periods, climatic conditions, ocean currents and more. In 2018, we continued to support the [Global Dialogue on Seafood Traceability \(GDST\)](#) to develop key data elements and interoperability for the seafood industry.

Case Study

MAKING PROGRESS ON OUR TUNA COMMITMENT

At Thai Union, we have committed to source 100 percent of our branded tuna from fisheries that are either Marine Stewardship Council (MSC) certified or engaged in FIPs to move them toward MSC certification. Thai Union has fully embraced MSC certification, now globally recognized as the most robust sustainability standard for sustainable fisheries. We use MSC principles as a standardized tool to measure the sustainability performance of the various fisheries from which we source.

We will achieve our Tuna Commitment by initiating 11 tuna Fishery Improvement Projects (FIPs) across a wide range of geographies. Once launched, each of our FIPs is listed on fisheryprogress.org, which serves as an independent validation of progress and will provide our stakeholders with information.



©ISSF (2014)

Photo by Fabien Forget

In conjunction with other major regional actors, such as fleets, processors, governments and non-governmental organizations, we have successfully launched five large-scale tuna fishery improvement projects (FIPs) worldwide.

In addition to Thai Union's tuna FIPs, we have also engaged in FIPs targeting species such as mackerel and sardine. Presently, Thai Union is an active partner in a sardine FIP in Morocco; the FIP has been running for over three years and the fishery will potentially receive MSC certification assessment in 2019.

[Learn more about our Tuna Commitment.](#)



Today, more than ever, Thai Union has fully embraced our role at the forefront of driving positive change. We invest substantially with an aim to transform tuna sourcing for the entire industry and demonstrate our strong commitment to the sustainability of our oceans. We are proud of the progress we have made on our commitment to source 100 percent sustainable tuna and look forward to continuing our work with civil society, business and governments to support sustainable fishing practices.

– Kevin Bixler, Thai Union Group
Director of Fish Procurement

Case Study

FISHING VESSEL IMPROVEMENT PROGRAM AND VESSEL CODE OF CONDUCT

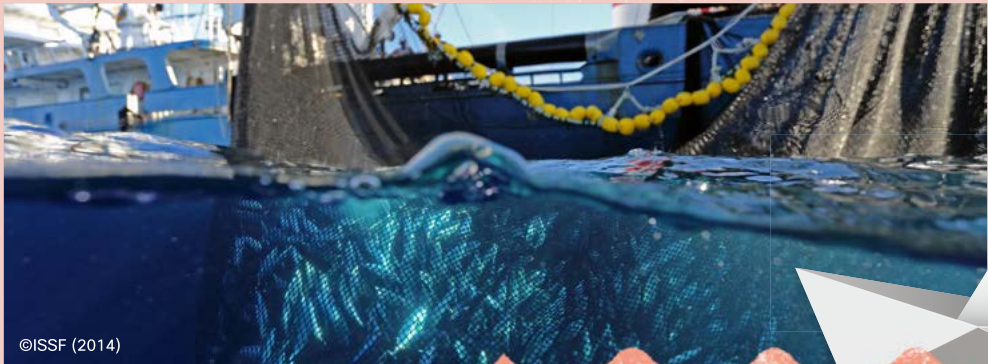
Thai Union started to implement our Fishing Vessel Improvement Program and Vessel Code of Conduct (VCoC) to provide clear guidance to the fishing vessels from which we source as well as improve labor and ethical performance in the fishing industry. The VCoC is an extension of the Thai Union Business Labor and Ethics Code of Conduct, which is built on 12 fundamental principles designed to reinforce a culture of integrity and is aligned with the United Nations Global Compact principles of basic responsibilities to people and upholding their basic rights.

The Fishing Vessel Improvement Program and VCoC help shape company expectations relating to labor and the ethical conditions on board the

fishing vessels in our supply chain and aim to engage suppliers on a journey to improve the seafood sector.

Thai Union's existing and new suppliers are required to sign the VCoC in order to conduct business with the company, ensuring the VCoC is applicable to all fishing vessels in our supply chain. Furthermore, the VCoC includes a commitment by suppliers to develop a Vessel Improvement Program (VIP) to meet the clauses and address any non-compliance issues identified to be of a major or critical concern. This provides suppliers with the ability to increase transparency, demonstrate accountability as well as to remedy any issues.

In one instance, with the support of several of our customers, in 2018 [we published results from our first industry collaborative third-party audit](#), conducted by global safety consulting and certification company UL, on some Thai commercial fishing vessels supplying the company's business. The third-party audit was conducted in line with our SeaChange® sustainability strategy.



©ISSF (2014)

Photo By Fabien Forget

RESPONSIBLE OPERATIONS

Thai Union has many initiatives in place to help ensure we operate responsibly and manage some of our most material issues. In line with the UN Sustainability Goals, we also focused on responsible production and consumption.

Global environmental risks such as climate change, resource consumption and waste management have an increasingly negative impact on our oceans which in turn threatens marine species on which we depend. The way we operate has to be environmentally responsible and also show a duty of care for our workers in how we operate.

We have initiatives in place that contribute to water reduction, energy consumption, waste to landfill reduction, reducing greenhouse gas emissions and accident reduction. We want everyone who works for Thai Union to play an active role in delivering our environmental and safety goals—we see safety and environmental protection as everyone's business. We also strive to make advances in our occupational health and safety policies, continually strengthening our safety standards, procedures and processes. To see details about Thai Union's environmental performance see [here](#).



CLIMATE CHANGE AND ENVIRONMENTAL IMPACT

Thai Union has established emissions mitigation programs in various countries as we recognize the serious impact of greenhouse gases (GHG) on climate change and global warming, especially to marine and coastal biological diversity. Thai Union supports the Paris Agreement's global goal to reduce GHG emissions, which was established at the 21st Conference of the Parties of the United Nations Framework Convention on Climate Change. We are also targeting a reduction in GHG emissions by at least 30 percent of our 2016 base year levels by 2020. With these efforts, Thai Union is moving toward becoming a low-carbon organization and reducing the impact of GHG on the environment and society.

ENVIRONMENT, HEALTH AND SAFETY

In recent years, we have prioritized the development of Thai Union's Environmental, Occupational Health and Safety (EHS) Management System. By implementing our EHS protocols across all Thai Union workplaces, we ensure that each facility operates to the same minimum EHS requirements. We systematically integrate EHS and energy conversion considerations into our business processes to build a safe workplace and mitigate injury and fatality risks. For more details about how we address our water, energy and waste targets, see [here](#).



Thai Union has many initiatives in place to ensure we operate responsibly. We also strive to make advances in our occupational health and safety policies, continually strengthening our safety standards, procedures and processes. We see safety and environmental protection as everyone's business.

— Comgrit Sorchom, Thai Union's Group Director of Environmental, Health and Safety

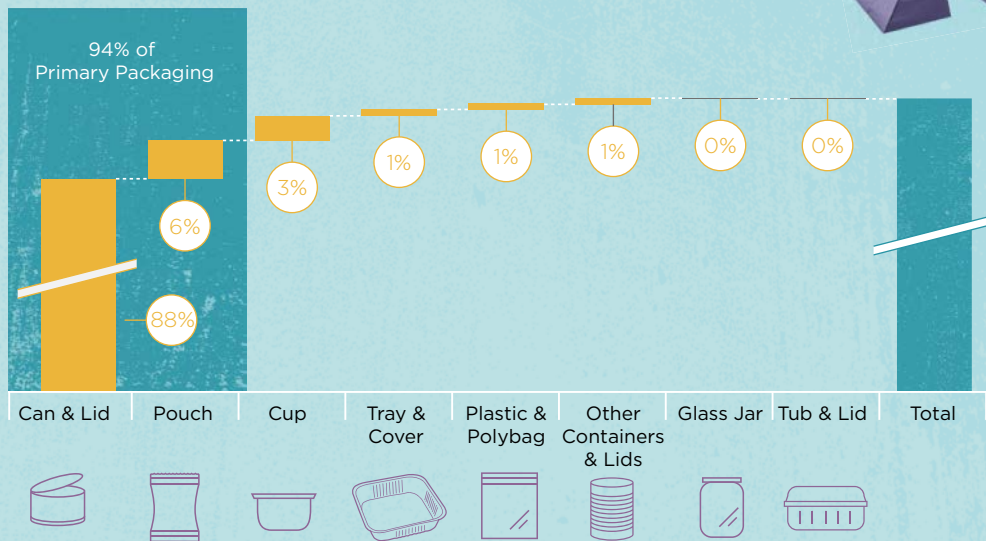


SUSTAINABLE PACKAGING

Packaging is an important component of any product and contributes significantly to a company's overall environmental impact. By developing and implementing sustainable packaging initiatives, our environmental footprint is reduced. By exploring sustainable packaging in our innovation

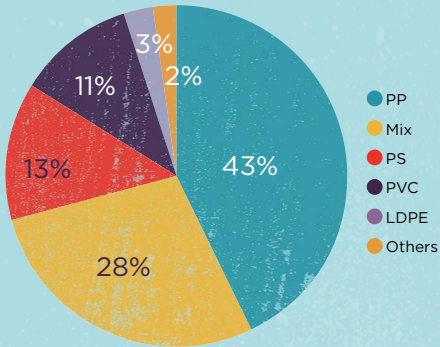
research, we ensure a continuous pipeline of improvements, which will help achieve Thai Union's goals for carbon footprint reduction and environmentally-friendly packaging. In 2018 we announced our [packaging goal](#).

Spend by category: Packaging – Primary



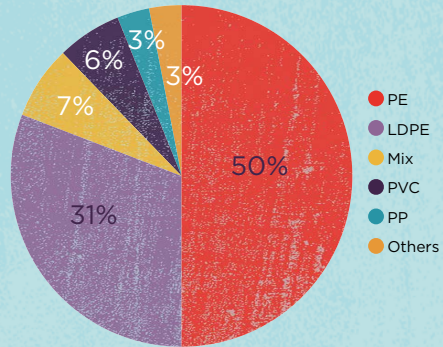
PRIMARY PLASTIC PACKAGING

Total **primary** plastic packaging



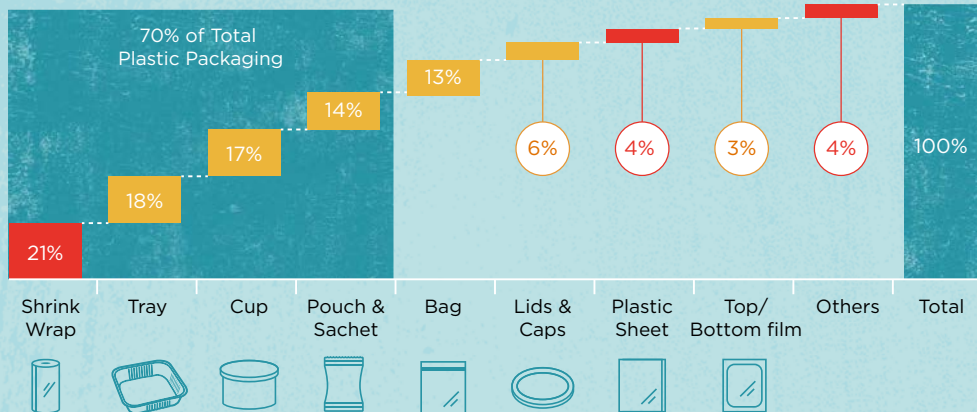
SECONDARY PLASTIC PACKAGING

Total **secondary** plastic packaging



PLASTIC CONSUMPTION VOLUME BY PLASTIC PACKAGING TYPE

● Mostly Primary Plastic Packaging
● Mostly Secondary Plastic Packaging



Note: Primary packaging is mostly trays, cups and pouches, while secondary packaging is predominantly shrink wrap. Other packaging types include palette, sleeve, tape and band, spoon and spork, bin, sack, label, air bubble, absorber, box and base web. Plastic packaging type assessment conducted in 2018 based on 2017 data.

Our Five-Year Packaging Innovation Roadmap



Working to develop a paper lid solution to replace our existing plastic lids used in product packaging. We intend to have a commercially viable paper lid option by 2019.



Researching ways to reduce the thickness and weight of cans to decrease the quantity of material used.



Exploring technologies to reduce the thickness of the pouches we currently use for many of our seafood products, while maintaining the same appearance and quality our customers enjoy.



Conducting ongoing research to identify more environmentally-friendly plastics, through implementing and utilizing bio-based material or putting recycled content into polymers, as we aim to decrease global plastic pollution and improve the carbon footprint of our product packaging.



Investigating ways to utilize shrimp shells in our plastic packaging. This would yield many benefits, including the reuse of factory waste, the development of bio-based packaging and improved shelf life for products.



Optimizing for transportation through more space-efficient packaging, for instance in the form of square packaging.

Case Study

HEALTH AND SAFETY TRAINING WORKSHOP



Thai Union and the International Transport Workers' Federation (ITF) co-hosted a series of health and safety training workshops for hundreds of vessel owners, captains and crew in Thailand in 2018.

Participants received a range of guidance, including first aid and basic medical training techniques such as CPR, how to effectively respond to a potential life-threatening situation while at sea. One medical kit was issued per vessel.

"I found the health and safety training workshop very useful—especially the medical training," said Kyaw Kyaw Myint, a migrant fisher in Thailand originally from Myanmar, after a training workshop in Chumphon. "We learned things no one had ever really told us before now which are very important to know."

The workshop also covered basic instruction on fire safety, good health practices as well as how to use bank accounts in Thailand.

In addition to partnering with ITF to co-host health and safety training workshops, Thai Union also works with the International Labour Organization (ILO) related to select information that is being promoted among fisher communities, along with other important partners within the seafood and fishing industry.



This program is all about putting what we found in our vessel audits in our supply chain into practical, useful advice for fishers, captains and vessel owners. We know that auditing alone does nothing to improve the industry, and we really want to help the fishers understand basic, safe practices. We also found that most vessels do not have basic first aid kits, and the kits distributed at the workshops can potentially save lives. When you teach people very practical skills that they can put into practice in every-day life, that is when they see the value.

— Dr. Darian McBain, Thai Union's Global Director of Corporate Affairs and Sustainability.

PEOPLE AND COMMUNITIES

Thai Union takes responsibility for improving the lives of those living and working in the regions where we operate through our [People and Communities](#) pillar in SeaChange®. This includes cleaning marine environments and working to end hunger through food donations to [educating children](#) and providing nutritional information to consumers and local communities.

Thai Union has implemented a range of initiatives and programs where we operate, in line with our sustainability strategy, the SDGs and anti-corruption. These programs respond to stakeholder and community needs. Project outcomes are measurable, for example accounting for the number of people who benefited, amount of income generated, or the amount of waste reduced. In addition, the impact of the programs is assessable, including the impact and benefit to the local community, stakeholders or environment, as well as the impact to Thai Union Group.

There is a global challenge of how to feed an estimated world population of 9 billion people by 2030. Without sustainable seafood production, both from aquaculture and wild capture, the world cannot achieve SDG 2 Zero Hunger.



Describing body fat at a nutrition workshop for children.

HUMAN CAPITAL INVESTMENT

We believe learning and development is an important, ongoing initiative to [enhance our employees' skills and capabilities](#). At Thai Union, we are committed to continuously developing our workforce based on individuals' needs, readiness and vocational requirements. We do this by providing high quality capacity building programs that support employees' career aspirations and help them become effective contributors and leaders.

Thai Union's leadership development programs are guided by our Capability Framework and Leadership Expectations are defined internally >>



» and emphasize the links between our core values, goals and business context. The framework and leadership model help ensure we continue and enhance our track record as a high performing organization that achieves business results, engages and retains our employees, and serves as an industry role model.

CORPORATE SOCIAL RESPONSIBILITY AND COMMUNITY INVESTMENT

Thai Union has worked together with private sector peers, local government, international organizations and civil society bodies to address social and environmental problems. From cleaning beaches and protecting endangered species to educating children of migrant workers and nutritional workshops for local communities—Thai Union is committed to good corporate citizenship. Review our progress updates for our people and communities [here](#).

Some of this work is undertaken at a group level. [Thai Union is a major donor to famine and disaster relief programs](#) every year. However, much of the work is delivered at a domestic level through our brands; some of these initiatives are significant and others are much more modest, but big or small, when combined, they tell a very compelling story about our business and the things that matter to our company.

RIGHTS AWARENESS

The seafood industry continues to face challenges in achieving equal and fair treatment of migrant workers, stemming from informal and illegal labor practices such as human trafficking, forced labor, child labor and debt bondage. Thai Union has



From cleaning beaches and protecting endangered species to educating children of migrant workers and providing nutritional information to local communities—Thai Union is committed to being a good corporate citizen.

— Tracy Cambridge, Thai Union's
Responsible Sourcing Director, Europe

many initiatives underway to help protect the rights of migrant workers in Thailand and beyond, including collaborations with nongovernmental (NGO) partners to facilitate social dialog and capacity building through training, workshops and [practical demonstrations](#).

We aim to prevent instances of child labor and trafficking by ensuring our migrant workers in Thailand understand their rights. Migrant workers with children in Thailand often lack access to education due to insufficient knowledge about the Thai school system.



Case Study

INVESTING IN CHILDHOOD EDUCATION IN OUR COMMUNITIES

We recognize education is an important foundation for a better life. In 2018, we officially broke ground on our fourth preschool in Samut Sakhon for children of migrant and local workers in the community. These schools help the children prepare to enter the Thai education system, so they can progress to primary school. They also ensure the children are safe during the day, providing their working parents with real peace of mind.

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

Another example of our community involvement is the Pracharat Project—a project coordinated by the Thai Government. For the past year, Thai Union has been actively involved in two programs with the project which aim to improve the lives of the local community, as well as boost the education standards of children from 30 schools across Samut Sakhon, Samut Songkhram, Phetchaburi and Prachuab Khiri Khan provinces where the company operates in Thailand.

Thai Union has invested THB 6 million in CONNEXT ED, which aims to minimize inequality in society, develop people's potential, and increase competitiveness to students in public schools under the Office of the Basic Education Commission. The program develops a network of next-generation leaders from private companies who will learn and develop leadership skills through what is called the Action Learning Project, which includes knowl-



Thiraphong Chansiri, Thai Union's CEO, speaks with principals and teachers during school visits in Petchaburi and Prachuab Kirikhun in Thailand.

edge sharing and strategic planning in academic development with school principals, teachers, local community leaders and students. This helps develop Thai students to be “good and smart students,” according to the program's objective.

Thai Union—which is one of 12 companies providing advice and financial support for the program—has appointed 10 company volunteers with leadership potential to be “School Partners” responsible for supporting the 30 schools. This includes:

- Providing training development programs for school teachers across several topics, such as development programs for STEM (Science, Technology, Engineering and Mathematics) teachers, English capability building for English teachers and Project Based Learning (PBL) curriculum design.
- Career enhancement activities to inspire students to continue studying through to higher levels.
- Enhancing the English language capabilities of students through online learning packages.



- Providing learning kits, and school materials such as math kits, science kits, Montessori learning materials, musical instruments and occupational equipment.
- In 2018, Thai Union and the company's volunteers will continue to support these 30 schools as well as add 10 more schools.

Thiraphong Chansiri, Thai Union's CEO, has had a hands-on role, which included visits to several of the schools involved to monitor their progress.

"The people in the communities where Thai Union operates are an integral part of our success," Chansiri said. "It's about being good citizens and doing what we can to enhance the livelihoods of those around us."

Separately, Thai Union has been actively involved in other project initiatives in Samut Sakhon, specifically one called the Pracharat Raksamakkee Samut Sakhon, which supports local businesses and helps put them on a better commercial footing.

Case Study

COMMITMENT TO NUTRITIONAL EDUCATION AND COMMUNICATION

At Thai Union, we understand the importance of eating nutritionally-rich food to stimulate mental and physical health.

As part of our commitment to educating people in the communities where we operate, Thai Union hosted a series of nutritional workshops in Thailand in 2018 for hundreds of school students, who also learned how a nutritionally healthy diet can build muscles and strengthen bones.

The workshops also provided the children with information on how to read nutritional facts on food labels to understand how much energy, calories, sodium, fat, carbohydrates, sugar and protein are contained in foods by serving size. Thai Union provides nutritional labeling on almost 100 percent of its products around the world.

As part of our efforts to provide nutritional food to children, Thai Union has also provided financial support for a UN World Food Programme (WFP)

study to model the impact of a planned universal national school meals program on the economy in Kenya. The study, conducted by the University of California, Davis (UC Davis) in collaboration with Kenya's ministries of Education and Agriculture, aspires to demonstrate the potential local and national economic impact of a national program providing daily lunch to over 1.5 million children in public primary schools from arid and semi-arid counties of Kenya. Final results will be announced in 2019.



PERFORMANCE SUMMARY

40

ECONOMIC PERFORMANCE

PERFORMANCE DATA	UNIT	2016	2017	2018
BUSINESS OVERVIEW				
Total revenue (Net sales per audited statement of income)	Million Baht	134,375.11	*134,973.27	133,284.64
Total cost				
Operating cost	Million Baht	127,569.85	131,823.68	130,041.82
Employee wages and benefits	Million Baht	10,795.08	12,540.22	12,492.17
Cash paid for interest expenses	Million Baht	1,009.31	2,182.09	1,925.34
Dividend paid	Million Baht	2,982.06	3,006.20	2,819.53
Cash paid for corporate income tax	Million Baht	1,706.59	877.29	433.25
Asia	Million Baht	117.47	205.31	237.38
EU & Africa	Million Baht	1,103.80	433.91	172.23
North America	Million Baht	485.32	238.07	23.63
Corporate responsibility & community investment	Million Baht	117.72	135.16	108.76
INNOVATION AND PRODUCT RESPONSIBILITY				
Percentage of marketed new products with nutritional labels	%	100	97	94
R&D spending as percentage of sales	%	0.22	0.22	0.27

*GRI 102-48 Reclassification of a business to discontinued operations and a change in the presentation of certain expenditures between cost of sales, selling expenses and administrative expenses.

GLOBAL OCCUPATIONAL HEALTH AND SAFETY PERFORMANCE

PERFORMANCE DATA	UNIT	2016	2017	2018
1. Lost Time Injury Frequency Rate (LTIFR) - Employees	Cases per 200,000 hours worked	0.89	0.74	0.59
2. Lost Time Injury Severity Rate (LTISR) - Employees	Cases per 200,000 hours worked	7.48	5.82	8.91
3. Lost Time Injury Frequency Rate (LTIFR) - Contractor	Cases per 200,000 hours worked	0.37	0.14	0
4. Working Hour -Employee	Hours worked	138,562,813	139,855,687	119,279,654
5. Working Hour - Contractor	Hours worked	2,430,099	2,814,596	3,744,761

PEOPLE PERFORMANCE

HUMAN CAPITAL DEVELOPMENT	UNIT	2016	2017	2018
Total workforce	People	49,177.00	51,143.00	47,314
Full time employee (FTE)	People	13,381.00	12,803.00	13,582
Daily staff	People	35,796.00	38,340.00	33,422
Average hours of training & development per year	Hour/employee	18	15	16
Average amount spent on training & development per FTE	Thai Baht	4,279	7,544	3,505
*Human capital return on investment	Thai Baht	1.63	1.38	1.26
ATTRACT AND RETAIN TALENT				
Employee satisfaction survey	% of employee engage	66.04	82.92	82
Total employee turn-over per FTE	%	14.43	14.98	17.10
Asia	%	14.33	13.50	14.98
US Region	%	10.50	30.74	26.00
EU Region	%	6.93	16.16	10.27
DIVERSITY				
Gender distribution by level				
Total management	People	1,148	967	1,140
Total management - female ratio	%	37.80	43.12	43.33
Total management - male	People	714	550	646
Total management - female	People	434	417	494
Total Management - male	Total People	714	550	646
Top management	People	17	19	23
Middle management	People	161	119	143
Junior management	People	536	412	480

*GRI 102-48 This is the first year which Thai Union has engaged a third party to conduct data assurance. Thai Union reviewed the scope of data consolidation methodology to be consistent in order to prepare for future assurance.

Total Management - female	Total People	434	417	494
Top management	People	3	3	3
Middle management	People	47	43	49
Junior management	People	384	371	442
Total non-management	People	11,892	10,516	12,442
Total non-management - female ratio	%	55.61	59.48	61.20
Total non-management - male	People	5,279	4,261	4,827
Total non-management - female	People	6,613	6,255	7,615
Proportion of local hiring of senior management (for HQ only)	%	80	59.82	50
Freedom of association - number of employees represented by trade union	People	626	877	586
	%	7.91	10.16	7.08
NUMBER OF CONSULTANTS/ NEGOTIATIONS WITH TRADE UNION	NUMBER OF SESSIONS	26.00	9.00	10

ENVIRONMENTAL PERFORMANCE

PERFORMANCE DATA	UNIT	FACTORY		
		2016	2017	2018
Production	Ton	685,987	700,856	690,219
GHG EMISSION				
Total GHG Intensity	TonCO2/ton FG	*0.87	*0.78	0.78
Total Emission	tCO2	*594,453	*544,639	536,494
GHG Scope1	tCO2	*422,695	*366,642	369,540
GHG Scope 2	tCO2	*171,758	*177,997	166,954
ENERGY MANAGEMENT				
Total Energy Intensity	GJ/tonFG	*6.92	*6.39	6.21
Total Energy Consumption	GJ	*4,743,738	*4,477,417	4,283,160
Total Direct Energy	GJ	*3,465,181	*3,161,286	3,043,495
Fuel Oil (Bunker Oil)	GJ	*807,813	*887,411	731,721
Natural Gas	GJ	*309,133	*296,547	263,269
Diesel	GJ	*579,392	*200,414	133,767
LPG	GJ	*469,180	*396,040	427,493
Coal	GJ	*1,100,035	*1,203,587	1,341,402
Gasoline/Petrol	GJ	*4,188	*2,907	2,048
Bio-gas	GJ	*66,966	*59,307	50,700
Biogasoline	GJ	-	-	1,550
Wood Pallet	GJ	128,474	115,071	88,317
Solar Panel	GJ	-	-	3,228
Total Indirect Energy (Electricity)	GJ	*1,264,778	*1,305,374	1,239,665
WATER				
Water Withdrawal Intensity	m3/ton FG	*15.11	*14.94	13.65
Water Withdrawal	m3	*10,363,474	*10,471,711	9,421,412
Municipal Water	m3	*7,730,992	*7,735,211	6,435,806
Surface Water	m3	*1,553,552	*1,428,179	1,537,961
Ground Water	m3	1,011,892	*1,242,813	1,405,195
Rainwater Collected by Organization	m3	*67,038	65,508	42,451
Recycled and Reused Water	m3	*1,035,902	*813,250	934,366
Recycled and Reused Water	m3	-	1,105,093	-
WASTE				
waste to landfill intensity	kg/tonFG	*59.10	*38.75	31.34
waste to landfill	kg	*40,540,146	*27,155,495	21,628,046

*GRI 102-48 Emission factors of electricity have been changed when we filled data in the Enablon Program.

ENVIRONMENTAL PERFORMANCE

PERFORMANCE DATA	UNIT	FARM & HATCHERY		
		2016	2017	2018
Production	Ton	903	199	235
GHG EMISSION				
Total GHG Intensity	TonCO2/ton FG			
Total Emission	tCO2	4,294.00	2,903.00	2,504
GHG Scope1	tCO2	487	342	307
GHG Scope 2	tCO2	3,807	2,561	2,197
ENERGY MANAGEMENT				
Total Energy Intensity	GJ/tonFG			
Total Energy Consumption	GJ	33,097	22,468	19,592
Total Direct Energy	GJ	6,585	4,634	4,388
Fuel Oil (Bunker Oil)	GJ			
Natural Gas	GJ			
Diesel	GJ	6,474	4,445	4,231
LPG	GJ			
Coal	GJ			
Gasoline/Petrol	GJ	111	189	157
Bio-gas	GJ			
Biogasoline	GJ			
Wood Pallet	GJ			
Solar Panel	GJ			
Total Indirect Energy (Electricity)	GJ	26,512	17,834	15,204
WATER				
Water Withdrawal Intensity	m3/ton FG			
Water Withdrawal	m3	1,555,953	1,492,820	1,715,316
Municipal Water	m3	14,576	13,791	11,206
Surface Water	m3	1,448,571	1,437,854	1,687,986
Ground Water	m3	92,806	41,175	15,380
Rainwater Collected by Organization	m3			744
Recycled and Reused Water	m3			10,192
WASTE				
waste to landfill intensity	kg/tonFG			
waste to landfill	kg	83,170	99,670	93,637

ENVIRONMENTAL PERFORMANCE

PERFORMANCE DATA	UNIT	OFFICE		
		2016	2017	2018
Production	Ton			
GHG EMISSION				
Total GHG Intensity	TonCO ₂ /ton FG			
Total Emission	tCO ₂	604	559	-
GHG Scope 1	tCO ₂	86	20	
GHG Scope 2	tCO ₂	518	539	
ENERGY MANAGEMENT				
Total Energy Intensity	GJ/tonFG			
Total Energy Consumption	GJ	4,883	3,880	
Total Direct Energy	GJ	1,233	291	-
Fuel Oil (Bunker Oil)	GJ			
Natural Gas	GJ			
Diesel	GJ			
LPG	GJ	16	10	
Coal	GJ			
Gasoline/Petrol	GJ			
Bio-gas	GJ	1,217	281	
Biogasoline	GJ			
Wood Pallet	GJ			
Solar Panel	GJ			
Total Indirect Energy (Electricity)	GJ	3,650	3,589	1,897
WATER				
Water Withdrawal Intensity	m3/ton FG			10,586
Water Withdrawal	m3	15,927	15,950	10,586
Municipal Water	m3	15,927	15,950	
Surface Water	m3			
Ground Water	m3			
Rainwater Collected by Organization	m3			
Recycled and Reused Water	m3			
WASTE				
waste to landfill intensity	kg/tonFG			
waste to landfill	kg	63,000	66,700	885

GRI CONTENT INDEX AND UNGC COP

46

GENERAL STANDARD DISCLOSURES	DESCRIPTION	PAGE OR LINK	EXTERNAL ASSURANCE
ORGANIZATION PROFILE			
GRI 102-1	Name of the organization	Back cover	
GRI 102-2	Activities, brand, products and services	P.8 and Operations	
GRI 102-3	Location of headquarters	Back cover	
GRI 102-4	Location of operations	P.8 and Operations	
GRI 102-5	Ownership and legal form	2018 Annual Report P. 64-73	
GRI 102-6	Markets served	P.8 and Footprint	
GRI 102-7	Scale of the organization	P.8, 39 and Footprint	
GRI 102-8	Information on employees and other workers	P. 39-40	
GRI 102-9	Supply chain	p. 9-10 and Suppliers	
GRI 102-10	Significant changes to the organization and its supply chain	No significant change	
GRI 102-11	Precautionary Principle or approach	P. 30 and Responsible Operations	
GRI 102-12	Externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or which it endorses	P.13-14	
GRI 102-13	Membership of Associations	P.13-14	
STRATEGY			
GRI 102-14	Statement from senior decision-maker	P.6-7	

GENERAL STANDARD DISCLOSURES	DESCRIPTION	PAGE OR LINK	EXTERNAL ASSURANCE
ETHICS AND INTEGRITY			
GRI 102-16	Values, principles, standards, and norm of behavior	P.8 and P.12	
GOVERNANCE			
GRI 102-18	Governance structure	Global Leadership Team and Annual Report, pages 30-42	
STAKEHOLDER ENGAGEMENT			
GRI 102-40	List of stakeholder groups	P.18	
GRI 102-41	Collective bargaining agreement	P. 42	
GRI 102-42	Identifying and selecting stakeholders	P.15 and P.18	
GRI 102-43	Approach to stakeholder engagement	P.19-21	
GRI 102-44	Key topics and concern raised	P.16 and 18	
REPORTING PRACTICE			
GRI 102-45	Entities included in the consolidated financial statements	Annual Report, pages 60-63	
GRI 102-46	Defining report content and topic boundaries	P.4-5	
GRI 102-47	List of material topics	P.15-16	
GRI 102-48	Restatements of information	P.40-41 and P.43	
GRI 102-49	Changes in reporting	P.4	
GRI 102-50	Reporting period	P.4	
GRI 102-51	Date of most recent report	P.4	
GRI 102-52	Reporting cycle	P.4	
GRI 102-53	Contact point of questions regarding the report	Back cover	
GRI 102-54	Claim of reporting in accordance with the GRI Standards	P.4	
GRI 102-55	GRI content index	P.46-51	
GRI 102-56	External assurance	P.52-53	

SPECIFIC STANDARD DISCLOSURES

MATERIAL ASPECT	DMA AND INDICATORS	DESCRIPTION	PAGE OR LINK	OMISSION /NOTES	EXTERNAL ASSURANCE
ECONOMIC (COMMUNITIES, TRANSPARENCY AND GOVERNANCE)					
Economic Performance	GRI 103	Management Approach	Annual Report, pages 13-15 and Corporate Governance		
	GRI 201-1	Direct Economic value generated and distributed	P. 40		
Anti-corruption	GRI 103	Management Approach	P.14 and Anti-Corruption Policy		
	GRI 205-2	Communication and training about anti-corruption policies	Anti-Corruption Policy and Suppliers		
ENVIRONMENTAL (CLIMATE CHANGE AND ENVIRONMENTAL PROTECTION)					
Energy	GRI 103	Management Approach	Environment, Health and Safety		
	GRI 302-1	Energy consumption within organization	P. 43-45		
	GRI 302-3	Energy intensity	P. 43-45		
	GRI 302-4	Reduction of energy consumption	P. 43-45		
Water	GRI 103	Management Approach	Our Progress		
	GRI 303-1	Water withdrawal by source	P. 43-45		X
	GRI 303-2	Water sources significantly affected by withdrawal of water	P.43-45		X
	GRI 303-3	Water recycled and reused	P.43-45		X
Emissions	GRI 103	Management Approach	P.30		
	GRI 305-1	Direct (scope 1) GHG emissions	P. 43-45		X
	GRI 305-2	Energy indirect (scope2) GHG emissions	P.43-45		X

MATERIAL ASPECT	DMA AND INDICATORS	DESCRIPTION	PAGE OR LINK	OMISSION /NOTES	EXTERNAL ASSURANCE
ECONOMIC (COMMUNITIES, TRANSPARENCY AND GOVERNANCE)					
	GRI 305-4	GHG emissions intensity	P.43-45		X
	GRI 305-5	Reduction of GHG emissions	P.43-45		
Effluents and waste	GRI 103	Management Approach	Responsible Operations		
	GRI 306-2	Waste by type and disposal method	P.43-45		X
SOCIAL (HUMAN RIGHTS AND ETHICAL LABOR PRACTICES, RESPONSIBLE SOURCING, LONG-TERM COMMITMENT, AND HUMAN CAPITAL DEVELOPMENT)					
LABOR PRACTICES AND DECENT WORK					
Employment	GRI 103	Management Approach	P.23-24 and Safe and Legal Labor Update		
	GRI 401-1	Total number and rates of new employee hires and employee turnover by age, gender, and region	P. 41-42		
Occupational health and safety	GRI 103	Management Approach	P. 31 and Responsible Operations		
	GRI 403-2	Types of injury and rates of injury, occupational disease, lost days, and absenteeism, and number of work-related facilities	P. 40		X
SOCIAL (CONTINUE)					
Training and education	GRI 103	Management Approach	P. 36-39		
	GRI 404-1	Average hours of training per year, per employee by gender, and by employee category	P. 41		
HUMAN RIGHTS					
Freedom of Association and Collective Bargaining	GRI 103	Management Approach	P 23-24 and Safe & Legal Labor		

MATERIAL ASPECT	DMA AND INDICATORS	DESCRIPTION	PAGE OR LINK	OMISSION /NOTES	EXTERNAL ASSURANCE
	GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	P. 40 and Human Rights Risk Assessment		
Forced or compulsory labor	GRI 103	Management Approach	P. 23 and Modern Slavery Act Statement		
	GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Modern Slavery Act Statement and Safe and Legal Labor Update		
Investment	GRI 103	Management Approach	P. 17 and 23		
	GRI 412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	P. 24, Progress On Greenpeace Agreement and SeaChange® IGNITE		
SOCIAL (CONTINUE)					
SOCIETY					
Supplier assessment for labor practices	GRI 103	Management Approach	P 25 and Suppliers		
	GRI 414-1	New suppliers that were screened using social criteria	P.29 and Suppliers		
	GRI 414-2	Negative social impacts in the supply chain and action taken	P.29, Suppliers and Third-Party Audits		
Product and service labelling	GRI 103	Management Approach	P. 36		
	GRI 417-1	Requirements for product and service information and labeling	P. 40		
Procurement /Sourcing Practice	GRI 103	Management Approach	P. 25-26		

MATERIAL ASPECT	DMA AND INDICATORS	DESCRIPTION	PAGE OR LINK	OMISSION /NOTES	EXTERNAL ASSURANCE
	FP 1	Percentage of purchased volume from suppliers compliant with company's sourcing policy	Suppliers		
	FP 2	Percentage of purchased volume which is verified as being in accordance with credible, internationally recognized responsible production standards, broken down by standards	P. 26-27		

UNGC COMMUNICATION ON PROGRESS (COP)

Human Rights	Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights.	P.7,14, and 17
	Principle 2 Businesses should make sure that they are not complicit in human rights abuses.	P.23,24 and 29
Labor	Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	P.23-24 and P.40
	Principle 4 The elimination of all forms of forced and compulsory labor.	P.23,24 29, and 37
	Principle 5 The effective abolition of child labor.	P.37
	Principle 6 The elimination of discrimination in respect of employment and occupation.	P.23-24
Environment	Principle 7 Businesses should support a precautionary approach to environmental challenges.	P.30-34
	Principle 8 Undertake initiatives to promote greater environmental responsibility.	P.30-34
	Principle 9 Encourage the development and diffusion of environmentally friendly technology.	P.32-34
Anti-corruption	Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.	P.14



LRQA Assurance Statement

Relating to Thai Union Group Plc.'s Sustainability Report for the calendar year 2018

This Assurance Statement has been prepared for Thai Union Group Plc. in accordance with our contract but is intended for the readers of this Report.

Terms of Engagement

Lloyd's Register Quality Assurance Ltd. (LRQA) was commissioned by Thai Union Group Plc. (TU) to provide independent assurance on its Sustainability Report for the calendar year 2018 ("the Report") against the assurance criteria below to a limited level of assurance and at the materiality of the professional judgement of the verifier using LRQA's verification approach. LRQA's verification approach is based on current best practice and uses the principles of AA1000AS (2008) - Inclusivity, Materiality, Responsiveness and Reliability of performance data and processes defined in ISAE3000.

Our assurance engagement covered TU's operations and activities in Thailand, including its subsidiary companies and specifically the following requirements:

- Confirming that the Report is in accordance with GRI standards, Food Processing supplement Sector and Core option
- Evaluating the reliability of data and information for selected specific standard disclosures: Total water withdrawal by source (GRI 303-1); Direct GHG emissions (GRI 305-1); Energy indirect greenhouse gas emission (GRI 305-2); Waste by type and disposal method (GRI 306-2) and Types of injury and rates of injury, occupational diseases, lost days, absenteeism and number of work-related fatalities (GRI 403-2) only.

Our assurance engagement excluded the data and information of TU's operations and activities outside of Thailand.

LRQA's responsibility is only to TU. LRQA disclaims any liability or responsibility to others as explained in the end footnote. TU's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the Report and for maintaining effective internal controls over the systems from which the Report is derived. Ultimately, the Report has been approved by, and remains the responsibility of TU.

LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that TU has not:

- Met the requirements above
- Disclosed reliable performance data and information for the selected specific standard disclosures
- Covered all the issues that are important to the stakeholders and readers of this Report.

The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of the professional judgement of the Verifier.

Note: The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites.

LRQA's Approach

LRQA's assurance engagements are carried out in accordance with LRQA's Report Verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Assessing TU's approach to stakeholder engagement to confirm that issues raised by stakeholders were captured correctly. We did this by reviewing documents and associated records.
- Reviewing TU's process for identifying and determining material issues to confirm that the right issues were included in their Report and updated overtime. We did this by benchmarking reports written by TU and its peers to ensure that sector specific issues were included for comparability.
- Auditing TU's data management systems to confirm that there were no significant errors, omissions or mis-statements in the Report. We did this by reviewing the effectiveness of data handling processes and systems. We also spoke with key people in various facilities responsible for compiling the data and drafting the Report.

This document is subject to the provision on page 2.



- Sampling of evidences presented at TUF and Okeanos Food processing plants at Samutsakorn, TFM Farm at Satul, SCC processing plant and Feed Mill at Song-kla, to confirm the reliability of the selected specific standard disclosures.
Note: LRQA did not verify the data back to its original sources, nor did it assess the accuracy and completeness of the data reported by individual locations.

Observations

Further observations and findings, made during the assurance engagement, are:

- **Stakeholder Inclusivity:**
We are not aware of any key stakeholder groups that have been excluded from TU's stakeholder engagement process. However, we believe that TU should improve their practices for engaging directly with the local communities and supply chain.
- **Materiality:**
We are not aware of any material aspects concerning TU's sustainability performance that have been excluded from the Report. TU has processes for identifying and determining their material aspects; the evaluation process considers factors such as stakeholder concerns, business risks and legal compliance.
- **Responsiveness:**
TU and its subsidiaries have processes for responding to the various stakeholder groups. We believe that future Reports should further explain the actions being taken by TU to address the concerns raised during its engagement with the supply chain, communities and NGOs. These concerns typically relate to ocean plastic and product responsibility.
- **Reliability:**
TU use spreadsheets to collect data from sites; this is then consolidated using a new corporate reporting tool. TU should consider periodically reviewing data and information from its subsidiary companies. This would promote awareness of the data systems and check accuracy of data sources and transposed information.

LRQA's competence and independence

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

This verification is the only work undertaken by LRQA for TU and as such does not compromise our independence or impartiality.

Signed

Dated: 22 February 2019

Opart Charuratana
LRQA Lead Verifier

On behalf of Lloyd's Register Quality Assurance Ltd.
Lloyd's Register International (Thailand) Limited
22th Floor, Sirinrat Building, 3388/76 Rama IV Road
Klongton, Klongtoey, Bangkok 10110 THAILAND

LRQA Reference: BGK00000243

Lloyd's Register Group Limited, its affiliates and subsidiaries, including Lloyd's Register Quality Assurance Limited (LRQA), and their respective officers, employees or agents are, individually and collectively, referred to in this clause as 'Lloyd's Register'. Lloyd's Register assumes no responsibility and shall not be liable to any person for any loss, damage or expense caused by reliance on the information or advice in this document or howsoever provided, unless that person has signed a contract with the relevant Lloyd's Register entity for the provision of this information or advice and in that case any responsibility or liability is exclusively on the terms and conditions set out in that contract.

The English version of this Assurance Statement is the only valid version. Lloyd's Register Group Limited assumes no responsibility for versions translated into other languages.

This Assurance Statement is only valid when published with the Report to which it refers. It may only be reproduced in its entirety. Copyright © Lloyd's Register Quality Assurance Limited, 2019. A member of the Lloyd's Register Group.



sea CHANGE

thaiunion.com | seachangesustainability.org

Thai Union Group Public Company Limited

HEAD OFFICE

72/1 Moo 7, Sethakit 1 Road, Tarsrai Sub-district,
Muang Samut Sakhon District, Samut Sakhon Province
74000 Thailand

Tel: +66 (0) 3481-6500 (Automatic 7 Lines)

Fax: +66 (0) 3481-6886

BANGKOK OFFICE

979/12 M Floor, S.M. Tower, Phaholyothin Road,
Phaya Thai, Phaya Thai, Bangkok 10400 Thailand

Tel: +66 (0) 2298-0024, +66 (0) 2298-0537

Fax: +66 (0) 2298-0548, +66 (0) 2298-0550

Contact

Mr. Patarachai Sonthikhant
Manager: People and Community
Development for Sustainability

Patarachai.Sonthikhant@thaiunion.com

