

SUSTAINABILITY REPORT 2015

thaiunion.com



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

SUSTAINABILITY REPORT 2015

thaiunion.com



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This report is also available online at www.thaiunion.com
 For inquiries and feedback, please contact

SUSTAINABLE DEVELOPMENT DEPARTMENT,
 THAI UNION GROUP PCL.

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OUR VISION

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

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.

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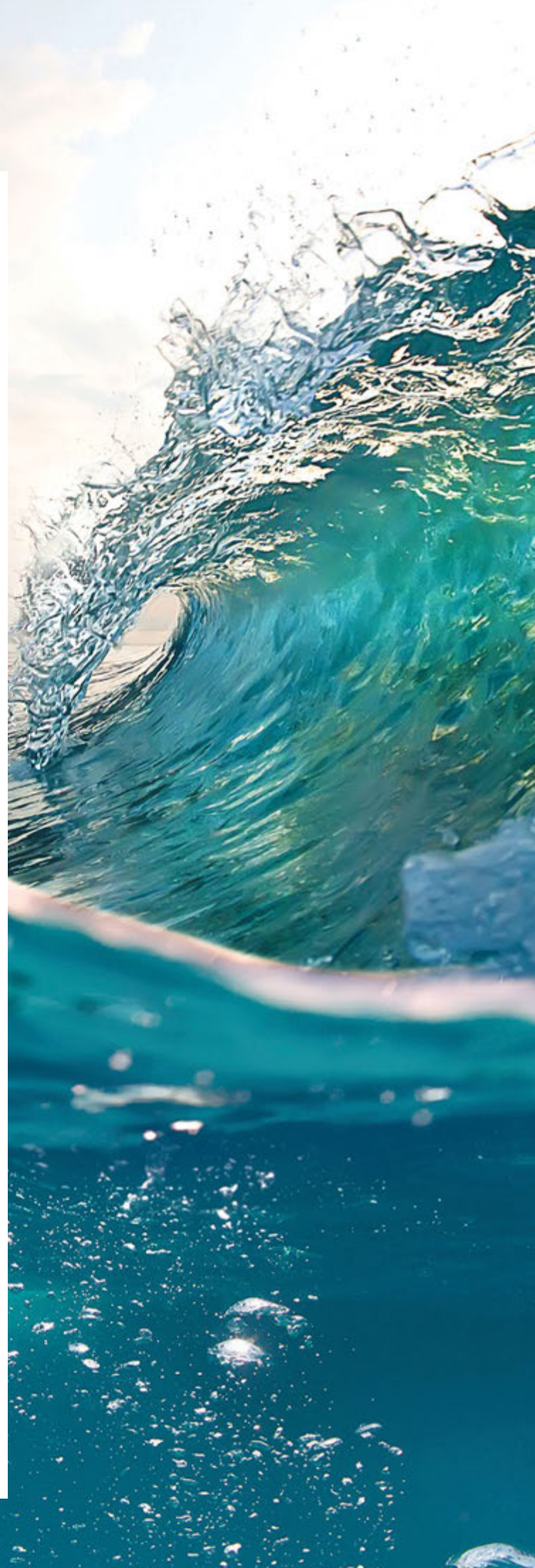
01

ABOUT THIS REPORT

This is the third sustainability report that Thai Union has published. This report details our annual performance against key performance indicators (KPIs) and targets against our sustainability strategy from 1 January to 31 December 2015. Our previous report was Sustainability Report 2014 which was issued in June 2014.

This report was prepared in accordance with the internationally recognized sustainability reporting guidelines – the Global Reporting Initiative (GRI) guidelines version G4 and its Food Processing Sector Supplement (FPSS), conforming to GRI Guidelines at the “Core” option.

The key elements of the G4 approach that we have focused on in this report, in keeping with the intent of the guidelines, are described below.



PRINCIPLES FOR DEFINING REPORT CONTENT

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Determining the content of this report begins with an understanding of the impacts of our value chain, including our associations with business partners, and engages leadership for their insights. The report addresses items of significant interest to our stakeholders and to Thai Union business strategy.

We abided by the four principles: Sustainability Context, Materiality, Completeness and Stakeholder Inclusiveness, in conducting the analysis of internal and external environments. Each financial year, Thai Union conducts a formal materiality assessment to identify and prioritize our primary sustainability issues that reflect Thai Union's significant economic, environmental and social impacts and are substantively of stakeholders' interests. The details on how we conduct materiality assessment are reflected in Material Issues chapter.

PRINCIPLES FOR DEFINING REPORTING QUALITY

The G4 Guidelines set out principles for defining reporting quality – Balance, Comparability, Accuracy, Timeliness, Clarity, and Reliability. We have taken a number of actions to meet these principles:

- We continue to improve the quality of information and disclose it in the timely manner enable our stakeholders to effectively integrate it into their decision-making.
- We value the opinion of our stakeholders, including employees, local communities and interest groups, non-governmental organizations (NGOs), customers, suppliers and contractors. In preparing our report, we listen and respond to stakeholder feedback for the balanced and reliable information.
- We are moving towards more efficient and effective operations with fewer social and environmental impacts along the entire value chain.

As a participant of the UN Global Compact, this report also serves as our annual Communication on Progress to stakeholders regarding our progress implementing the Ten Principles of the UN Global Compact within our sphere of influence and supporting broader United Nations goals on environmental and social responsibility. The content has been formally reviewed and approved by Thai Union's executive management, and endorsed by the Board.



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02

CEO MESSAGE

“We take sustainable development seriously as a strategic opportunity for growth, rather than a threat or burden.”

Thiraphong Chansiri,
President and CEO

Sustainability remains a key challenge for Thai Union. We, as a leading seafood company, are determined to drive positive changes throughout the industry. As a company, and for the industry, it is important we continue to move towards greater transparency and sustainability.

We embrace our role as a leader of change in our industry, applying influence on the sustainability of our oceans, leading to better practices and more sustainable outcomes, while making a positive impact on the communities where we operate.

That is why we have developed Sea Change, a strategic approach to sustainability designed to transform the way the industry operates within Thailand and the global fishing industries.

In September 2015, we adopted a revised and more stringent Business and Ethics Labor Code of Conduct. This applies throughout Thai Union and is extended to cover all suppliers in our global supply chain. The code focuses on our business operating lawfully and with integrity to achieve the highest levels of transparency. Additionally, to communicate the code more effectively, we have translated it into 19 languages for use around the world.

Thai Union is engaged in a number of significant projects to support our workers and our communities. I am particularly proud that in Thailand, we are investing over 10 million Thai baht in establishing pre-schools for the children of migrant workers. We want to ensure the children have the educational foundation, so they can transition successfully into Thailand's formal education system. Two pre-schools have already been established, and we have another three due for completion by 2020.

The United Nations 2030 agenda for sustainable development includes 17 far-reaching goals designed to stimulate action in areas of critical importance for humanity and the planet. At Thai Union, we have made a commitment to deliver against three of the Sustainable Development Goals for people, planet and prosperity: zero hunger, decent work and economic growth, and life below water.

While we are making progress on all levels, our work is not done. We will continue our relentless focus on leveraging our leadership position and collective strengths to continue working on critical areas in sustainable development.



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THAI UNION'S
FOOTPRINT

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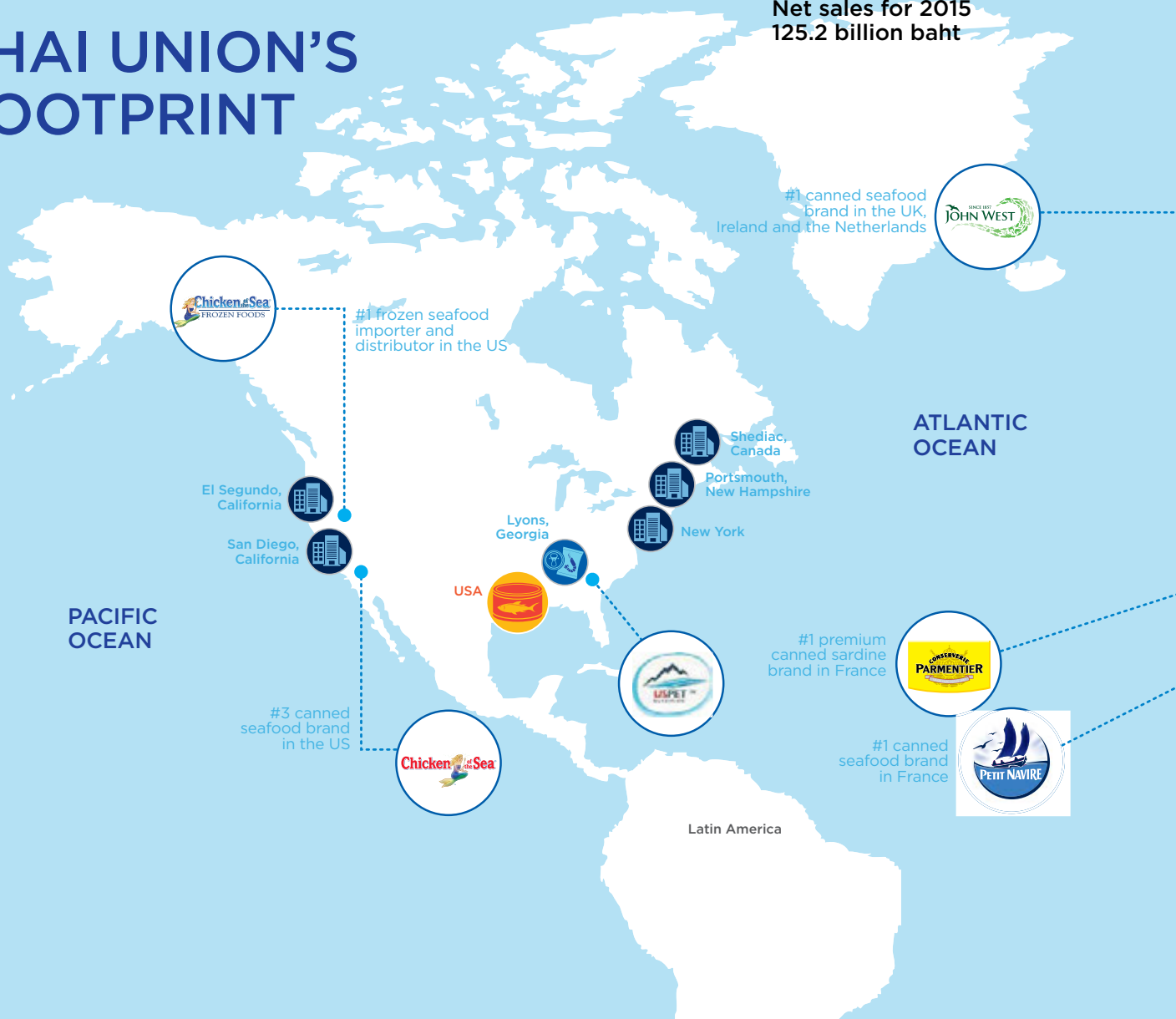
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G4-9

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Net sales for 2015
125.2 billion baht

BUSINESS CATEGORIES

Net sales for 2015 = 125.5 billion baht

Ambient Seafood	47%	Frozen & Chilled Seafood & Related Product	40%	Pet Care & Value Added	13%
Tuna Sardine & Mackerel Salmon Others		Shrimp Lobster Salmon Others		Pet Care Value Added Ready to Eat Marine Ingredient Others	

Through the company's expansion strategy over the past three decades Thai Union has acquired a diverse global brand portfolio covering three continents; shelf-stable, chilled and frozen seafood.



CORPORATE OFFICE / SALES



INNOVATION CENTER / R&D CENTER



TU PRODUCTION PLANT

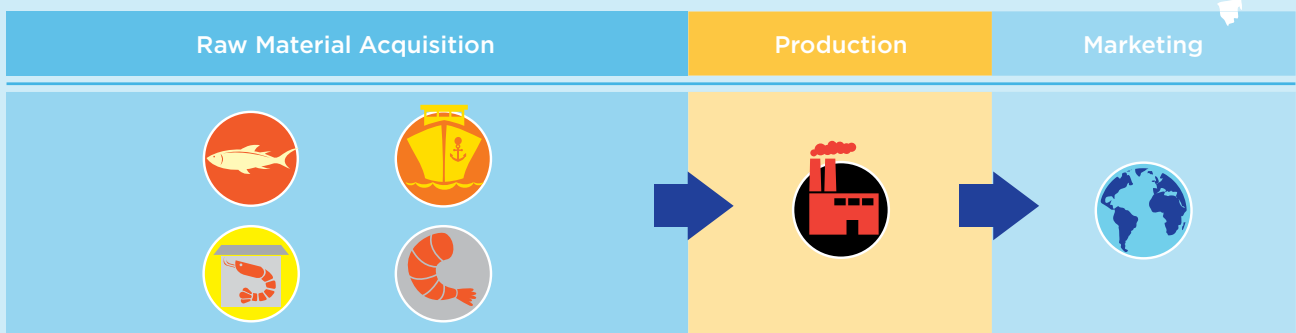


JOINT VENTURE

#1 premium canned sardine brand in Norway, US and Australia



OUR GLOBAL SUPPLY CHIAN



MANUFACTURING FOOTPRINT COVERING FOUR CONTINENTS 11 LEADING BRANDS 12 PRODUCTION PLANTS IN 10 COUNTRIES

04

SUSTAINABILITY AT THAI UNION

At Thai Union, sustainability is our commitment to positively contribute to long term socio-economic development, sustaining natural resources, and ethical business conduct.

Our corporate vision, mission and values guide how we conduct business, while our Business Ethics and Labor Code of Conduct provides the basis for professional, respectful and fair dealings both in our daily operations and with our suppliers.

Sea Change is Thai Union's sustainability strategy, designed to deliver real and lasting changes in the way that we operate in the wider Thai and global fishing industries. Our Sea Change strategy covers four key programs: safe and legal labor, marine conservation, responsible sourcing and caring for our communities.

Sea Change's overarching objectives are as follows:

- The seas are sustainable now and for future generations, through our work to improve fisheries;
- Our workers are safe, legally employed and empowered; and
- The vessels we buy from are legal and operate responsibly.





Sustainable seas, now and for future generations		Workers are safe, legally employed and empowered		Legal and licenced vessels, operating responsibly	
Safe and Legal Labor		Marine Conservation		Responsible Sourcing	
Our initiatives will ensure workers in our supply chain have safe and freely chosen employment and that human trafficking has been addressed		Fishery improvement programs will demonstrate we are the industry's leader in terms of sustainability and will drive change across the seafood industry		Full traceability by 2000 will dramatically reduce the risk of IUU fishing and will ensure every vessel complies with our stringent labor regulations	
Fair Labor Goals and Roadmap		Global Tuna Sustainability Goals and Roadmap		Responsible Sourcing Goals and Roadmap	
				People and Communities Goals and Roadmap	

Sea Change is an integrated plan of initiatives organized into four focus areas, designed to ensure Thai Union delivers against our own expanding sustainability objectives and, in the process, drives meaningful improvements across the entire global seafood industry.

Good Governance	Transparency	Partnerships and Collaboration
Robust leadership, policies and processes will ensure our business is focussed on delivering our sustainability objectives and is ethical across all its operations.	We will be transparent in all communications with stakeholders, customer and the industry, sharing our learnings and providing regular updates on our progress.	We will actively seek out NGO, government and industry partners to work with us on initiatives designed to deliver against our overarching objectives. We will share our findings so the entire industry can benefit from our experience and findings.

UN GLOBAL COMPACT AND UN SUSTAINABLE DEVELOPMENT GOALS

G4-15

The Sustainable Development Goals (SDGs) target the challenges facing the global population and planet. Thai Union understands the responsibility we bear as a leading global company in the seafood industry and we are fully committed to doing whatever we can to help achieve these international goals. To that end, we have assessed and identified the key SDGs we can work towards as a company, in line with our commitment to the UN Global Compact. Thai Union believes we can make a difference as a company to achieve sustained economic growth, responsible use of the oceans and promotion of human rights and ethical labour practices, as well as long-term positive value to society.



Thai Union has been a participant of the Global Compact since June 2013 with commitments to the Ten Principles in developing, implementing and disclosing responsible and sustainable corporate policies and practices. In 2015 we began work with other leading organizations in Thailand to establish a local UN Global Compact Network.



WE SUPPORT

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

SUSTAINABILITY GOVERNANCE

The Sustainable Development (SD) Committee, chaired by Thai Union's President and CEO, takes a leading role in managing and overseeing sustainability across the Company and our subsidiaries. The SD Committee consists of the Global Leadership Team and appointed members from heads of key business units. The SD Committee meets on an annual basis to discuss key challenges and define the sustainability direction of the Thai Union Group. Our defined strategic direction encompasses our stakeholders' concerns, key challenges in the industry and our sustainability goals and strategies.

The Group Director of Sustainable Development serves as the secretary of the SD Committee with dedicated tasks to facilitate the sustainability-related strategy formulation and execution, ensure effective communication internally and externally to enhance our stakeholder engagement, and collaborate with all subsidiaries in aligning sustainability governance and management. The Group Director of Sustainable Development is the convenor of the Global Sustainable Development Team, and reports on a quarterly basis to the Global Leadership Team, as well as being a member of the Risk Management Committee.

For further information, please visit www.thaiunion.com



"At Thai Union, we are dedicated to being the world's most trusted seafood leader. That means earning trust from all our stakeholders by constantly improving our supply chain and making it more transparent. It also means holding ourselves and our suppliers to increasingly higher standards and ultimately working with all of our partners to ensure a healthy seafood supply for generations to come."

Darian McBain
Group Director of Sustainable Development

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MATERIAL ISSUES

OUR STAKEHOLDERS

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Stakeholder engagement is critical to driving Thai Union towards sustainability. We regularly conduct an internal analysis to identify and prioritize internal and external stakeholders. Our identified stakeholders can be divided into two groups:

- 1) Primary stakeholders are individuals or groups with a direct interest in how the company performs.
- 2) Secondary stakeholders are individuals or groups indirectly affected, either positively or negatively, by efforts or actions of Thai Union.

We have also identified three major groups of stakeholders that we need to focus on: employees, the community and civil society, and customers and shareholders. Realizing the importance of stakeholder expectations, stakeholder dialogue has become a significant tool in our business management that leads to value creation.

We regularly engage a range of internal and external stakeholders to understand and prioritize our sustainability risks and define appropriate responses to emerging corporate challenges. The engagement was carried out through a variety of channels including direct dialogue, knowledge-sharing events, surveys and other platforms to collect and disseminate information.



We held top-to-top meetings with our key customers in the United States, Europe and Japan to understand their expectations and identify key strategic areas to work together. Additionally, we invited customers, investors and key suppliers to visit our facilities throughout the year with the aim to enable and strengthen two-way communication. Thai Union also joined an industry taskforce to understand industry trends, share experiences and best practices, and work in collaboration with industry peers and suppliers.



In December 2015, Thai Union organized an international consultation and convened a panel of stakeholders around the world, representing different perspectives and priorities, to discuss our sustainability reporting. Participants included representatives from NGOs, investor groups, industry associations, sustainability certification bodies, and other sustainability experts. We asked participants to reflect on Thai Union's most material issues, current reporting practices and issues that are likely to shift in importance in the future. As a result of the international consultation, human rights and ethical labor practices, climate change and environmental protection, and transparency and governance are among the most concerning issues raised by our stakeholders.

Thai Union has also been engaging with partners and NGOs in Thailand on improving labor conditions for Thai and migrant supply chain workers and has found that partnership and open engagement with all parties delivers practical and meaningful improvements. In line with our newly developed Sea Change strategy, Thai Union continues to extend this approach to key international stakeholders across a broad range of issues facing the global fishing industry so our sustainability action plans benefit from expertise and knowledge beyond our own.

TYPE OF STAKEHOLDER ENGAGEMENT

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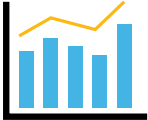





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Our stakeholders	Online consultation	Tailored strategy presentation	Reporting (e.g. newsletter, emails)	Trainings	Site visits	Events (internal, external)	Microsite	Corporate sustainability campaign
TU management	✓	✓	✓			✓	✓	
TU staff	✓	✓	✓			✓	✓	
TU 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

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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 & 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
 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)
	<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
 EMPLOYEES	<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 • Management program • Global program of harmonization of work standards • Brand ambassador program and TU Global rollout
 DAILY/ MIGRANT WORKERS	<ul style="list-style-type: none"> • Fair compensation and benefits • Fair labor practices • Safety and wellness 	<ul style="list-style-type: none"> • Human rights and fair labor practices • Human capital development

OUR STAKEHOLDERS	ISSUES	THAI UNION RESPONSES
 COMMUNITIES	<ul style="list-style-type: none"> • Legal compliance 	<ul style="list-style-type: none"> • Transparency and governance (anti-corruption, data disclosure, tax policy & reporting)
 GOVERNMENT	<ul style="list-style-type: none"> • Social and environmental responsibilities • Partnership in community development • Socioeconomic development 	<ul style="list-style-type: none"> • Climate change and environmental protection • Communities
 NGOs	<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 & reporting)
 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
 INTERNATIONAL ORGANIZATIONS	<ul style="list-style-type: none"> • Transparency of information 	<ul style="list-style-type: none"> • Transparency and governance (anti-corruption, data disclosure, tax policy & reporting)
 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 & 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"> • Climate change and environmental protection • Communities
 MEDIA	<ul style="list-style-type: none"> • Social and environmental responsibilities • Participation in social and environmental programs 	<ul style="list-style-type: none"> • Climate change and environmental protection • 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 & reporting)

OUR MATERIAL ISSUES

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As we operate on a global scale, our sustainability risks and impacts can be complex and transboundary. It is critically important that we carry out analysis of stakeholders (or stakeholder groups) and sustainability aspects to prioritize our material issues to ensure our long-term existence of business. We use a materiality assessment to identify the issues most important to our stakeholders and the business as a whole and set out our associated KPIs for the coming year.

Our material assessment covers global performance, including Asia, EU and Africa and North America in this reporting year. This is an improvement on our reporting in previous years. In 2013, we reported on the performance of Thai Union Factory (TUF) and in 2014, we reported on the performance of our facilities in Thailand. We always strive for a more proactive discussion of sustainability challenges and risks as part of our aspiration to be a global sustainability leader.

We took the following steps to identify and prioritize sustainability materiality issues.

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Step 1 Industry insight:

We engaged an external seafood industry intelligence consultancy to capture and analyze key global and local trends that impact our business. This exercise included media monitoring, industry benchmarking, review of key customers' policies and business-related academic review.

Step 2 Stakeholder engagement:

We gathered feedback through both formal and informal stakeholder engagement throughout 2015. This allowed us to have a clearer picture of the priorities, interests and concerns of stakeholders.

Step 3 Management discussion:

Our executive management and various units internally discussed our sustainability areas, including current business strategies and initiatives, and sustainability performance.

Step 4 Prioritization:

We ranked and placed the sustainability focus areas in a matrix based on the priorities of our stakeholders and the analysis of impacts on our business. Our Sustainability Development Committee then validated the identified key material issues, boundary and scope to be reported on in this report.

Step 5 GRI aspect:

We selected relevant GRI G4 indicators and referenced them to our reported sustainability issues.

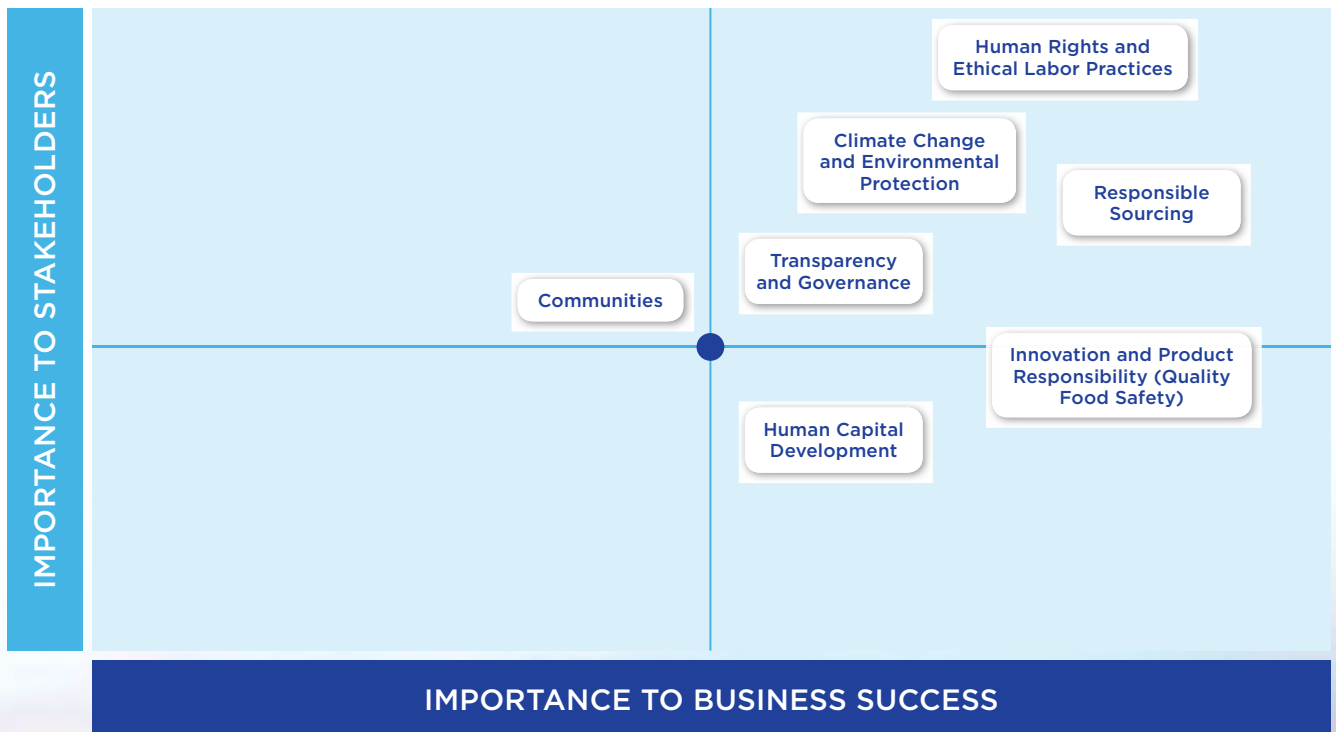
Step 6 Performance driver improvement:

We reviewed KPIs and targets of the previous and current years in order to drive continuous improvement of our performance.



MATERIALITY MATRIX

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DIMENSIONS	MATERIALITY ISSUES	STAKEHOLDERS	
 ECONOMIC	<ul style="list-style-type: none"> • Transparency & governance • Innovation & product responsibility 	<ul style="list-style-type: none"> • Suppliers • Customers • End-consumers 	<ul style="list-style-type: none"> • Investors • Governments • Communities
 ENVIRONMENTAL	<ul style="list-style-type: none"> • Responsible sourcing • Climate change & environmental protection 	<ul style="list-style-type: none"> • Suppliers • Customers • End-consumers • Investors • Governments 	<ul style="list-style-type: none"> • Communities • NGOs • Academia, • International organizations
 SOCIAL	<ul style="list-style-type: none"> • Human rights & labor practices 	<ul style="list-style-type: none"> • Suppliers, • Customers • End-Consumers • Employees 	<ul style="list-style-type: none"> • Governments • NGOs • Academia • International organizations
	<ul style="list-style-type: none"> • Human capital development 	<ul style="list-style-type: none"> • Employees • Communities 	
		<ul style="list-style-type: none"> • Employees • Communities • Suppliers • Customers • End-consumers 	<ul style="list-style-type: none"> • Employees • Governments • NGOs • International organizations
	<ul style="list-style-type: none"> • Communities 	<ul style="list-style-type: none"> • Suppliers • Customers • End-consumers • Employee 	<ul style="list-style-type: none"> • Governments • NGOs • International organizations

CURRENT PROGRESS / MONITORING INDICATORS	UNITS	REPORTING COVERAGE		
		Asia	Europe & Africa	North America
Tax reporting	Local currency	✓	✓	✓
Health & nutrition	Percentage of marketed new products with nutritional labels	✓	✓	✓
Seafood procurement from responsible sources	Percentage of tuna purchased from Proactive Vessel Register (PVR) listed vessels	✓	✓	✓
Eco-labelled products	Percentage of eco-labelled products sold	✓	✓	✓
Greenhouse Gas (GHG) emission : Intensity of GHG emission (scope 1 and 2)	Ton CO ₂ eq per Ton production	✓	✓	✓
Energy consumption : Intensity of energy consumption	GJ per Ton production	✓	✓	✓
Water intake : Intensity of water intake	m ³ per Ton production	✓	✓	✓
Supplier social compliance audit	Percentage of suppliers audited by TU Code of Conduct or applicable social compliance standards	✓		
Diversity	Percentage of top management by gender and region	✓	✓	✓
	Percentage of local hiring of senior management	✓	✓	✓
Fair remuneration : Average cash income per daily employee	Local currency	✓		
Freedom of association	Number of workers in trade union, including welfare committee	✓	✓	✓
Grievance mechanisms	Number of grievances	✓		
Occupational health and safety	Employee and contractor loss time injury frequency rate (LTIFR)	✓	✓	✓
	Employee occupational illness frequency rate (OIFR)	✓	✓	✓
Average hours of training & development per employee	Hours	✓	✓	✓
Average amount spent on training & development per Full-Time Employee (FTE)	Local currency	✓	✓	✓
Human capital return on investment	Local currency	✓	✓	✓
Employee turnover rate	Percentage of turnover rate	✓	✓	✓
Employee engagement survey	Percentage of employee satisfaction	✓	✓	✓
Social investments	Local currency	✓	✓	✓

06

INNOVATION AND PRODUCT RESPONSIBILITY

At Thai Union, delivering nutritious seafood products of highest quality and safety is the utmost commitment to our customers. We recognize our leading role in enhancing health and wellness for people of all ages and across socioeconomic status. As a responsible food manufacturer, Thai Union utilizes extensive procedures to control the safety and quality of products throughout the supply chain and at all stages of our operations from processing, packaging until distribution. We adopt the most stringent domestic and international standards to ensure that our products meet safety and quality requirements while remaining our adherence to sustainable sourcing.

Rising consumer health awareness and more stringent nutrition regulations are the key drivers for our product innovation. We embrace the opportunities to contribute to a healthier society through the creation of innovative, hygienic and nutritious products. With the commitment to health and nutrition, we believe that our actions will strengthen customer trust and keep us competitive in the dynamic markets.

HEALTH AND NUTRITION OF PRODUCTS DISCLOSURE



Nutrition labeling is an important public health tool to promote nutrition and well-being as it enables consumers to make healthy food choices. However, current nutrition facts providing basic information such as serving size, calories per serving and the amount of various nutrients contained in the product are not easily understood by consumers.

As part of our business accountability, we place importance on providing accurate and factual product labeling and information. Our nutrition fact labeling aligns our claim that our products provide 'healthy nutrition' according to FDA guidelines. We provide our customers with essential information about our nutritious products, such as nutrition facts, nutrition claims, eco-labels and carbon footprint. Recently, we introduced a fact-based front-of-pack nutrition labeling system showing energy, fat, saturated fat, sugar and salt as a percentage of the Guideline Daily Amount (GDA).

Our progress in 2015 includes the application of

- Nutrition labels for 95 percent of our new ambient food products launched in 2015. This is a slight increase from 2014 which was 89 percent.
- Nutrition facts for 40 percent of frozen shrimp exported from Thailand with 0.56 percent in accordance with EU GDA
- Nutrition claim and nutrition facts for 96.76 percent of ambient food products from Chicken of the Sea International



Our commitment by 2020

We will continue to disseminate nutrition information to our customers through the following actions:

- Ensuring that our relevant food products distributed worldwide have nutrition fact labeling on the package; and
- Setting up web-based nutritional information for our products that are available in different regions and make information more accessible via QR codes and social media.

INNOVATION

As a responsible company, we are committed to advocating product innovations to ensure the production of sustainable, convenient and quality seafood products for families worldwide. In bringing new values to our customers and consumers, we strive towards continuous development which is made possible through ground-breaking research – the factor that contributes to our sustainable growth and development. The application of cutting-edge science also supports our progress towards smarter utilization of fishery resources, optimization of processes and technology, and value creation of by-products as part of our responsible and sustainable corporate policies and practices.

Recognizing that innovation is crucial to our success in the fast changing society, Thai Union regularly conducts customer satisfaction surveys to understand their needs. The results of the surveys based on statistically relevant sample sizes provide us the information about customers' perception towards Thai Union and their satisfaction for our products or services, enabling us to continuously improve and craft our products that best respond to the changing needs.

To enhance our competitiveness over the long term, we continue to invest in research and development (R&D). In 2015, Thai Union established the Global Innovation Incubator (GII) to carry out the following six research platforms, focusing on tuna and its related products:

- 1) Fundamental study of tuna
- 2) Health and wellness
- 3) New processing technology
- 4) Co-products science and technology
- 5) Sensory and consumer research
- 6) Perfect tuna

The 600-square meter research center will serve as a central network and global exchange hub of R&D data and technology-transfer among scientists within Thai Union Group. The key functional activities consist of sensory and consumer insight investigation, pilot plant initiation, chemistry and nutrition laboratory testing, innovative product development and instrumental laboratory, product demonstration facilities and a technical conference center.

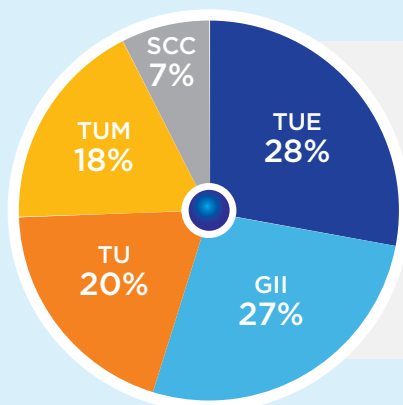
The work of the six major research platforms has progressed rapidly, including experiments at the pilot factory, chemistry laboratory and nutrition laboratory, and advances in product innovation development. To meet the increasing demands for additional research, Thai Union Group, in collaboration with the Faculty of Science at Mahidol University, will expand the usage space to over 1,200 square meters. This heightened commitment to innovation doubles the initial space with the investment of over 70 million Thai baht in new research equipment:

- 1) Fully automated fish filleting machine;
- 2) High pressure food processor;
- 3) Radio frequency frozen fish thawing machine;
- 4) Product innovation development laboratory;
- 5) Chemistry laboratory; and
- 6) Nutrition laboratory.

The GII will increase efficiency through knowledge transfer between leading scientists, global academic exchange and direct application on product development. By positioning our research team as an integral part of Thai Union, we can ensure innovation is one of the core pillars of our development strategy and cross-pollinate our research with other company strategies.

Find out more about the GII here: <http://tu.listedcompany.com/newsroom/20160331-tu-news1-en.jpg.pdf>

Percentage of research and development (R&D) spending broken down by R&D facilities worldwide



Thai Union Manufacturing Co., Ltd. (TUM)
 Thai Union Group PCL (TU)
 Thai Union Global Innovation Incubator (GII)
 Thai Union European Seafood 1 S.A. (TUE)
 Songkla Canning PCL. (SCC)

Total of 221 R&D full-time employees worldwide



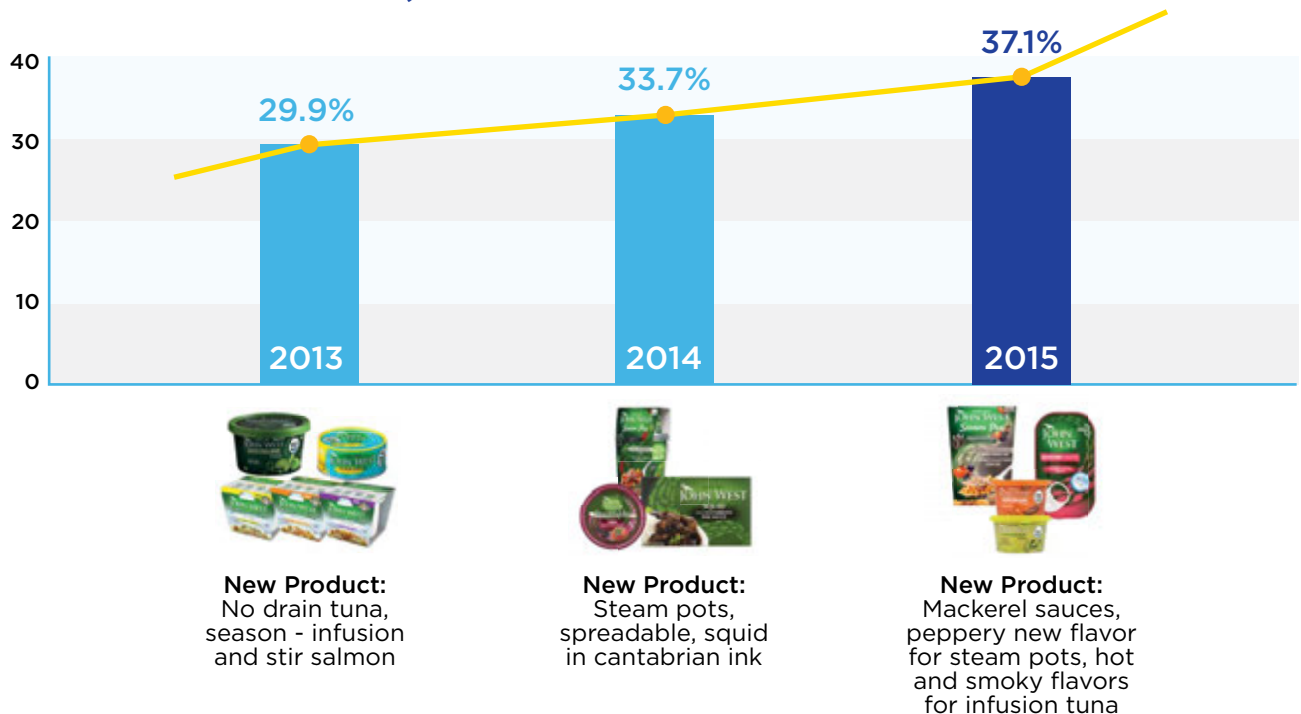
MODERNIZING THE TUNA MANUFACTURING PROCESS

Canned tuna was initiated in the early 1900s as a substitute for canned sardines and quickly grew into one of the most popular seafood products in the world. Modernizing the tuna manufacturing process and continuously improving product quality is essential in order to stay ahead in a competitive business environment. The pilot project is a part of GII targets which revolutionizes traditional canned tuna process. Several specific continuous inline fish process machines were applied that resulted in significantly shorter tuna fish residence time (before can filling) and improved efficiency. The pilot project is also leading to quality and yield improvement.

USING DNA BARCODING FOR TUNA TRACEABILITY

There is an increasing demand for tuna traceability worldwide. In 2015, Thai Union commenced a research project studying DNA barcoding, a widely used molecular-based system which can flag biological specimens to identify raw materials and ensure tuna traceability. The research results will support our 2020 responsible sourcing goal to achieve full traceability for all seafood we purchase and to dramatically reduce the risk of IUU fishing in the global fishing industry.

JOHN WEST UK (MARKET SHARE INCREASE AND NEW PRODUCT INTRODUCTION 2013 – 2015)



"Innovation is critical to advancing Thai Union's growth to the next level. It plays an important role in shaping the future of the company as it gives us an uncompromising competitive advantage."

Tunyawat Kasemsuwan
Global Innovation Director



07



TRANSPARENCY AND GOVERNANCE

Thai Union believes that corporate governance is essential to the sustainability of our business as it helps to create market confidence. We promote fairness, transparency and accountability by setting out clear responsibilities of our Board and the management. Thai Union has a strict Corporate Governance Policy in adherence to the rules and regulations of the Stock Exchange of Thailand and in accordance with internationally accepted corporate governance principles and best practice.

We regulate the way we do business using our newly revised Business Ethics and Labor Code of Conduct. The Code focuses on the recruitment and treatment of workers, stipulating protocols on employee welfare, benefits, wages, age, the right to freedom of association, the right to collective bargaining, and non-negotiable frameworks for health and safety. It is applied to all Thai Union employees. We also expect our suppliers and contractors to understand and meet our robust requirements.

To ensure widespread understanding and transparency, our Business Ethics and Labor Code of Conduct has been translated into 19 languages covering all the regions in which we operate. We provide guidance, advice and ongoing training to help our staff and suppliers understand their responsibilities and how to act in full accordance with the new Code. As set out in the Code, we will also audit our suppliers to ensure compliance with the Code. We have also formalized a new procurement process to perform pre-audit of our Thailand-sourced fish prior to the procurement to ensure full compliance with our Business Ethics and Labor Code of Conduct.

Internally, any deviation from this Code will be directly reported to the Group Risk, Audit and Compliance Director and the senior management to investigate and take appropriate measures. For suppliers, those who fail to work to meet our requirements set out in the Code will be unable to remain as supplier to Thai Union.

ANTI-CORRUPTION



Corruption can have direct and indirect impacts on our performance and operations, and on stakeholders' perception of the company. Thai Union realizes that as a global company, we operate in areas where the risk of corruption is significant. Based on the Corruption Perception Index from Transparency International, countries like Thailand, Vietnam and Papua New Guinea are recognized as facing a variety of challenges related to bribery and corruption. We also assess risks related to corruption in all our global operations including Thai Union Group, Thai Union Manufacturing, Thai Union Europe (TUE), Tri-Union Seafoods (Chicken of the Sea), Tri-Union Frozen Products (Chicken of the Sea Frozen Foods).

While we alone cannot tackle the problem of poor governance in various countries, we have been taking steps to minimize the risk of corruption and bribery within the boundaries of our business and supply chain. We have strictly committed to the anti-corruption principle of the UN Global Compact and have taken pro-active actions to promote transparency at the global level.

ANTI-CORRUPTION POLICY VITAL TO OUR EFFORTS TOWARDS TRANSPARENCY

In 2015, Thai Union took a significant step to include anti-corruption in the newly revised Business Ethics and Labor Code of Conduct. To ensure that our efforts in anti-corruption are reinforced in everything we do, we put great emphasis on providing appropriate training and awareness raising among our employees. Since joining the UN Global Compact in 2013, all new staff are required to attend training on the Ten Principles of the UN Global Compact. In Thailand, training on antitrust and anti-bribery is also being rolled out. Over 70 percent of senior management in Thailand has already participated in the training. In 2016, the program will be rolled out to senior management globally.



“Thai Union has revealed a new Ethics and Labor Code of Conduct, one of many initiatives designed to drive positive change to earn trust. The more stringent code means a higher level of accountability and transparency throughout our supply chain.”

Kanes Supyaboonrod
Legal Counsel

Tax strategy

We are committed to acting with integrity and transparency to ensure that, in any geographic location in which we operate, we comply with existing regulations and obligations, pay our fair share of taxes wherever we operate while fulfilling our duty to our shareholders to deliver the best possible return on their investment.

Our Group's tax strategy includes:

- Effective management of our tax governance processes that ensure full compliance with tax disclosures and filing obligations in all jurisdictions;
- Consultation with law and accounting firms to obtain expert, objective advice and opinion on tax matters; and
- Engagement with government and revenue authorities in a collaborative, transparent and proactive way.

In addition to our robust tax governance, our enterprise risk management has provided oversight and guidance on taxation risk. The Audit Committee of our Board of Directors also reviews the company's tax strategy and risks and monitors internal controls and governance in the tax department. The recently developed Thai Union Group Tax Policy was disseminated among the company's subsidiaries in 2015. Thai Union has also made notable progress in reporting corporate income tax payments in regions where we operate.

Income Tax Payments by Region

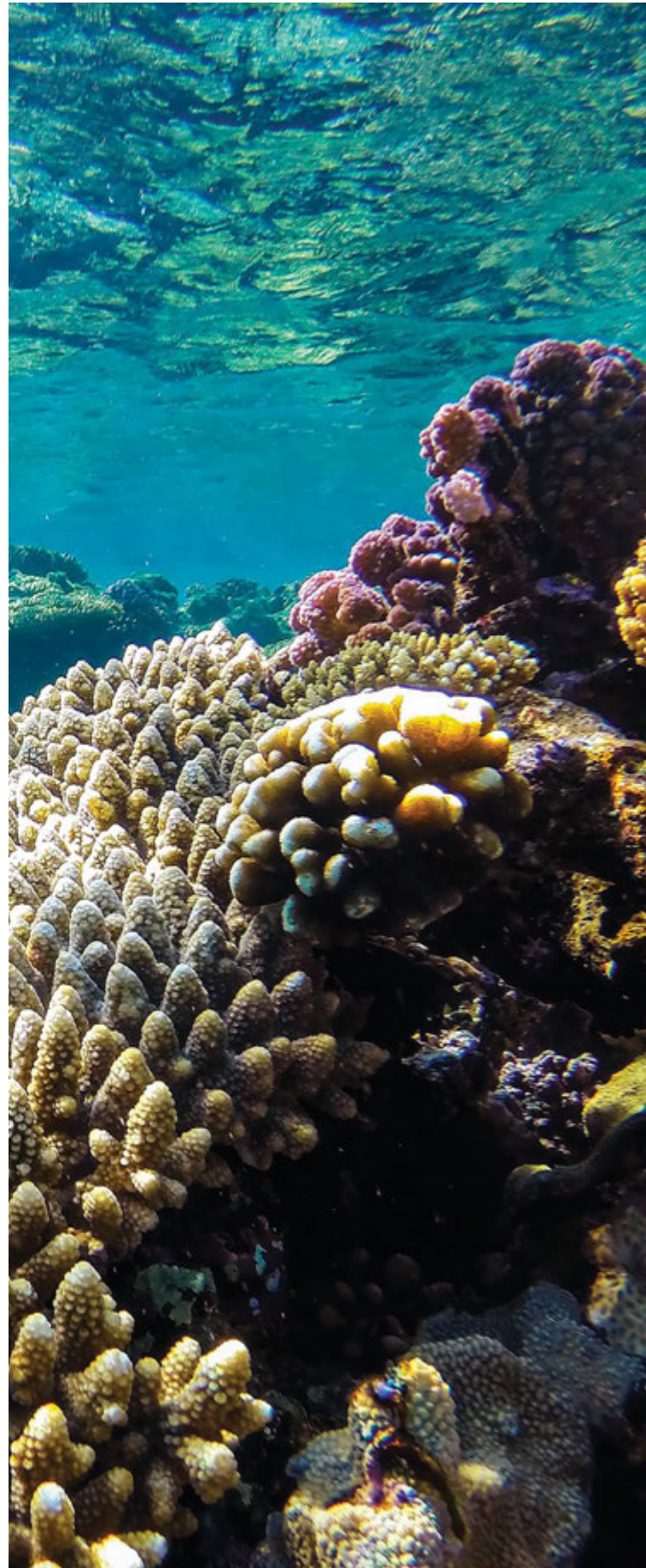
LOCATION	AMOUNT (THAI BAHT)
Asia	321,715,122
Europe & Africa	573,495,706
North America	175,438,744
Total	1,070,649,572



08

CLIMATE CHANGE AND ENVIRONMENTAL PROTECTION

The challenge of climate change demands a bold response and clear action from organizations and individuals. 2015 marked the highest global Greenhouse Gas (GHG) level since the Industrial Revolution. Not only is climate change affecting our global food system, but also our business through impacts on key raw material sources and disruptions at our processing facilities caused by extreme weather events. Thai Union strives to grow our business while reducing our GHG emissions and adapting to climate change as part of our risk management process.



GREENHOUSE GAS EMISSIONS



The environment is a key focus area of the UN Global Compact. As a signatory, Thai Union embraces its core values and promotes them within our sphere of influence. As a company and a steward of our environment, we support a precautionary approach to environmental challenges and undertake initiatives to promote greater environmental responsibility.

Thai Union is committed to reducing GHG emissions associated with our production. This is done through improving our business response to climate change as well as energy efficiency, reducing our carbon footprint, creating innovative and sustainable packaging, using clean fuels and promoting renewable energy.

In 2015, we developed a CO₂ emission reduction roadmap to prepare the business for a carbon-constrained future. We will conduct a global audit of our major sources of CO₂ emissions at group level to establish a group CO₂ baseline in 2016.

Our commitments by 2020

- We will achieve our overall 30 percent CO₂ reduction target by 2020 (against a ton of CO₂ eq per ton of Production baseline) through two distinct routes—increased efficiency and carbon trading. Each will reduce our CO₂ output by 15 percent.
- We will seek alternative water source with lower CO₂ emissions and improve wastewater treatment to reduce CO₂ from treatment process.
- We will formalize a CO₂ reduction program for sustainable packaging.

In 2015, Thai Union implemented a global Environmental Reporting Program to improve the monitoring, management and reporting of our environmental data. This enables us to manage information in a more efficient, integrated, timely and user-friendly way, and improve business performance throughout the year.

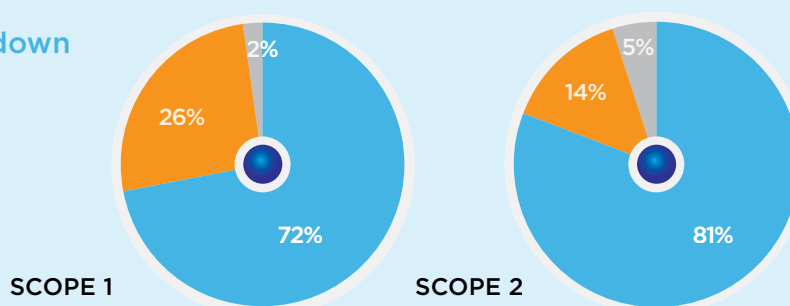
In 2015, we emitted 0.58 (384,966/666,117) tons CO₂eq per ton production for Scope 1 emissions and 0.24 (160,724/666,117) tons CO₂eq per ton production for Scope 2 emissions, with total emissions of 0.82 (545,690/666,117) tons of CO₂eq per ton production.

Total GHG emissions for scope 1 and 2 in Tons of CO₂eq

COVERAGE/ SCOPE	2012	2013	2014	2015
Coverage	14.1	12.3	78.3	66.3
Scope 1	142,757	135,926	314,445	384,966
Scope 2	44,147	42,617	150,228	160,724
Scope 1&2	186,904	178,543	464,673	545,690

GHG emission intensity broken down by scope (tons of CO₂eq)

- Asia
- EU & Africa
- USA



BIO-GAS PROJECT AT THAI UNION MANUFACTURING CO. LTD



Initiated in 2014, the bio-gas project at Thai Union Manufacturing Co. contributed to the reduction of 0.00961 CO₂eq per ton production in 2015 compared to the emissions in the previous year. In addition, bio-gas generated by wastewater treatment is used to generate electricity. In its second year of operation, the project reduced electricity consumption by 8,908.08 GJ, equivalent to 9,155,526 Thai baht.

Energy consumption

Energy consumption remains the most challenging environmental issue associated with our operations both at production sites and offices. In 2015, our total energy consumption was 6.1 GJ/ton production, or 6.23 percent higher than 2014 performance due to the difference in business types of reported companies in 2015; for instance, there was a high energy usage (diesel) from fishing fleet in Africa.

GHG intensity by operational region in ton CO₂eq (generated from energy consumption) per ton of production

	2014	2015
USA	0.47	0.41
Europe & Africa	0.50	0.65
Asia	0.29	0.28
Global	0.35	0.37
Number of reporting sites	15	19

Energy consumption by region in 2015

	ENERGY CONSUMPTION (GJ)		
	ASIA	EU&AFRICA	USA
Direct Energy Consumption	1,915,115	905,560	129,937
Indirect Energy (electricity) Consumption	912,064	146,061	56,466
Total	2,827,179	1,051,621	186,403

ENERGY REDUCTION INITIATIVE

At Thai Union Group PCL. (Thai Union Factory, TUF), its tuna processing plant has production of 70,000 tons a year with 720 million Thai Baht in profit, which are accountable for 40% of Thai Union Factory. Since the freezing process is one of the major sources of electricity consumption at the Tuna plant, we developed an energy reduction initiative focusing on the management and improvement of the freezing process. This was done by controlling the time needed to load tuna into the freezer and improving the efficiency of the process prior to freezing. Additionally, we improved the sealing condition of our freezers using smaller doors and installing air curtains to prevent air leakage. As higher humidity caused by wet conditions in the freezers leads to higher electricity consumption from the cooling system, we reduced the moisture of packed tuna by installing an air knife blower. Also, the inside of the freezer area is wiped dry after cleaning. In 2015, we conducted a study on air flow inside the freezer to determine how much tuna can be placed in the freezer without compromising sufficient freezing time. By implementing several initiatives at the plant level, we were able to reduce our energy consumption by 5,234 GJ or 1.9 percent, representing savings of 5,001,471 Thai baht.



Water consumption

In light of intensifying water crisis caused by climate change, responsible water management is critical to the future of Thai Union's business, especially in water-stressed areas where we operate. We facilitate sustainable management of water catchments around our factories by focusing on improving water efficiency and effective water treatment.

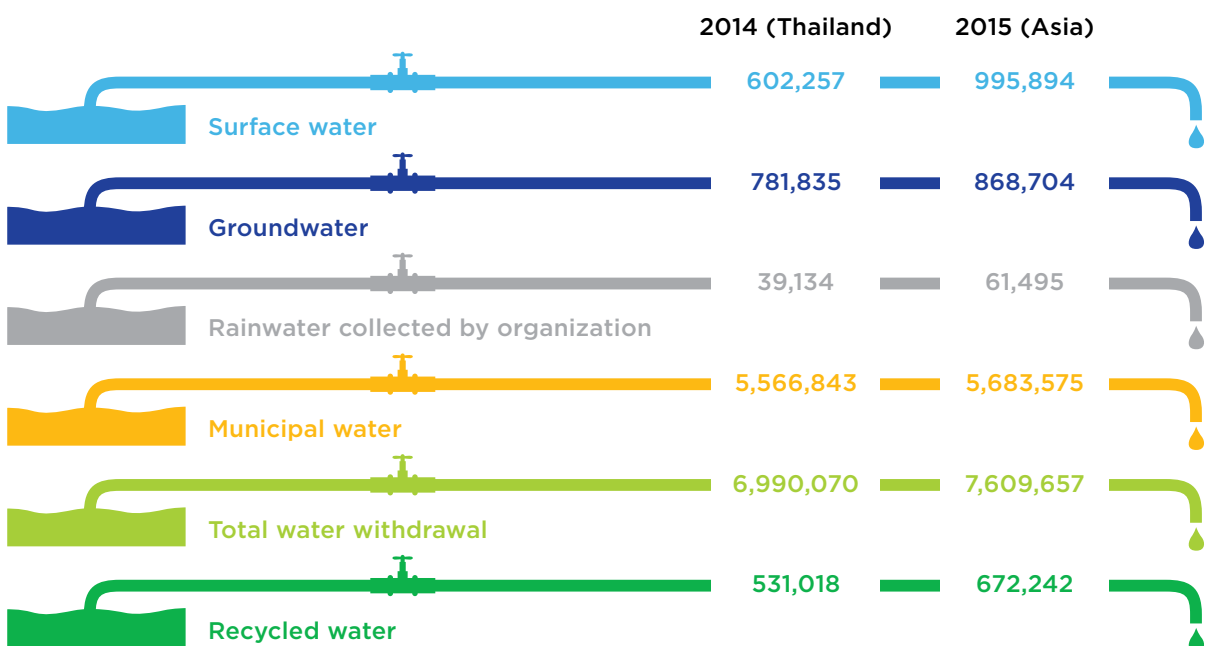
In 2015, our total water consumption was 9,291,126 m³, of which 7,365,044 m³ came from municipal water - the major water source among others.

We used Aqueduct's global water risk mapping tool in all aspects of water-related risks, including current water shortage, future water shortage, flood risk, water quality risk, water cost, and current regulatory and reputational risks. The result from the assessment showed that 11 out of 25 factories were located in areas with high water-shortage risk.

Songkla Canning Company is located in Songkhla province, Thailand, where the municipal water supply volume and quality is unstable. This increases the risk from business interruption and heightens potential conflicts with the local community. In tackling these burgeoning difficulties, Songkla Canning Company developed alternative water sources for its operation: A private surface water pond and its own rain reservoir, providing 74 percent and 5 percent of its water consumption in 2015, respectively.

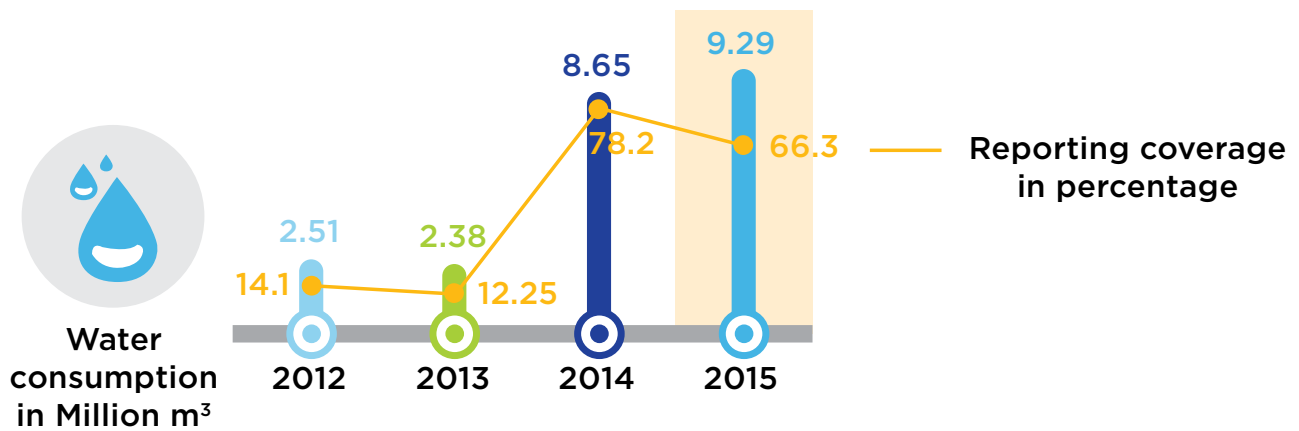
The next challenge is water quality of its operation. Songkla Canning Company has installed water treatment facilities for its water intake and wastewater, enabling wastewater reuse within the operations. This amounted to 19 percent of its water consumption. In 2015, the water reuse program saved the company 4,384,644 Thai baht.

Water withdrawal by source for 2014 (Thailand) and 2015 (Asia) in m³



Municipal water consumption for EU and Africa was 1,146,593 m³ in 2014 and 1,200,974 m³ in 2015 while that for the US was 514,548 m³ in 2014 and 480,495 m³ in 2015.

Comparison of total water consumption against previous years in million m³



BROKEN WATER TANKS IN THE SEYCHELLES

In August 2015, one of the three largest circular water tanks at the Indian Ocean Tuna canning factory in Victoria, Seychelles collapsed. Water and debris spilled onto surrounding factory premises and public roads that are connected with the fishing port and inter-island quay, causing temporary road closure. No injuries were reported, but utilities such as portable water and electricity to the factory were impacted.

Following the water tank incident, local teams and personnel from other sites were assigned to resolve the situation with clear priorities as follows:

1. Ensuring people's safety during clean-up and salvage operations (top priority);
2. Assessing damages for insurance purpose;
3. Ensuring that standard procedures were followed;
4. Preparing infrastructure and logistics for a safe and efficient restart of factory operations; and
5. Ensuring business and customer service continuity.



"The challenge of climate change demands a bold response and clear action from Thai Union by managing our environmental footprint. Our environment program is essential in tracking and improving our performance."

Comgrit Sorchom
EHS Director



09

RESPONSIBLE SOURCING

Knowing who our suppliers are and ensuring that we are purchasing from responsible organizations and well-managed vessels are critical to addressing the issue of Illegal, Unreported, and Unregulated (IUU) Fishing and achieving our overarching objectives. Responsible sourcing, therefore, is central to the successful implementation of our Sea Change strategy. Our Responsible Sourcing Roadmap covers all the species and major categories we procure and consolidates our work on Fisheries Improvement Projects (FIPs), traceability and labor practices that support our other sustainability objectives.

In 2015, we launched our Responsible Sourcing Roadmap, which draws together initiatives embedded within other roadmaps to ensure alignment and synergy. With a dedicated management team, this roadmap is the engine of Sea Change.

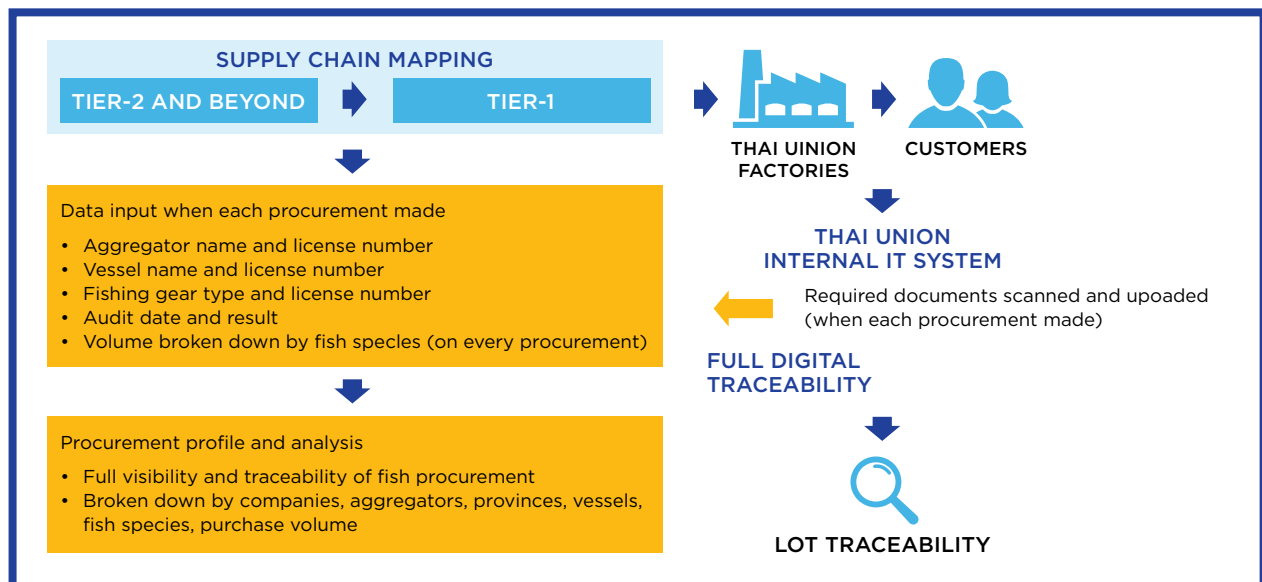
For Thai Union, responsible sourcing covers various areas that govern how we and our suppliers operate, how workers are treated, and how we manage our carbon footprint. With distinct initiatives designed to deliver full traceability across our supply chains and to focus particular attention on the operations of our shrimp and crab suppliers, responsible sourcing also draws on wider Sea Change initiatives.

Our commitments by 2020

- Full traceability for all seafood we purchase, dramatically reducing the risk of IUU fishing in the global fishing industry;
- Every vessel will comply with our stringent labor regulations, so our workers have safe and freely chosen employment, and are treated with respect at all times; and
- Our factories and supply chains will contribute to our 30 percent CO₂ reduction goal.

SUPPLY CHAIN MANAGEMENT INITIATIVES

With the recognition of the wider complexities of the seafood industry, we emphasize the importance of being a sustainable and transparent business. Thai Union is working to address both emerging and ongoing issues in a changing business environment, alongside stakeholder expectations. We view the ability to visualize, influence and add value to the supply chain as a way to drive seafood sustainability forward—from our processing operations to upstream sourcing to working with our customers downstream. We are working with the Shrimp Sustainable Supply Chain Task Force for the Thai seafood supply chain and we will introduce a digital chain of custody system for all wild caught and farmed seafood categories across the ASEAN region.



Thai Union Supply Chain System, a supply chain management initiative in Thailand

GLOBAL TUNA SUSTAINABILITY

Our vision is to be the most trusted provider of tuna products, caring for the world's marine resources to protect the environment for generations to come. In 2015, we launched the Global Tuna Sustainability Goals and Roadmap. Thai Union aims to be a leader in the seafood industry by promoting responsible fishing practices that will ensure healthy, productive and resilient oceans. We will achieve this through a holistic approach to the management of fisheries and supporting efforts to eradicate IUU fishing. We recognize that we cannot do this alone, so in partnership with Regional Fishery Management Organizations, governments and regulators, NGOs and other operators in the seafood sector, we are working together to achieve these goals.

Our commitment by 2020

- Our tuna will be responsibly sourced from fisheries that either operate meet Marine Stewardship Council (MSC) standards or are engaged in a FIP or conservation project to bring them towards MSC standards.
- We will have full traceability across all of our global tuna supply chains – from catch to consumption – dramatically reducing the risk of IUU fishing and human trafficking.

Throughout 2015, Thai Union continued to work closely with a number of partners and experts in the management of fisheries; they will help us develop and implement our initiatives and achieve our 2020 goals. Additionally, we are committed to upholding all of the measures and resolutions they advocate. We believe this collaborative approach is essential to drive improvements across the entire global fishing industry.



Thai Union is a founding and active member of the International Seafood Sustainability Foundation (ISSF), an organization that uses science-based initiatives for the long-term conservation and sustainable use of tuna stocks, reducing bycatch and promoting ecosystem health. More general information about the work of the ISSF can be found at <http://iss-foundation.org>. In 2015, Thai Union again participated in the annual external audit on conservation measures and compliance with the ISSF resolutions. Thai Union, Chicken of the Sea, and TUE were all audited against this standard by MRAG US and achieved compliance. We also participated in research programs with the ISSF, for example on the use of non-entangling Fish Aggregating Devices (FADs) and supporting the ongoing use of the ProActive Vessel Register (PVR).

Find out more about our partners and how we continue to implement our strategic approach to our activities to maximize the impact of our efforts across the globe by visiting Sea Change initiatives at <http://www.thaiunion-sustainability.com>.

To genuinely improve marine conservation through more responsible sourcing of tuna, we have developed three programs that will drive change throughout our business and deliver against our 2020 objectives. However, we want to drive change across the wider industry as well, so a large part of our work towards achieving our 2020 goals will involve working with partners and upholding our commitments to leading industry bodies.



INNOVATION

To achieve our goals, we will need to change and improve the way we work. Thai Union is committed to developing new and innovative ways to operate. We will work with leading academics and research facilities to find new solutions to the global problems of stock control and management that face the entire industry.

Our commitment by 2020

- Digital traceability: We will work with innovative technology providers to develop a system for digital traceability.
- Tuna sourcing policies: We will have aligned every one of our tuna sourcing policies everywhere in the world. We will publish these policies in line with our commitment to transparency.
- Academic and scientific research: We will work with academic bodies, universities and scientific institutions to support research into fishery improvements.
- Innovation: We have developed the Global Innovation Incubator in Thailand to look at all aspects of tuna operation innovation and research, from species to processing to packaging.
- Post-harvest risk assessment: We will work with fishery experts to address the issues around tuna grading, utilization of non-target species and low-economic-value species.
- Care-of-catch: We will ensure high standards are met from harvest to plate.

ASSESSING ENVIRONMENTAL IMPACT

To date, there is limited data available to assess the environmental impact multi-species trawlers may be having on ecosystems and targeted species. There is also a lack of initiatives to develop better sourcing practices for trawler fisheries to supply marine ingredients for feeds. In response, Thai Union Feed Mill (TFM) initiated a FIP in June 2015 with support from customers and suppliers. Under the advisory of the Thai Department of Fisheries, TFM has been conducting a fishery stock assessment to measure the impacts trawler fisheries may be having on aquatic resources. This information will serve as a starting point to develop better sourcing practices. Ultimate sustainability outcomes would be to operate on par with the International Marine Ingredients Organization's (IFFO) Global Standard and Certification Program for the Responsible Supply Chain of Fishmeal and Fish Oil, otherwise known as IFFO RS. The IFFO RS standard seeks to demonstrate industry leadership in the safe production of marine ingredients for aquaculture, legal supply chains, and the sustainable use of global fisheries.

ENVIRONMENT AND MANAGEMENT

Through our fishery improvement and conservation projects, we collaborate with multiple stakeholders across the supply chain to source tuna from fisheries that are either operating at the MSC standard or working towards it. By working with stakeholder groups such as the ISSF, WWF, National Fisheries Institute, ASEAN Seafood Improvement Collaborative, and the Shrimp Sustainable Supply Chain Task Force, we are actively developing and implementing industry best practices to ensure effective and ongoing resource management.

Our commitments by 2020:

- We will work with fishing authorities and producers to assess the status of tuna stocks in areas from which we source.
- We will work with stakeholders to develop improvement roadmaps for any of our tuna fisheries that do not meet MSC standards, ISSF resolutions or have specific environmental or operational issues.
- We will launch credible and robust FIPs or a conservation project if a FIP is not possible.
- Through high-level stakeholder roundtables and collaboration with fishery experts including the ISSF, we will address over-capacity of tuna vessels and lack of harvest control rules.
- We will ensure that all our tuna suppliers comply with all ISSF resolutions. We will immediately cease trading with any supplier that does not comply fully.

FISHERIES IMPROVEMENT PROJECT (FIP) IN THE INDIAN OCEAN

Recent ISSF reports have noted the decline of tropical tuna stocks in the Indian Ocean, where overfishing is happening. Most notably is the stocks of yellow-fin tuna, which have breached Maximum Sustainable Yield (MSY). TUE, WWF, Princes, and purse seine fleets have initiated a FIP in the Indian Ocean, as a step-wise approach to rebuild the fishery back to the MSC standard. TUE's efforts are headquartered in Seychelles, which depends on tuna fisheries for GDP. Roadmap efforts have been endorsed by the Seychelles government, as sustainable fisheries are key to the country's 'blue economy' sustainable development strategy. Central to the FIP is advocating and building capacity with the Indian Ocean Tuna Commission (IOTC) to agree on Harvest Control Rules (HCR) and Harvest Strategies, and to conduct regular stock assessments. The cross-sectoral approach incorporates governments, industry, NGOs and fishers to achieve sustainability outcomes based on good science.

Our progress towards MSC commitment

In 2015, 30 percent of Chicken of the Sea Frozen Foods' products from capture fisheries was MSC certified. One hundred percent of our Canadian lobster purchases came from MSC fisheries, while 5 percent of our Chilean Seabass purchases were from MSC resources.

Of our tuna brands, John West has the highest proportion of MSC products. In the Netherlands, 4.7 percent of the total volume was MSC tuna, while in Denmark, 3.6 percent of the total volume was MSC certified.



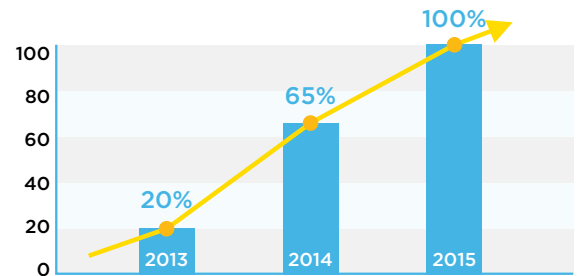
Our full commitment to MSC, traceability and combating IUU fishing can be found at <http://www.thaiunion-sustainability.com/marine-conservation.php>

WORKING WITH INTERNATIONAL SEAFOOD SUSTAINABILITY FOUNDATION (ISSF)

We are working with the ISSF to take steps in tackling the problem of IUU fishing. One critical initiative driving this goal has been the ProActive Vessel Register (PVR). The PVR provides validated information to tuna purchasers on the positive steps each vessel is taking in implementing sustainability commitments. Thai Union has committed to support this in 2015 by increasing the amount of fish sourced from PVR-listed vessels. We encouraged our suppliers to strengthen our partnership by joining the PVR. Starting 1 January, 2016, 100 percent of the large-scale purse seiners we source from have been registered on the PVR.

KPI highlight

2015 Target: 100 percent traceability for all tuna brands
Result: 100 percent



Graph showing volume of tuna purchased from large scale purse seine with PVR

ENGAGING WITH FISHERY IMPROVEMENT PROJECTS (FIPS)

Thai Union is active in eight cross-sectoral FIPs around the world, from Morocco to the Philippines. FIPs are an industry driven initiative to improve a fishery to achieve sustainability outcomes such as MSC. Typical activities for these programs include fishery stock-assessments, environmental analyses, and advocating for appropriate management measures. Thai Union sees robust traceability systems as a core component to mitigate IUU and labor risks in supply chains. By utilizing new technologies and cross-sectoral partnerships in the tech space, Thai Union will address both market and regulatory concerns that start at the vessel and permeate throughout the value chain.

WWF & TUE PARTNERSHIP FOR SUSTAINABLE FISHERIES

In October 2014, WWF UK, WWF France and TUE entered into a Seafood Charter partnership. This partnership is part of WWF's engagement with a wide range of stakeholders, including several influential retailers and producers in the UK and Europe, who have a shared vision of developing sustainable fisheries worldwide.

The WWF and TUE partnership focuses on careful management of fish stocks and the marine ecosystem, with clear targets for step-wise improvement, especially for tuna fisheries in Africa. Our long-term goal is to ensure that all the seafood sold in Europe by TUE is MSC certified. The WWF and TUE Seafood Charter is initially running for four years (2014-2018). Our partnership seeks to improve sustainability across all species by working towards MSC/ASC certification across the whole TUE supply chain.

In 2015, we began by establishing transparency and enabling conditions for the next stage of progress. While there is still much to do to improve both environmental and social standards in the targeted fisheries, important practical actions have already been taken.

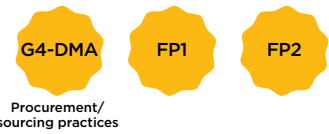
You can read the full progress report, which provides an evaluation of our work in our first year of partnership (2014-2015), and look out for the next steps in the journey by visiting

http://assets.wwf.org.uk/downloads/wwf___thai_union_europe___partnership_progress_report_2016.pdf



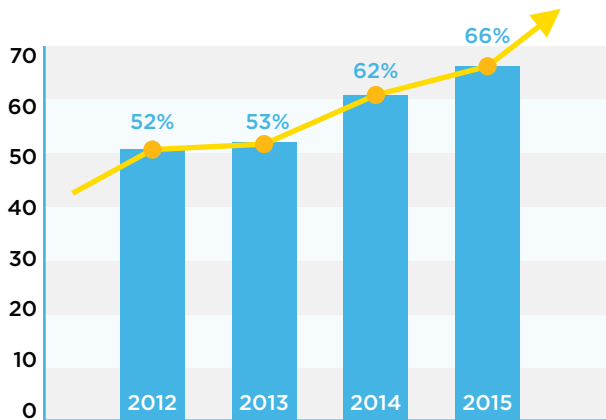
"Being the world's largest producer of shelf-stable tuna products and a significant producer of shrimp with influence over a number of other seafood supply chains brings with it responsibility to focus on sustainable sourcing and environmental protection."

Tony Lazazzara
 Group Director of Fish Sustainability

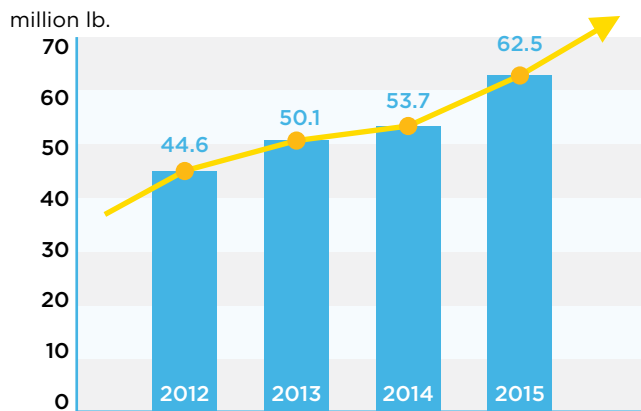


BEST AQUACULTURE PRACTICE

The majority of agricultural raw material we purchase is farmed shrimp. To comply with our sustainable sourcing principle, we have implemented Best Aquaculture Practices (BAP) standards for our own facilities and purchased shrimp raw materials from BAP-certified farms. As Thailand is the main production base for frozen shrimp, Thai Union has implemented BAP standards in our supply chains and owns BAP 4-star certified facilities, covering hatcheries, feed mills, farms, and processing plants.



Percentage of BAP certified shrimps produced and sold from our facilities in Thailand



Purchasing volume of BAP certified shrimp from Chicken of the Sea Frozen Foods

KPI highlight

2015 Target: Develop auditable Code of Conduct in collaboration with the Shrimp Sustainable Supply Chain Task Force.

Result: One hundred percent of our shrimp feed supply chain in Thailand was first-party audited to Shrimp Task Force code in 2015. By 2016, 100 percent of this supply chain will be third-party audited by UL. The auditable Code will be fully rolled out across all Thai vessels in 2016 and the Code of Conduct will be introduced, with complete rollout by 2020.

10

COMMUNITIES

Communities along with suppliers, marine conservation, and workers in the Thai fishing industry are center to our business. Thai Union ensures its roles as a good corporate citizen by committing to and taking responsibility in improving the lives of those living and working in the regions in which we operate.

In addition to our continuous philanthropic contributions, collaborations, and long-term partnerships with coastal communities and NGOs, we developed a roadmap in 2015 that aims to gear our operations towards sustainability and deliver practical and lasting changes for generations to come. The new roadmap incorporates broader principles of supporting and working with communities in Thailand and around the world where we operate by addressing the particular social needs in of the Thai and global fishing industries. Our 2020 goals are designed to enrich the lives of the people we work with and affected by our business throughout the world.

Our commitments by 2020

- We will have social enterprise programs in every region where we operate;
- We will establish Thai Union Foundation to coordinate programs that create shared value with our communities; and
- We will develop educational facilities designed to bring sustainable benefits to current and future workers

In an effort to achieve our 2020 commitments, we will provide training in sustainable development to employees at our facilities in Thailand, and establish a Thai Union Sustainability Recognition Award. These initiatives will provide opportunities for employees to make a difference and contribute towards social responsibility and sustainability of Thai Union.

As part of our alignment with the new SDGs, Thai Union has adopted “zero hunger,” “decent work and economic growth,” and “life below water” as our sustainability focus areas. The establishment of the Thai Union Foundation in 2016 will contribute to our achievements towards the SDGs.



KPI highlight

2020 Target: Open five preschool in Thailand.

Result: Two preschool are open and operating.

Assessed the potential for schools, institutes and the establishment of the third preschool in 2016.

Thai Union philanthropic activities for 2015

CATEGORY	PERCENTAGE OF TOTAL COSTS
Charitable donations	61.36%
Community investments	17.14%
Commercial initiatives	21.50%

EMPLOYEE EDUCATION RIGHTS TRAINING PROGRAM, SUPPORTING CHILDHOOD EDUCATION

The equality and fair treatment of migrant workers in Thailand still presents a challenge for the fishing industry, primarily due to the issues regarding informal and illegal labor practices such as human trafficking, forced labor, child labor, and debt bondage. By making sure our migrant workers in Thailand understand their rights, instances of child labor and child human trafficking is likely to be prevented. Migrant workers with children in Thailand often lack access to education due to insufficient knowledge about the Thai school system. In collaboration with LPN, Thai Union organized workshops providing information about education rights and Thai school enrollment procedures to migrant workers to ensure children of migrant workers have access to formal education. Thai Union and LPN conducted in 2015 three training sessions involving more than 200 employees. In 2016, over 500 employees will participate in the program. This program complements the development of the preschool in local schools for the children of migrant workers.

Mr. Prasarn Sarawong, Principal of Wat Sri Suttharam School in Samut Sakhon Province, where one of the Thai Union's preschool is located.



FOOTBALL CLINIC FOR LOCAL CHILDREN

Thai Union organized a football clinic session led by legendary premier league footballers Dietmar Hamann, Jari Litmanen and Stéphane Henchoz. This program was provided for children from the Thai Union childcare center and Wat Sri Suttharam School where the center is located. The session was held on 17 November, 2015 and was designed to inspire children to participate in sports such as football.



We encourage and support our employees globally to engage with the communities in which they live and work and to participate in social and environmental initiatives. In 2015, 40 Thai Union executives from different subsidiaries in Thailand and around the world volunteered in school renovation at Bann-Huay Gasian school, Prachin Buri province, Thailand.



ENSURING THE LONGEVITY OF THE MARINE ECOSYSTEM BY PROTECTING TURTLES

Thai Union has worked with the ISSF since 2009 on its sea turtle conservation projects across the world. Through our subsidiary, Chicken of the Sea, we donated \$100,000 in 2015 to support the work of turtle conservation projects on nesting beaches. More information can be found at <http://iss-foundation.org/what-we-do/areas-of-focus/bycatch/turtles>.

Since 2012, our subsidiary, Mareblu, has supported turtle conservation through a partnership with a non-profit organization, Legamiente, at the Sea Turtle Recovery Center in Italy's Lake Salso's Oasis (FG). In 2015, Mareblu's donation enabled the purchase of construction materials and equipment such as the tanks of livestock buildings and installations of water treatment equipment.

PROVIDING HUMANITARIAN RELIEF TO THOSE IN NEED

Since 2011, we have donated food to victims of natural disasters. We work closely with partner organizations to ensure our donations reach those in need. In 2015, we donated 100,000 cans of tuna and sardines to support earthquake victims in Nepal and an additional 50,000 cans of sardines and rice to those who suffered flooding in Myanmar.



As a global seafood company, Thai Union has an opportunity to create long-term positive value for society while simultaneously creating value for the business. Since 2013, we have invested in our Creating Shared Value flagship project in partnership with the Right Livelihood Foundation.

Many important spawn and nursery grounds for marine life are found along coastlines that are in close proximity to local fishery communities. By working with communities, Thai Union can promote the conservation of marine resources while enabling self-sufficiency within the communities.

In partnership with the Right Livelihood Foundation, Thai Union has developed a model for a self-sustained fishery community; in late 2015, we started to introduce a social enterprise initiative that encourages fishermen to sell their sustainably caught fish and earn their own income.

Thai Union also works with the IUCN (International Union for Conservation of Nature) to perform biodiversity studies together, with authorities and local academic institutions involved to measure biodiversity in the Gulf of Thailand and assess environmental impacts of the project.



PROMOTE ENVIRONMENTAL AWARENESS

The “Garbage Bank” was established in 2014 with the aim of enhancing environmental awareness among staff by addressing four key objectives:

1. Enhance Thai Union’s staff awareness of waste identification, both at the workplace and at home;
2. Reduce plastic waste in the community;
3. Use income from the project to support social projects; and
4. Promote collaboration among supervisors, officers and staff in the facility.

In 2015, this project generated an income of 59,010 Thai baht from selling collected plastic waste, which supports social community projects in the region like mangrove planting, a lunch program for children and support to Myanmar flood victims.



“Our role in the seafood sector gives us enormous scope to influence the sustainability of the oceans, be a leader of change in our industry, and have a positive impact on the communities in which we operate.”

Patarachai Sonthikhant
 Manager: Environmental Program
 and Community Development



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HUMAN CAPITAL DEVELOPMENT

Thai Union places great emphasis on attracting, developing and retaining the best talent and management across the world. We have also worked to develop a more global understanding of sustainable supply chains and the human resources involved. We strive to maintain our operational excellence through an outstanding experienced and skillful workforce to support our aspiration to be the global leader in seafood industry, and to grow in multiple regions.

TALENT DEVELOPMENT

We have a workforce of 39,864 people worldwide (11,623 full time employees, 28,241 daily workers). Our employees have helped us gain and build competitive advantages. We also have continuously been developing our human resources to become exceptional. With our learning and growth programs, which are not limited to accelerating employees' skills development, but also improve their engagement and retention.

Moreover, we have always prioritized investment in our human capital and human capital development, and we consider them as a significant contributing factor in driving the company forward sustainably. In 2014, we launched our Thai Union development roadmap, which outlines our investment in human capital as a part of our cornerstone strategy.

In the past year, our learning and development management strategies have emphasized on employee engagement and talent management. We offered training sessions to both our full-time employees and our daily workers. In 2015, we delivered on average of 26.28 training and development hours per a full-time employee (FTE) globally. These trainings and development programs represented an average investment of 4,004.65 Thai baht per FTE. Examples of our trainings and development programs are the Thai Union Management Associate Program and leadership development program was tailored for managers to enhance leadership skills that are essential for career development and organizational success. It focused on areas such as team management and coaching, strategic planning and strategic communication.



Our human capital development return on investment has provided a mean for measuring the overall financial return on employee development and investment against the total employee-related expenses. For the period 2012 to 2015, we have achieved an increased reporting coverage and number of full-time employees.

TALENT ATTRACTION AND RETENTION

Talent attraction and retention are one of our key priorities to maintain competitiveness in the global market and central to our business strategy. In an evolving global market, we seek for and continue to develop retention strategy to collect the best talents in our company.

In 2015, our trainings and development programs helped engage our employees and develop their skills to align with both our business goals and the employees' own career objectives. We conduct multi-dimensional performance and career development reviews annually based on Individual Development Plans (IDP) which apply to all employees. While these appraisals are generally based on the achievement of KPIs and competencies, the career development discussion in the process also addresses career priorities and goals of each individual employee. In 2015, a hundred percent of our employees received a regular performance and career development review.



In 2015, we also conducted an employee satisfaction survey to gain insight of the key success factors and challenges for our employee engagement. Out of 25,416 employees, 80.33 percent of targeted employees across the globe of Thai Union participated in the survey. The average satisfaction score was 72.67 percent. Improvement plans to address gaps for areas satisfaction scores less than 50 percent are in progress. With these employee engagement interventions, we expect a rise in the engagement score from 72.67 percent to 75 percent in 2016.

Our commitment by 2020

- Employees at our facilities in Thailand will be trained and have acquired knowledge in sustainable development. We will ensure that they are aware of sustainability aspects in all operation process. Thai Union will also establish the Sustainability Recognition Awards for our staff.

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HUMAN RIGHTS AND ETHICAL LABOR PRACTICES

It has been a challenging time for the seafood industry, as some of the most pressing issues, such as human trafficking, occur outside direct operational or jurisdictional control of companies and countries, and become geopolitical issues. No one company or institution can solve such problems alone, although we each have a role to play in finding the solution.

We continue to prioritize respect and support of human rights and ethical labor practices by adhering to the Human Rights Principles of the UN Global Compact and collaborating with our stakeholders to address human rights issues in all our business operations and supply chains.



Thai Union is working to ensure we do not support illegal labor or unethical labor practices, working closely with both international organizations and local NGOs to understand the issues and find the best solutions together. As Thai Union's industrial processing and business operations involve numerous third parties and suppliers, we continuously engage our suppliers to improve the supply chain resilience for raw ingredients. We work with suppliers to ensure ingredients are ethically sourced and free from human rights abuses like child labor and forced or compulsory labor. We promote freedom of association and the right to collective bargaining, principles found in our Business Ethics and Labor Code of Conduct, among our employees as well as our suppliers.

Efforts to improve the working conditions for all workers (both migrants and those locally recruited) across the industry require a blend of approaches and practices to be truly effective in tackling the complexity. To address this, we have developed four work streams:

- Verification and traceability;
- Accountability and transparency;
- Worker empowerment; and
- Partnership and collaboration.

Each work stream spearheads a number of initiatives and projects, combined to drive genuine improvement in labor practices across the industry. Learn more about Sea Change at <http://www.thaiunion-sustainability.com/safe-and-legal-labour.php>.

Because Thai Union truly believes in a multilateral approach to sharing our values and pushing forward holistic socio-economic development, we are establishing partnerships with various NGOs and organizations that have expertise in the fishing industry, labor practices, human rights and issues specific to migrant workers. These partnerships will help to ensure our sustainability program areas are focused and effective. We will maintain an open dialogue with the industry, governments, and civil society to share our experiences and to drive global change.

KPI highlight

2015 Target: Implement an independent third-party worker grievance mechanism in our factories in Thailand.

Result: 80 percent factory coverage

WORKING WITH ISSARA INSTITUTE TO ADDRESS HUMAN RIGHTS ISSUES

Thai Union works with Issara Institute on a number of human rights issues, including the implementation of the Project Issara third-party hotline number as an independent grievance mechanism designed to give workers a voice. This number is available for all workers to call in five languages. The calls are independently investigated by Issara and reported to Thai Union for action as required. In 2016, the hotline will be rolled out to our remaining factories and across all ports in which we operate. We will continue to collaborate with Issara Institute on a number of other topics, such as the development of a mobile phone application for workers, ethical recruitment processes, the provision of safe and legal employment for those escaping forced labor or human trafficking, and humanitarian aid.

Verification and traceability

With strong verification processes in place, we will be able to check the legal status of every vessel from which we purchase fish. This will allow us to monitor vessels and ensure they are fully licensed and not involved in IUU fishing, as well as employing fair labor practices on board. In addition, it will allow us to trace the journey of every fish from catch to consumption.



In 2015, we launched the Thai Union Business Ethics and Labor Code of Conduct, which corresponds to UN Global Compact principles, International Labor Organization (ILO) standards and local standards. Thai Union's Code of Conduct aligns the way we operate with our core values and the way we do business with our suppliers. The Code of Conduct has been translated into 19 different languages and is available at www.thaiunion.com/en/sustain/tu-sustainability/code-of-conduct.ashx.

In the reporting year, we screened 100 percent of new suppliers of Thai caught seafood against our human rights and labor practices criteria, which align with UN Global Compact guidelines and our Code of Conduct requirements.

Thai Union Manufacturing (TUM), Songkla Canning (SC) and Thai Union Feedmill (TFM) are leading the way to ensure ethical sourcing practices of seafood raw materials by incorporating human rights and labor practice impact assessments in their procurement process. The procurement process only proceeds after the human rights and labor practice impact assessment demonstrates results that meet Thai Union requirements.

The table below shows our 2015 results for the human rights and labor practice impact assessment of aggregators and vessels.

ITEMS	AGGREGATORS		VESSELS	
	Positive	Negative	Positive	Negative
Percentage of suppliers identified as having significant actual and potential negative human rights and labor practice impacts	76.67%	23.33%	84%	16%

In 2015 Thai Union identified significant risks within its shrimp supply chain in Thailand through the use of third-party pre-processors (sometimes called peeling sheds). After Thai Union mapped out all pre-processors used in Thailand, the company began working with NGOs to address issues of labor conditions within these facilities and brought all pre-processing in house within Thai Union facilities in order to have vertically integrated control. To manage risks during the transition phase, Thai Union human resources staff conducted regular social audits of the pre-processors.



In December 2015, Thai Union announced that all pre-processing would be moved in-house by January 2016. In the days following this announcement, the Thai Frozen Foods Association similarly announced that its members must no longer use third-party pre-processors, and the Global Aquaculture Alliance announced changes to its audit standards to reflect this change for Best Aquaculture Practice (BAP) star rating audits. By 6 January, 2016, over 1,200 workers previously employed in external pre-processing facilities were employed directly by Thai Union, offering safe and legal employment. Migrant Workers Rights Network (MWRN) was invited to consult with the new employees to ensure human rights and labor standards were respected.

THAI UNION CODE OF CONDUCT

At a special event where 600 suppliers of seafood and non-seafood products were invited, we communicated and disseminated our new Business Ethics and Labor Code of Conduct to Thai Union's companies and suppliers. We explained the 12 fundamental principles, stressing the importance of compliance, and urged our suppliers to sign the Code of Conduct in reflection of their commitment to these principles.





A SHRIMP FEED SUPPLY CHAIN FREE FROM ILLEGAL AND FORCED LABOR

In response to concerns raised by international agencies and NGOs, we are committed to putting effective verification processes in place that enable us to check the legal status of vessels from which we purchase fish. These processes work to ensure vessels are fully licensed and not involved in illegal, unregulated or unreported fishing, and illegal or forced labor. As a member of the Shrimp Sustainable Supply Chain Task Force, we are working towards key objectives designed to drive positive change in the industry. Thai Union is establishing a track and trace system from the vessel to the feed mill on par with international standards. This system includes implementation of third-party audit programs for labor standards alongside Marine Catch Purchase Documentation and Port in Port Out documentation that verifies the legitimacy of the product and documents the workers on the vessels. Thai Union also developed a FIP to develop baseline data on the composition of trawl catch in the Andaman Sea to address the environmental sustainability of ocean catch.

Accountability and transparency

Thai Union is committed to acting with transparency and demonstrating a core value of respect to improve labor practices in the Thai seafood industry. As we progress on this journey, we are committed to sharing our challenges and lessons along the way with our workers, customers, the seafood industry and wider stakeholders. We are introducing initiatives that will open up lines of communication and initiate dialogue between workers throughout our business and Thai Union management.

By the end of 2016, Thai Union aims to undertake a complete social dialogue-based audit of all our facilities in Thailand with the MWRN to ensure we have an accurate understanding of our current situation and identify issues for resolution or improvement. Through our stakeholder-focused approach, we encourage social dialogue with workers to improve the accountability and transparency in our work and to respect human rights.

Worker empowerment

To yield effective stakeholder engagement, we want to make sure that our workers understand their human and employment rights. This is critical in enabling them to report any violations they witness or suffer and to seek resolutions. We are providing the communication methods and grievance mechanisms to ensure all workers have access to help and support.

In achieving this initiative, Thai Union has developed a number of programs. One of these programs is the work with Issara Institute since 2014 to improve conditions for workers in Thailand. Since 2015, we have provided an independent worker hotline via our partnership with Issara, available in five languages. Thai Union will be rolling this program out across all of our factories and ports in Thailand in 2016.

To ensure our migrant employees know their rights, Thai Union initiated a long-term labor empowerment program in collaboration with local NGOs, including the Migrant Worker Rights Network (MWRN) and Labour Rights Promotion Network Foundation (LPN). Its aim is for migrant employees in Thai Union facilities across Thailand to receive formal training on applicable Thai labor, human rights and social welfare regulations, and to promote adherence to these standards. As part of the human rights specific training, we target key migrant workers, including new migrant workers. We also target employees in manager positions who continue to embed knowledge of labor, human rights and social welfare regulations and the adherence to these standards in their teams and the wider workforce.

Total number of hours in the reporting period devoted to training on human rights policies or procedures concerning aspects of human rights that are relevant to operations

14 hours

Percentage of employees in the reporting period trained in human rights policies or procedures concerning aspects of human rights that are relevant to operations

7%



HELP FOR VICTIMS OF HUMAN TRAFFICKING

Thai Union works with Issara Institute in Thailand to offer humanitarian aid, safe and legal employment, and support for victims of human trafficking or forced labor. In 2015, Thai Union and LPN initiated a pilot program that provided counselling, medical assistance, temporary food and shelter, and the opportunity for legal aid to repatriated men who had been victims of human trafficking. In this program, Thai Union offered employment to the men who had been rescued, seven of which accepted. The men were given a thorough medical assessment, accommodation, and rental fees for the first month. They began work in the fish production department at Thai Union in August 2015.

Supporting children through education

The fishing industry in Southeast Asia is largely an informal sector that is gradually becoming formalized, and in turn, more closely examined. Two factors tend to lead to infringements on children's rights within the fishing industry: Many businesses are family owned and operated, and the workforce consists of migrant and local labor. Thai Union's main focus within children's rights is to increase access to education and limit child labor.

Thai Union works to educate suppliers on their compliance with the Business Ethics and Labor Code of Conduct, which specifically prohibits child labor. Suppliers are provided support to follow the Code and encouraged to share it with their own suppliers. The aim is to influence all layers of suppliers so the Code of Conduct is followed throughout Thai Union's supply chain.

To increase future opportunities for children of workers, we provide education facilities as a basic foundation for quality of life. In parallel, Thai Union's human rights and labor impact assessment is a mechanism with which we minimize the risks of child labor. We have also initiated a program to build preschools in local schools for the children of migrant workers to help them transition to the Thai school system.

We collaborate with LPN to educate our migrant workers on the importance of education for their children and avoidance of child labor and trafficking. In 2015, LPN helped to establish Thai Union preschools in Samut Sakhorn, Thailand

DECREASING CHILD LABOR ON THAI SHRIMP FARMS

Thai Union is initiating a program to ensure child labor does not exist within the supply chain of shrimp farms. Since many farms are family operated and may depend on the help of the whole family, the problem is still difficult to solve. By making education easily accessible, limiting the hours of work and securing shelter and water, the lives of children and their families can improve.

Our commitments by 2020

- We will treat all workers, whether migrant or local, fairly and with dignity. They will have safe and freely chosen employment.
- We will ensure full compliance of our supply chains, from vessel to factory, with stringent labor regulations and our Code of Conduct.
- We will ensure full traceability of all the fish we purchase, to provide us with information about the vessels and the labor practices on board.
- We will empower workers through education and dialogue, bringing a sustainable benefit for workers now and in the future.
- We will maintain an active dialogue with industry, government and civil society to harness the power of change.



"Any illegal or unethical labor practices are unacceptable to Thai Union, and we take necessary actions to ensure our products are brought to market in a way that is consistent with our values to operate with integrity and the utmost respect for human rights. As a leader in the seafood industry, we are working to ensure that we do not support illegal labor or unethical labor practices throughout the supply chain."

Kanin Kaewin
Sustainable Development Manager



Occupational health and safety

'Trustworthy safety' is a must within the Thai Union workplace. Adhering to defined safety standards, we provide safe working conditions for all our workforces. Thai Union continuously endeavors to improve safety conditions, not only to earn trust from our employees, but also to maintain our status as a leading company in the seafood industry.

Our vision is to be the most trusted seafood leader in the world. With high safety standards, we encourage all business units to implement and maintain a safety management system, such as OHSAS 18001, for continual improvement. We strive to make advances in safety and occupational health policies, for example, and continue to strengthen our safety standards, procedures and processes.

As part of this responsibility, we recognize that our daily actions, whether we are working on fishing vessels, in industrial facilities or office locations, require diligent and comprehensive planning and management to achieve our ultimate goal of zero accidents. To help us achieve this goal, we have a number of indicators to help us identify improvement opportunities for our processes at a local, regional and global level.

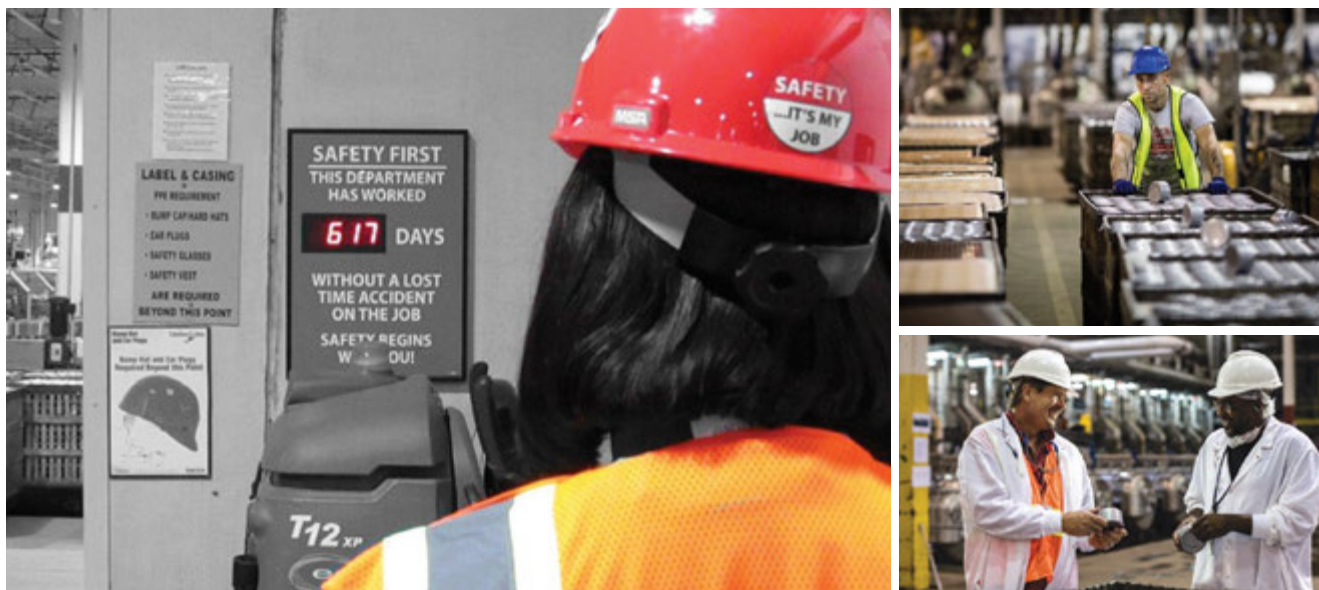
- **Compliance:** We are committed to complying with all applicable EHS legal requirements and with all other EHS requirements or standards to which we subscribed globally.
- **Mitigation:** We are committed to managing our operations with the objective of minimizing health and safety risk. We are also committed to engaging with our employees, customers, suppliers and other stakeholders in minimizing risks.
- **Culture:** We are committed to instilling EHS awareness, knowledge and leadership in our organizational culture by changing behavior through conducting effective training, audit and development of adequate communication channels and tools.
- **Engagement:** We are committed to engaging with our employees, customers, suppliers and other stakeholders to update our EHS strategy based on their relevant feedback.

In 2015, we continue to see year-on-year improvement in our key indicator of incident frequency and lost-time injuries frequency rate (LTIFR) for our employees. We saw a reducing trend of employees' LTIFR from 4.0 in 2014 to 3.5 in 2015 (per 1,000,000 hours) which was due to our ongoing focus on safety training. Our occupational illness frequency rate for employees was maintained at zero in 2015. These improvements were due to our Safety Behavior program implemented in Europe, which was about the assessment of people's behavior. A higher safety score means safety behavior is improving, leading to lower accident rates. When comparing with companies that reported in 2014 (only Europe and Africa), our LTIFR performance was 11.25 in 2014 compared to 7 in 2015.

In 2015, we started to monitor our performance of LTIFR pertaining to contractors. A safety score of 1.83 per million working hours was recorded from five business units in Thailand, including Thai Union Group, Songkla Canning, Thai Union Seafood, Thai Union Feedmill, and Pakfood. We aim to expand our record on contractors' LTIFR in 2016 to be group-wide, with rates of 2.5 in 2020.

To ensure that our business units around the world are working as one team to foster a safe environment, we established a safety performance benchmark to share best practices, accident lessons and safety knowledge within our Group. In the reporting year, we ensured that the safety indicators were reported on a monthly basis and continued to analyze the major causes of lost-time accident within the level. We also established CEO recognition awards to the first and second companies that reduced their LTIFR the most.

We have a goal of promoting safety ownership and preventative measures among employees by encouraging consistent avoidance of unsafe conditions and/or acts along with action to correct the safety risk, prior to informing the responsible department. To reach the goal, we assess factories' performance based on the divided areas. Each area will be assessed on their safety behavior and scores. Improvement in scoring defines the safety behavior performance.



PROTECTION OF WORKERS' HEALTH AND SAFETY

In 2015, Thai Union Group released a Business Ethics and Labor Code of Conduct. The new code is built on 12 fundamental principles designed to reinforce a culture of integrity, and is aligned with the UN Global Compact principles of basic responsibilities to people and upholding their basic rights. The Thai Union Business Ethics and Labor Code of Conduct has a focus on protection of workers' health and workplace safety.

A healthy, safe workplace is necessary to prevent accidents and injury arising out of, linked with, or occurring in the course of work, or as a result of the employer's operations.

Lost-time injuries frequency rate for employees (2012-2015) in n/million hours worked

LTIFR	FY 2012	FY 2013	FY 2014	FY 2015
Employees	6.0	3.95	4.0	3.5
Data coverage % of revenues	14.1	12.25	78.3	98.7



"We expect managers to take a leadership role and ensure every aspect of their business actively maintains safety standards. Supervisors and team leaders need to establish and monitor good safety systems just as they would any other part of the business."

LC Wilcox

Safety Director at Chicken of the Sea International

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THAI UNION
PERFORMANCE
SUMMARY

ECONOMIC PERFORMANCE



Economic Performance	Unit	Global Operation 2015
Business Overview		
Total revenue	Million baht	125,182.81
Total cost		
Operating cost	Million baht	118,366.04
Employee wages and benefits	Million baht	12,802.27
Cash paid for interest expenses	Million baht	1,234.16
Dividend paid	Million baht	2,719.99
Cash paid for corporate income tax	Million baht	1,070.65
Asia	Million baht	321.72
EU & Africa	Million baht	573.50
North America	Million baht	175.44
Corporate philanthropy and citizenship	Million baht	137.15
Innovation and product responsibility		
Percentage of marketed new products with nutritional labels	%	95
R&D spending as percentage of sales	%	0.19

Remark:

- (1) There is no restatement of previous year performance.
- (2) Due to change in reporting scope from regional to global, therefore, the information is under preparation progress.





PEOPLE PERFORMANCE

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G4-LA1

People performance	Unit	Global operation 2015
Human capital development		
Developing talent		
Total workforce	People	39,864
Full time employee (FTE)	People	11,623
Daily staff	People	28,241
Average hours of training per year by Group company	Hrs/Employee	26.28
Average amount spent on training & development per full-time employees	Baht	4,004.65
Human capital return on investment	Baht	9.79
Attract and retain talent		
Employee satisfaction survey	Percentage employee satisfaction	72.67
Total employee turnover rate (per FTE)	%	14.85
Asia region	%	13.32
US region	%	21.00
EU region	%	15.00
Diversity		
Gender distribution by level		
Total management	People	765
Total management - female ratio	%	42
Total management - male	People	447
Total management - female	People	318
Management - male	People	447
Top management	People	17
Middle management	People	100
Junior management	People	330



Economic performance	Unit	Global operation 2015
Management - female	Total people	318
Top management	People	4
Middle management	People	35
Junior management	People	279
Total non-management	People	7,671
Non-management - female ratio	%	61
Non-management - male	People	3,025
Non-management - female	People	4,646
Proportion of local hiring of senior management (For headquarters only)	%	55.55%
Freedom of association - number of employees represented by an independent trade union in Europe	People	294
	Percentage per total workforce in European operations	24.52%
Number of consultations/negotiations with trade unions in Europe over organizational changes	Number of sessions	12

Remark:

- (1) There is no restatement of previous year performance.
- (2) Due to change in reporting scope from regional to global, therefore, the information is under preparation progress.
- (3) Reporting is global. However, due to the number of mergers and acquisitions over the past year, the data collection has not been standardized into one Human Resources Information System (HRIS). Therefore, the data represents 75% of the Group FTEs or revenues across all facilities from factories to offices.
- (4) Although there are no specific legal requirements in some countries on trade unions, Thai Union allows Freedom of Association in all operations globally, and the formation/support of trade unions in line with national legislation. In our European operations which represent 1,199 FTEs, 294 people participated in trade unions.



OCCUPATIONAL HEALTH & SAFETY PERFORMANCE

Occupational health & safety performance	Unit	Global operation 2015
Lost time injury frequency rate (LTIFR) - employees	Case per 1,000,000 hours worked	3.5
Lost time injury frequency rate (LTIFR) - contractors	Case per 1,000,000 hours worked	1.83



ENVIRONMENTAL PERFORMANCE




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Environmental performance	Unit	Global operation 2015
Production	Ton	666,117
Traceability and IUU		
Proportion of tuna purchase from PVR listed vessels for all fishing gears	%	79.1
Climate change and environmental protection		
GHG emission		
Total GHG intensity ⁽²⁾	Ton-CO ₂ eq/Ton Production	0.82
Total emission	Ton-CO ₂ eq	545,690
Scope 1 ⁽¹⁾⁽²⁾	Ton-CO ₂ eq	384,966
Scope 2 ⁽¹⁾⁽²⁾	Ton-CO ₂ eq	160,724
Energy management,		
Total energy intensity	GJ/Ton Production	6.1
Total energy consumption	GJ	4,065,203
Total direct energy	GJ	2,950,612
Fuel oil	GJ	854,797
Natural gas	GJ	153,060
Diesel	GJ	506,540
LPG	GJ	143,956
Coal	GJ	1,201,318
Gasoline	GJ	2,075
Bio-gas	GJ	27,003
Wood pellet	GJ	58,812
Palm kernel shell	GJ	3,051
Total indirect energy (Electricity)	GJ	1,114,591
Water		
Water withdrawal intensity	m ³ /Ton Production	13.94
Water withdrawal	m ³	9,291,126
Public water (Municipal water)	m ³	7,365,044
Other	m ³	1,926,082

Remark:

(1) GHG emissions based on report of

i) GHG calculation standard, methodology, emission factors and GWP referred to IPCC 2006, WRI GHG protocol and ISO 14064.

ii) The operational control approach for emissions. 

(2) All greenhouse gas included in the report.

GRI CONTENT INDEX AND UNGC PRINCIPLES COP

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GENERAL STANDARD DISCLOSURES

General Standard Disclosures	Page	External Assurance	Descriptions
STRATEGY AND ANALYSIS			
G4-1	8	-	Statement from CEO
ORGANIZATIONAL PROFILE			
G4-3	4	-	Name of the organization
G4-4	10	-	Primary brands, products, and services
G4-5	http://www.thaiunion.com/en/contact.ashx	-	Location of the organization's headquarters
G4-6	10	-	Countries where the organization operates
G4-7	http://investor.thaiunion.com/	-	Nature of ownership and legal form
G4-8	10	-	Markets served
G4-9	10, 54-55	-	Scale of the organization
G4-10	45, 55	-	Total workforce
G4-11	56	-	Percentage of total employees covered by collective bargaining agreements
G4-12	10, 35	-	Organization's supply chain
G4-13	56	-	Significant changes during the reporting period in size, structure, ownership, supply chain
G4-14	44	-	Precautionary Principle
G4-15	14, 36, 49	-	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.
G4-16	29, 37	-	Memberships of association
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
G4-17	10. Refer to page 52 of Annual Report 2015, http://tu.listedcompany.com/misc/ar/ar2015-en.html	-	Subsidiaries Company ⁽¹⁾
G4-18	7, 20	-	Process for defining the report content and the aspect boundaries

(1) In 2015, Thai Union's reporting coverage covers all subsidiary companies. The subsidiary companies are defined by the percentage of the company ownership over 50%. Please refer to the annual report 2015 page 52-53

General Standard Disclosures	Page	External Assurance	Descriptions
G4-19	21	-	Material aspects
G4-20	22	-	Aspect boundary within the organization
G4-21	22	-	Aspect boundary outside the organization
G4-22	56, 57	-	Effect of any restatements of information provided in previous reports
STAKEHOLDER ENGAGEMENT			
G4-23	20, 56	-	Report significant changes from previous reporting periods in the scope and aspect boundaries
G4-24	17	-	List of stakeholder groups engaged by the organization
G4-25	16	-	Basis for identification and selection of stakeholders
G4-26	17	-	Approach to stakeholder engagement
G4-27	18	-	Topics and concerns that have been raised through stakeholder engagement
REPORT PROFILE			
G4-28	6	-	Reporting period
G4-29	6	-	Date of most recent previous report ⁽¹⁾
G4-30	6	-	Reporting cycle
G4-31	4	-	Contact point for questions
G4-32	6, 58	-	GRI Content Index
G4-33	59, we plan to obtain external assurance for our report in the future.	-	Assurance
GOVERNANCE			
G4-34	http://investor.thaiunion.com/corporate-governance.html	-	Governance structure of the organization
ETHICS AND INTEGRITY			
G4-56	28, http://www.thaiunion.com/en/profile/vision-and-mission.ashx	-	Organization values, principles, standards and norms
G4-58	47, 50, http://investor.thaiunion.com/complaints-handling.html	-	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.

(1) 1st January – 31st December 2015

SPECIFIC STANDARD DISCLOSURES

Material Aspects	DMA and Indicators		Omissions	External Assurance	Descriptions
ECONOMIC					
Economic performance	G4-DMA	http://investor.thaiunion.com/	-	-	Disclosures on management approach
	G4-EC1	54	-	-	Direct economic value generated and distributed
ENVIRONMENTAL					
Energy	G4-DMA	32	-	-	Disclosures on management approach
	G4-EN5	32, 57	-	-	Energy intensity
	G4-EN6	32	-	-	Reduction of energy consumption
Water	G4-DMA	33	-	-	Disclosures on management approach
	G4-EN9	33	-	-	Water source significantly affected by withdrawal of water
Emissions	G4-DMA	30	-	-	Disclosures on management approach
	G4-EN15	31, 57	-	-	Direct greenhouse gas (GHG) emissions (scope 1) ^{(1), (2)}
	G4-EN16	31, 57	-	-	Energy indirect greenhouse gas (GHG) emission (scope 2) ^{(1), (2)}
	G4-EN18	31, 57	-	-	Greenhouse gas (GHG) emissions intensity ⁽²⁾

(1),(2) GHGs emissions based on report of i) GHGs calculation standard, methodology, emission factors and GWP referred to IPCC 2006, WRI GHG protocol and ISO 14064. li) The operational control approach for emissions.

(2) All greenhouse gas included in the report.

SOCIAL					
LABOR PRACTICES AND DECENT WORK					
Employment	G4-DMA	45	-	-	Disclosures on management approach
	G4-LA1	45, 55	Only employee turnover rate by region is available. We aim to report in the next reporting year.	-	Total number and rates of new employee hires and employee turnover by age group, gender and region
Occupational health and safety	G4-DMA	52-53	-	-	Disclosures on management approach
	G4-LA6	52-53, 56	-	-	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender

SOCIAL					
LABOR PRACTICES AND DECENT WORK					
Training and education	G4-DMA	46	-	-	Disclosures on management approach
	G4-LA11	46	-	-	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category
Supplier assessment for labor practices	G4-DMA	49	-	-	Disclosures on management approach
	G4-LA14	49	-	-	Percentage of new suppliers that were screened using Labor Practices Criteria
Labor practices grievance mechanisms	G4-DMA	48	-	-	Disclosures on management approach
	G4-LA16	48, http://sustainability.thaiunion.com/en/society/human-rights-ethical-labor	-	-	Number of grievances about labor impacts filed, addressed, and resolved through formal grievance mechanisms
HUMAN RIGHTS					
Investment	G4-DMA	50	-	-	Disclosures on management approach
	G4-HR2	50	-	-	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained
Child labor	G4-DMA	48, 51	-	-	Disclosures on management approach
	G4-HR5	49	-	-	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor
Forced or compulsory labor	G4-DMA	50-51	-	-	Disclosures on management approach
	G4-HR6	49	-	-	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor
Supplier human rights assessment	G4-DMA	48-49	-	-	Disclosures on management approach
	G4-HR10	49	-	-	Percentage of new suppliers that were screened using human rights criteria
SOCIETY					
Anti-corruption	G4-DMA	28	-	-	Disclosures on management approach
	G4-SO3	28	-	-	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified
Supplier assessment for impacts on society	G4-DMA	49	-	-	Disclosures on management approach
	G4-SO9	49	-	-	Percentage of new suppliers that were screened using criteria for impacts on society

PRODUCT RESPONSIBILITY

Product and services labelling	G4-DMA	25	-	-	Disclosures on management approach
	G4-PR3	25	-	-	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements

FOOD PROCESSING SECTOR DISCLOSURES

Material Aspects	DMA and Indicators		Omissions	External Assurance	Descriptions
Procurement/sourcing practices	G4-DMA	35, 40	-	-	Disclosures on management approach
	FP1	40	-	-	Percentage of purchased volume from suppliers compliant with company's sourcing policy
	FP2	40	-	-	Percentage of purchased volume which is verified as being in accordance with credible, internationally recognized responsible production standards, broken down by standard

UNITED NATIONS
GLOBAL COMPACT
PRINCIPLES (UNGC)

UNGC Communication on Progress (COP)		Boundary
Human rights	Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights	13-14, 47-51
	Principle 2 Businesses should make sure that they are not complicit in human rights abuses	13-14, 47-51
Labor	Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	13-14, 47-51, 56
	Principle 4 The elimination of all forms of forced and compulsory labor	13-14, 47-51
	Principle 5 The effective abolition of child labor	13-14, 47-51
	Principle 6 The elimination of discrimination in respect of employment and occupation	13-14, 48, 50
Environment	Principle 7 Businesses should support a precautionary approach to environmental challenges	13-14, 44
	Principle 8 Undertake initiatives to promote greater environmental responsibility	13-14, 30-34, 35-39
	Principle 9 Encourage the development and diffusion of environmentally friendly technologies	13-14, 24-27
Anti-corruption	Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery	13-14, 28-29



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