



**THAI UNION GROUP PUBLIC COMPANY LIMITED**

**Sustainability-Linked Financing Framework**

**November 2023**

## DISCLAIMER

This Sustainability-Linked Financing Framework (the “Framework”) is intended to provide non exhaustive, general information. This Framework may contain or incorporate by reference public information not separately reviewed, approved or endorsed by Thai Union Group Public Company Limited and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by Thai Union Group Public Company Limited as to the fairness, accuracy, reasonableness, or completeness of such information.

This Framework may contain statements about future events and expectations that are forward-looking statements. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from those predicted in such statements. None of the future projections, expectations, estimates or prospects in this Framework should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in the Framework.

No representation is made as to the suitability of any Sustainability-Linked Financing to fulfil environmental and sustainability criteria required by prospective investors.

## PURPOSE AND SUMMARY OF THIS DOCUMENT

The purpose of this document is to portray Thai Union's 2023 Sustainability-Linked Financing Framework, and to update the Company's Sustainability Strategy and Progress. This is also to replace the TU Sustainability-Linked Financing Framework issued in September 2022.

This Framework has been developed to be aligned with the Sustainability-Linked Bonds Principles (SLBP) 2023 as administered by International Capital Market Association (ICMA)<sup>1</sup>, the ASEAN Sustainability-linked Bond Standards (ASEAN SLBS) 2022 as administered by the ASEAN Capital Markets Forum (ACMF)<sup>2</sup> and Sustainability-Linked Loan Principles<sup>3</sup> (SLLP) 2023 as published by the Loan Market Association (LMA).

The five core components of the SLBP/ASEAN SLBS/SLLP are:

- 1) Selection of Key Performance Indicators (KPIs);
- 2) Calibration of Sustainability Performance Targets (SPTs);
- 3) Financial characteristics;
- 4) Reporting, and
- 5) Verification

This Framework covers Sustainability-Linked Bonds, Sustainability-Linked Loans, or any other debt instruments whose financial characteristics are linked with sustainability performance targets.

---

<sup>1</sup> <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-linked-bond-principles-slbp/>

<sup>2</sup> <https://www.theacmf.org/images/downloads/pdf/ASEAN%20Sustainability-linked%20Bond%20Standards.pdf>

<sup>3</sup> <https://www.lsta.org/content/sustainability-linked-loan-principles-sllp/>

## CONTENTS

<b>Section 1 THAI UNION AT A GLANCE.....</b>	<b>5</b>
1.1 Company Overview.....	5
1.2 Sustainability at Thai Union .....	5
1.3 Thai Union's Sustainability Committee.....	8
1.4 Thai Union's Awards and Recognition .....	8
1.5 Rationale for Sustainability-Linked Financing Framework .....	10
<b>Section 2 Sustainability-Linked Financing Framework.....</b>	<b>10</b>
2.1 Selection of the Key Performance Indicators (KPIs).....	11
2.2 Calibration of Sustainability Performance Target (SPTs).....	13
2.3 Financial Characteristics .....	16
2.4 Reporting .....	17
2.5 Verification.....	17
<b>Section 3 Amendments to this Framework .....</b>	<b>18</b>

## SECTION 1 THAI UNION AT A GLANCE

### 1.1 COMPANY OVERVIEW

Thai Union Group Public Company Limited and its subsidiaries (together called “Thai Union”) is a global seafood leader bringing high-quality, healthy, tasty and innovative seafood products to customers for 46 years. Thai Union is the world’s largest producer of shelf-stable tuna products with annual sales exceeding THB 155.6 billion (US\$ 4.4 billion) in 2022 and a global workforce of over 44,000 people who are dedicated to pioneering sustainable, innovative seafood products.

Listed as a public company on The Stock Exchange of Thailand (SET), the Company has facilities in 14 locations and 12 countries. Some 90% of its sales are generated abroad, mainly in the US and Europe. Thai Union portfolio brands include global market leaders Chicken of the Sea, Genova, John West, Petit Navire, Parmentier, Mareblu, King Oscar, Hawesta, and Rügen Fisch, along with Thai-leading brands SEAELECT, FISHO, Qfresh, OMG Meat, Thammachart Seafood, Monori, Bellotta and Marvo, and marine ingredients and supplements under the UniQ™ BONE, UniQ™ DHA, ZEAvita and ZEA Tuna Essence brands.



### 1.2 SUSTAINABILITY AT THAI UNION

Sustainable development is essential to the future of Thai Union’s business and growth. It is fundamental to be a responsible corporate citizen for both Thai Union’s employees and global community. Being transparent, not only showcasing Thai Union’s achievements, but highlighting the areas that Thai Union has identified for improvement, is fundamental to Thai Union’s vision of being the world’s most trusted seafood leader.

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

The newest iteration of SeaChange® 2030 is an integrated plan organised into five programs to drive meaningful improvements across the entire Seafood industry. Thai Union's SeaChange® 2030 progressive strategy is also a significant step-change due to its comprehensive, unified solutions for both People and Planet. The Company's 11 interconnected commitments will help reduce carbon, minimize waste, safeguard ecosystems, ensure safe, decent, and equitable work is a reality across the value chain, and advance a healthier world.



SeaChange® aims to drive a positive transformation throughout the global seafood industry by being a journey that covers every aspect of the seafood business, transparently. This ranges from how Thai Union looks after the oceans to how the Company manages its waste; from the responsibility the Company takes for its workers to building brighter futures for the communities around the Company's key sites. **The backbone of Thai Union's sustainability strategy is the ability to fully trace Thai Union's seafood – from catch to consumption.** With full traceability in place, Thai Union will be able to identify, investigate and improve performance on key issues such as labor and responsible sourcing.

Thai Union's SeaChange® iteration, SeaChange® 2030, marks a significant expansion of the company's sustainability strategy, due to its 11 interconnected goals which actively support the delivery of 10 of the United Nation's Sustainable Development Goals. SeaChange® 2030 is designed to reshape sustainable seafood with unified solutions for People and Planet to rebalance the natural synergy between ocean, planet, and people. Thai Union's refreshed programs for Climate Action: Path to Net Zero, Responsible Aquaculture and Responsible Wild Caught Seafood are designed as cross-functional commitments to amplify impact. The result will simultaneously advance Climate Action, Circularity, Biodiversity, Human Rights, and Health & Wellness. Thai Union will continue its multi-pronged strategies for Safe, Decent & Equitable Work, Ocean Plastics Prevention and Responsible Agriculture round Thai Union's interconnected roadmap, along with targeted goals for Circular Manufacturing, Sustainable Packaging, Positive Nutrition, Ecosystem Restoration and Corporate Citizenship. The annual Sustainability Report will serve as Thai Union's annual Communication on Progress (COP) to stakeholders.



Sustainable Development Goals	PEOPLE					PLANET				
	SDG 2	SDG 3	SDG 5	SDG 8	SDG 10	SDG 9	SDG 12	SDG 13	SDG 14	SDG 15
	Zero Hunger	Good Health & Well-being	Gender Equality	Decent Work & Economic Growth	Reduced Inequalities	Industry, Innovation & Infrastructure	Responsible Consumption & Production	Climate Action	Life Below Water	Life on Land
Path to Net Zero Emission								X		X
Responsible Wild Caught Seafood	X			X	X				X	
Responsible Aquaculture	X			X	X			X	X	X
Ocean Plastics Reduction							X		X	
Sustainable Packaging							X		X	
Best in Class Manufacturing						X	X			
Responsible Agriculture	X							X		X
Ecosystem Restoration								X	X	X
Safe, Decent, & Equitable Work			X	X	X					
Nutrition & Health		X								
Corporate Citizenship	X	X	X	X	X					



To bring the SeaChange® 2030 strategy to life and extend its commitments to the industry as a whole, Thai Union has formed partnerships with organisations such as the Aquaculture Stewardship Council, IDH – the Sustainable Trade Initiative, Sustainable Fisheries Partnership, and The Nature Conservancy, and the Global Ghost Gear Initiative. These collaborations aim to drive change and unite the seafood industry as change-makers.

Furthermore, Thai Union is aligning its net zero targets with the [Science Based Targets initiative \(SBTi\)](#) and will drive the deployment of new environmental data collections tools to help deliver a net zero economy. Thai Union is the first global seafood company to set goals verified by SBTi, accelerating meaningful progress in the industry.

From the first establishment of SeaChange® in 2016, this marked the completion of the seven years of SeaChange®. This has made Thai Union a better business, helped transform the entire seafood industry and contributed to broader societal change. **The summary of the impact Thai Union had made can be**

**explored in 2022 Sustainability Report.** As one of the world's largest seafood companies, Thai Union recognized that the Company has both the responsibility and the capacity to be a leader for positive change. Thai Union understands how critical ocean-based solutions are to climate change and reducing global greenhouse gas emissions. The oceans are the foundation of Thai Union's business and healthy oceans are critical for the future of the planet and in combating climate change.

### 1.3 THAI UNION'S SUSTAINABILITY COMMITTEE

The Sustainability Development Committee, chaired by the CEO and co-chaired by the Group Director of Sustainability, brings together team members across functions and locations throughout the world. The Sustainability Development Committee meets twice per year. The subcommittees lead their work streams throughout the year, reporting on progress at the biannual Sustainability Development Committee.

#### Thai Union's Sustainability Organization Structure



#### The Sustainability Development Committee has the following roles and responsibilities:

The authorities, duties and responsibilities of the Sustainability Development (SD) Committee are as follows:

- Provide strategic guidance and direction on the overall sustainable development strategies and programs, in support of Thai Union's corporate goal 'Healthy Living, Healthy Oceans' and sustainability strategy, SeaChange®.
- Impose the sustainability policies and determine key changes that will help Thai Union deliver against global sustainability goals and standards and maintain our industry leadership position in sustainability.
- Review the progress of implementation of critical sustainability-related commitments, including but not limited to the Tuna Commitment, Packaging Commitment, Climate Change Commitment, and Human Rights-related Policies.
- Establish sub-committees, as appropriate, to drive the implementation of key sustainability commitments across the organisation.

### 1.4 THAI UNION'S AWARDS AND RECOGNITION



**Ranked No. 1 Company in the World in the Food Products Industry Index of the 2022 Dow Jones Sustainability Indices (DJSI)**

Thai Union has been ranked number one in the world in the food industry on DJSI, achieving a 100<sup>th</sup> percentile ranking for total sustainability score. Further, it received a 97<sup>th</sup> percentile in the Governance &



Economic Dimension, 100<sup>th</sup> percentile in the Environmental Dimension, and 100<sup>th</sup> percentile in the Social Dimension, driven by Thai Union's global sustainability strategy, SeaChange®. This marked the ninth consecutive year Thai Union has been named to the DJSI.



**Ranked No. 1 Company in the 2023 Seafood Stewardship Index (SSI) by the World Benchmarking Alliance (WBA) for the third consecutive time**

Thai Union topped the benchmark in social responsibility, and also topped the rankings on the inaugural index in 2019. The SSI assessed the contribution of the world's 30 largest seafood companies to the sustainable management of the oceans and the United Nations Sustainable Development Goals (SDGs).



**Awarded the Environmental and Social Management (ESRM) Pioneer Award at 2023 ASEAN Risk Awards**

Thai Union was recognized for its excellence in integrating environmental and social considerations into its risk management strategies at the ASEAN Risk Awards 2023. Thai Union was awarded 'for demonstrating exceptional proficiency in integrating environmental and social considerations into its risk management strategies.



**Gold Class Distinction in the S&P Global Sustainability Yearbook 2023**

Thai Union was ranked in the top 1% of S&P Global ESG Score, which assesses human rights and occupational health and safety. Thai Union received a Gold Class distinction in the food products industry following S&P's Global Corporate Sustainability Assessments of more than 7,000 companies from 61 industries around the world.



**MSCI "A" Rating**

MSCI ESG Ratings are designed to help institutional investors understand ESG risks and opportunities. Thai Union received the 'A' rating on Environmental, Social, and Governance (ESG) Performance in the Food Products industry.



**Inclusion in the FTSE4Good Emerging Index for the seventh consecutive year**

The FTSE4Good Emerging Index, which is an extension of the FTSE4Good Index Series, helps investors integrate environmental, social and governance (ESG) factors into their investment decisions and serves as a framework for corporate engagement and stewardship. The indices are used as a basis for tracker funds, structured products and as a performance benchmark. The FTSE4Good Emerging Index was launched in December 2016 and covers more than 20 emerging nations.



**Recognition on the AmCHAM CSR Recognition List for the second consecutive year**

Thai Union has been listed on the AmCHAM CSR Recognition List, that provides recognition to firms with best practice CSR programs. Thai Union was also a finalist for the AmCHAM Special Award for its Green Giving Project, an internal circular economy designed to help the ocean by upcycling waste collected.



**Recognition in the Corporate Governance Report of Thai Listed Companies for the Seventh Consecutive Year**

Thai Union received an "Excellent" level of recognition for overall performance in the Corporate Governance Report of Thai Listed Companies for the Seventh Consecutive Year.



### **Sustainability Disclosure Award 2022 and Inclusion in ESG100 Rating by Thaipat Institute**

Thai Union received the Sustainability Disclosure Award 2022 from Thaipat Institute in recognition of the Company's disclosure of its Environmental, Social and Governance (ESG), as well as its efforts towards achieving the UN Sustainability Development Goals (SDGs) target 12.6 encouraging companies.



### **Human Rights Award at the World Sustainability Awards 2022 by Sustainable Leaders**

Thai Union Group and 3 of its subsidiaries received the Human Rights Award 2022 (large business sector) from the Minister of Justice.

---

## **1.5 RATIONALE FOR SUSTAINABILITY-LINKED FINANCING FRAMEWORK**

Thai Union has placed sustainability at the heart of its business and, with its global sustainability strategy.

In 2021, Thai Union launched various sustainability-linked financings including the inaugural Sustainability-Linked Loans (SLLs) in both Thailand and Japan, and the debut Sustainability-Linked Bonds (SLBs) in Thailand. The SLLs represent a milestone for Thai Union towards Blue Finance — financing related to projects that benefit the oceans while the SLBs were warmly welcomed by the markets.

Thai Union established this Sustainability-Linked Financing Framework to reinforce Thai Union's commitment to driving meaningful change and continue to make a significant step forward for Blue Finance for both Thai Union and the Global Seafood industry, and to provide an opportunity for investors and other stakeholders to learn about how sustainable development seriously is a strategic opportunity for growth, rather than a threat or burden.

## **SECTION 2 SUSTAINABILITY-LINKED FINANCING FRAMEWORK**

This Sustainability-Linked Financing Framework covers Sustainability-Linked Bonds, Sustainability-Linked Loans, or any other debt/financial instruments whose financial characteristics are linked with sustainability performance targets.

This Framework has been formed in accordance with the five pillars of the Sustainability-Linked Bonds Principles (SLBP) 2023 as administered by the International Capital Market Association (ICMA), the ASEAN Sustainability-linked Bond Standards (ASEAN SLBS) 2022 as administered by the ASEAN Capital Markets Forum (ACMF) and Sustainability-Linked Loan Principles (SLLP) 2023 as published by Loan Market Association (LMA).

The five core components of the SLBP/ASEAN SLBS/SLLP are:

- 1) Selection of Key Performance Indicators (KPIs);
- 2) Calibration of Sustainability Performance Targets (SPTs);
- 3) Financial characteristics;
- 4) Reporting, and
- 5) Verification

## 2.1 SELECTION OF THE KEY PERFORMANCE INDICATORS (KPIs)

### **KPI 1: Dow Jones Sustainability Indices (DJSI): Food Products Industry Index Family**

**Rationale:** The Dow Jones Sustainability Indices (DJSI) are a family of best-in-class benchmarks for investors who have recognized that sustainable business practices are critical to generating long-term shareholder value and who wish to reflect their sustainability convictions in their investment portfolios. DJSI serves as benchmarks for investors who integrate sustainability considerations into their portfolios and provide an effective engagement platform for investors who wish to encourage companies to improve their corporate sustainability practices. The DJSI applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA).<sup>4</sup> To be in the DJSI and DJSI Food Products Industry Index provides positive contributions that businesses will make to society. Only the top ranked companies within each industry are selected for inclusion in the Dow Jones Sustainability Index family.

**Baseline:** n/a

### **KPI 2: Absolute GHG Emission under Scope 1 and 2**

**Rationale:** A “Code Red” threat to humanity, Climate Change is one of the most, if not the most, pressing environmental challenges of this day and age. With the current trajectory, the world will surpass the critical climate target of limiting the temperature increase to 1.5 Celsius above pre-industrial temperatures by 2030. The effects of Climate Change are detrimental: The surplus heat is fuelling regional and seasonal temperature extremes, diminishing snow cover and sea ice, amplifying intense rainfall, and altering the habitats of various plant and animal species. Furthermore, food production is responsible for nearly 26% of the global GHG emissions. Consequently, the seafood industry has a critical part to play, being part of this sector.

As a result of increasing carbon emissions, oceans are becoming warmer and more acidic, with wide-reaching impacts. Climate change has an increasingly negative impact on Thai Union's oceans which, in turn, threatens the marine species on which the Company depends. Hence, reduction of GHG emission plays an even more important role in Thai Union sustainability strategy.

For the reasons highlighted above, **Thai Union is committed to reducing absolute GHG emissions, Scope 1 and 2, by 42% by 2030 from 2021 Baseline. Thai Union is committed to the target reduction of 42% in accordance with Science Based Targets Initiative (SBTi).**

KPI 2 covers the GHG emission of Scope 1 and 2 of Thai Union's manufacturing operations which account for 95% boundary in line SBTi approved targets of Scope 1 and Scope 2 emission. The KPI is expressed in the accumulated percentage of reduction of GHG emission from 2021 Baseline year.

---

<sup>4</sup> <https://www.spglobal.com/esg/performance/indices/djsi-index-family>

**Baseline:** 2021 – actual GHG Emission of 486,031 tCO<sub>2</sub>. Note that following the methodology from the Science Based Targets Initiative (SBTi), we will re-baseline as needed to reflect the best possible calculations and following the latest science.

2021 will be used as the Baseline for a path to Net-Zero Emissions by 2050, a new initiative by Thai Union.

### **KPI 3: Absolute GHG Emission under Scope 3**

**Rationale:** In recognition of the significance of a comprehensive sustainability approach, Thai Union is expanding its net-zero greenhouse gas (GHG) emissions commitment to include Scope 3 emissions. Notably, 79.3 percent of Thai Union's Scope 3 emissions are attributed to Purchased Goods & Services. By addressing Scope 3 emissions, Thai Union aims to focus on areas beyond direct operations and address the prevalent issue of Climate Change. Therefore, **Thai Union is committed to reducing absolute GHG emissions, Scope 3, by 42% by 2030 from 2021 Baseline. Thai Union is committed to the target reduction of 42% in accordance with Science Based Targets Initiative (SBTi).**

KPI 3 covers the GHG emission of Scope 3 of Thai Union's manufacturing operations. The commitment will cover the Scope 3 GHG emissions from purchased goods and services, fuel and energy related activities, and upstream and downstream transportation and distribution, which totally account for 67% boundary in line with SBTi approved targets of Scope 3 emission. The KPI is expressed in the accumulated percentage of reduction of GHG emission from 2021 Baseline year.

**Baseline:** 2021 – actual GHG Emission of 2,746,427 tCO<sub>2</sub>. Note that following the methodology from the Science Based Targets Initiative (SBTi), we will re-baseline as needed to reflect the best possible calculations and following the latest science.

2021 will be used as the Baseline for a path to Net-Zero Emissions by 2050, a new initiative by Thai Union.

### **KPI 4: % of Shrimp purchasing volume responsibly sourced through a certification that has been benchmarked by Global Sustainable Seafood Initiative (GSSI) and is stated as GSSI Recognized or a credible Aquaculture Improvement Project (AIP)**

**Rationale:** In 2021, approximately 2.3 billion individuals, equivalent to around 29.3% of the global population, grappled with varying levels of food insecurity, facing inadequate access to sufficient nourishment<sup>5</sup>. Forecasts indicate that by 2030, nearly 670 million people will persist in experiencing undernourishment, constituting 8% of the world's population. Predictions also anticipate a significant population increase, with the global population projected to rise by almost 2 billion individuals over the next three decades, reaching 9.7 billion by 2050. As the world's population continues to expand at a consistent pace, the issue of food security becomes increasingly pressing.

Prioritising responsible aquaculture practices becomes increasingly crucial to avoid these detrimental consequences—accounting for half of the world's seafood. Failing to adhere to responsible practices in aquaculture presents notable threats to the environment and society. Poorly regulated aquaculture

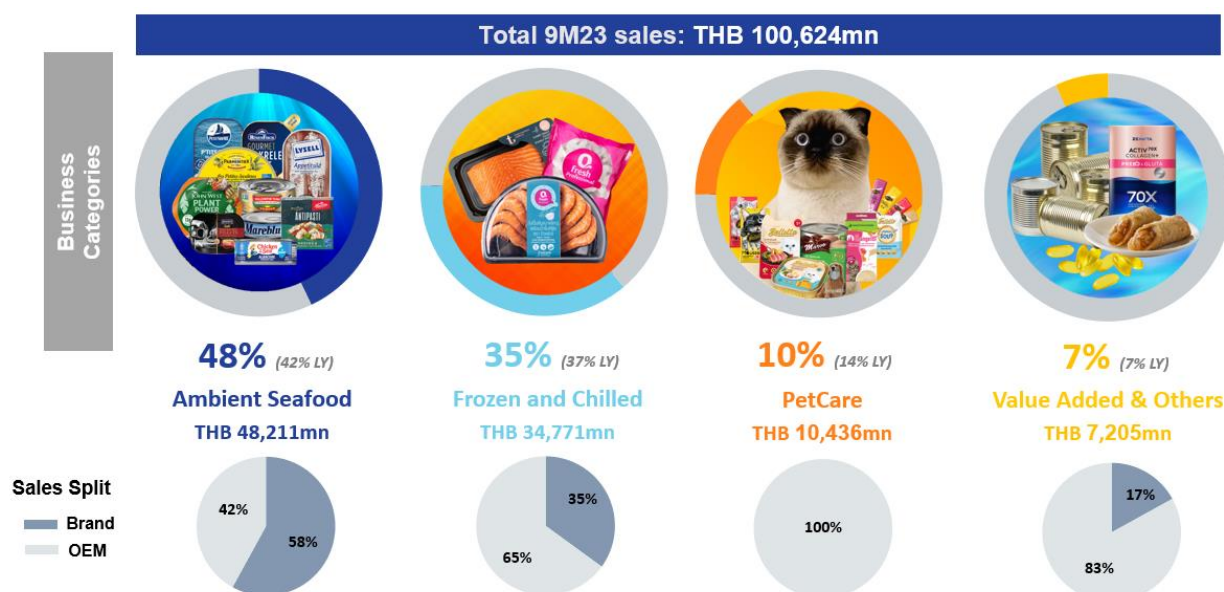
---

<sup>5</sup> <https://www.fao.org/3/cc0639en/online/sofi-2022/food-security-nutrition-indicators.html>

operations have the potential to degrade ecosystems, pollute water sources, and compromise marine biodiversity. The risk of disease transmission from inadequately managed facilities can negatively impact both cultivated and natural populations, disturbing intricate ecological equilibriums.

Thai Union is committed to responsible aquaculture by ensuring 100% of shrimp purchasing volume is responsibly sourced through a certification that has been benchmarked by GSSI and is stated as GSSI Recognised or a credible AIP by 2030. Shrimp products account for approximately 20% of Thai Union's total sales. Through such actions, Thai Union contributes to nourishing the global population with nutritious and ethically produced seafood, thereby influencing the well-being of countless individuals reliant on seafood consumption, and consequently influencing the seafood industry as a whole.

### Thai Union's strategic business categories



**Baseline:** N/A

Due to the fact that responsible aquaculture is considered a new commitment and new initiative set by Thai Union, there is no historical information related to shrimp feed and its credibility against industry recognized standard or a credible AIP.

## 2.2 CALIBRATION OF SUSTAINABILITY PERFORMANCE TARGET (SPTS)

**SPT 1:** To be ranked in the top 5% companies for the DJSI Food Products Industry Index as per S&P Yearbook.

**Target observation date for SLLs:** annually until the maturity of the Loan

**Target observation date for SLBs:** as to be agreed with the bond investors.

SPT 1 reaffirms Thai Union's Vision "to be the world's most trusted seafood leader, caring for its resources to nurture generations to come". Sustainability is at the heart of Thai Union's business. Thai Union will continue to maintain its focus on being a global leader in the seafood industry.

Thai Union's ongoing work on sustainability led to the company being listed on the Dow Jones Sustainability Indices for the ninth consecutive year in 2022, and ranked number one in the world on the DJSI Food Products Industry Index. Thai Union has been in the top 10 for the past 5 years, after only debuting on the DJSI in 2014.

With respect to the DJSI 2022, Thai Union achieved a 97<sup>th</sup> percentile in the Governance & Economic Dimension, 100<sup>th</sup> percentile in the Environmental Dimension and 100<sup>th</sup> percentile in the Social Dimension, driven by Thai Union's global sustainability strategy, SeaChange®.

## **SPT 2: Reduction of absolute GHG Emission under Scope 1 and 2 by 42% by 2030 from 2021 Baseline**

**Target observation date for SLLs:** annually until the maturity of the Loan.

**Target observation date for SLBs:** as to be agreed with the bond investors.

Thai Union is committed to reducing Scope 1 and Scope 2 absolute GHG emissions by 42% by 2030 from 2021 Baseline. Thai Union is committed to the target reduction of 42% in accordance with Science Based Targets Initiative (SBTi). The KPI is expressed in the accumulated percentage of reduction of GHG emission from 2021 Baseline year. The table below is the proposed targets across the years until 2030.

	2022	2023	2024	2025	2026	2027	2028	2029	2030
Accumulated % reduction from a 2021 base year	4.0%	8.0%	12.0%	17.0%	22.0%	27.0%	32.0%	37.0%	42.0%

## **SPT 3: Reduction of absolute GHG Emission under Scope 3 by 42% by 2030 from 2021 Baseline**

**Target observation date for SLLs:** annually until the maturity of the Loan

**Target observation date for SLBs:** as to be agreed with the bond investors.

Thai Union is committed to reducing Scope 3 absolute GHG emissions by 42% by 2030 from 2021 Baseline. Thai Union is committed to the target reduction of 42% in accordance with Science Based Targets Initiative (SBTi). The KPI is expressed in the accumulated percentage of reduction of GHG emission from 2021 Baseline year. The table below is the proposed targets across the years until 2030.

As Scope 3 is a brand-new commitment and new initiative to the world and the seafood industry. Currently, Thai Union is working on research modelled data and information (which is common to all other companies around the world) and will require first few years to collect data and information, to set the plan, to align and to persuade various groups of stakeholders along our supply chain to move into the same objectives. Then, we can expect to see significant improvement year by year in later years. These number also incorporated normalized revenue growth of Thai Union's business by 3-4% annually.

	2022	2023	2024	2025	2026	2027	2028	2029	2030
Accumulated % reduction from a 2021 base year	0.0%	0.0%	0.0%	0.0%	2.5%	7.5%	15.0%	27.0%	42.0%



**SPT 4: 100% of shrimp purchasing volume (kg) is responsibly sourced through a certification that has been benchmarked by GSSI and is stated as GSSI Recognized or a credible AIP by 2030**

SPT 4 is in alignment with Thai Union's 2030 target to reach 100% of shrimp purchasing volume responsibly sourced through a certification that has been benchmarked by Global Sustainable Seafood Initiative (GSSI) and is stated as GSSI Recognized or a credible Aquaculture Improvement Project (AIP). The table below is the proposed targets across the years until 2030.

**Target observation date for SLLs:** annually until the maturity of the Loan

**Target observation date for SLBs:** as to be agreed with the bond investors.

	2024	2025	2026	2027	2028	2029	2030
% of Shrimp volume purchased (kg) under GSSI Recognized Certifications or AIP	49%	57%	66%	75%	83%	89%	100%

**Strategy to achieve SPTs**

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

**SPT 1:** Thai Union continues to focus on the SeaChange® journey. The Company continues to implement programs and policies to further progress on sustainable development to drive not only Thai Union's business but across global industry. For each area that is assessed, a detailed action plan is developed to ensure continuous improvement.

**SPT 2 and SPT 3:** Thai Union is committed to protecting the environment. To reduce absolute GHG emissions (Scope 1, 2 and 3) by 42%, Thai Union is committed to this action plan as follows:

- **Traceability:** The initial focus of work will drive traceability down the relevant supply chains in order to obtain more granular primary data representing their actual performance.
- **Improve Calculations:** Once an increase in primary data is achieved, Thai Union will integrate this into the model, moving away for generic emission factors, and being able to better articulate actual carbon performance.
- **Sourcing:** Ensure zero deforestation across the supply chain through reducing farm operation energy use, utilize alternative feed ingredients, and explore zero and low carbon fuel technologies.
- **Production:** Phase out coal from all Thai Union own operations by installing renewable energy and other low carbon fuels, increasing energy efficiency, improving refrigeration and through raw material utilization.
- **Post-Consumer Waste:** Driving recyclable packaging and reducing the demand on raw materials.
- **Customers:** Support customer GHG emission goals and targets.

**SPT 4:** To reach 100% of Volume of Shrimp Purchased under GSSI or AIP by 2030, Thai Union is committed to sourcing transparency in its supply chains as follows:

- Develop a standardized Aquaculture Improvement Program (AIP) Framework with industry partners.

- Source product from certified sources or those in an AIP.

---

## 2.3 FINANCIAL CHARACTERISTICS

The proceeds of Thai Union's Sustainability-Linked Financing will be used for general corporate purposes.

The financial characteristics of any securities issued under this Framework will be specified in its corresponding security documentation i.e., Terms & Conditions of the Sustainability-Linked Bond or the facility agreement of the Sustainability-Linked Loan. The lenders and the borrowers can agree upon the numbers of KPIs/SPTs endorsed in the report and the financial characteristics as per commercial discussion.

For any securities issued under this Framework, after completion of testing period, the adjustment of step-up and/or step-down coupon/interest rate will be made in the next coupon/interest payment until the next testing period and coupon/interest adjustment cycle. The Trigger Event will result in a coupon/interest step-up and/or step-down, applying to the relevant securities from the indicative coupon/interest rate on the issue date.

The Trigger Event is the result of an observation as to whether, or not, each of the four KPIs individually has achieved their respective SPTs. A step-up and/or step-down of the coupon/interest shall be triggered if:

- A KPI has or has not achieved the SPT on the target observation date; or
- The verification (as per the verification section of this Framework) of the SPTs has not been provided and made publicly available within the relevant reporting period required under the terms of the financing document.

### **Fallback mechanisms**

The KPIs and SPTs set out in this framework will remain applicable throughout the tenor of any security issued under the Framework. A "Sustainability Review Event" will occur if any SPT is no longer an appropriate sustainability performance target for the purpose of sustainability interest rate adjustment under terms and conditions of any security issued under Thai Union's Sustainability-linked Financing Framework including (but not limited to), a case where any SPT cannot be calculated or observed in a satisfactory manner taking into consideration potential exceptional events (such as significant change in perimeters through material merger and acquisition activities) or extreme events, including drastic changes in the regulatory environment that could substantially impact the calculation of the KPIs, the restatement of the SPTs and/or pro-forma adjustments of baselines or KPI scope.

In making such determination and amendments, Thai Union will act in good faith and reasonably, have regard to the Group's business and the then current market standards, the performance against the SPTs, the status or availability of any relevant external organisation or body and best industry practice for sustainability objectives, and provide evidence to stakeholders that the relevant SPT or KPI is considered no longer an appropriate sustainability performance target.

If a Sustainability Review Event occurs in respect of any SPT, Thai Union may do the following actions:

- (i) Make amendments to the relevant SPT and the methodology for the SPT's assessment or any other necessary amendment, or if the Sustainability Review Event occurred as a result of any KPI becoming inappropriate for the purpose of sustainability interest rate

- adjustment, make amendments to the applicable scope or perimeter of that KPI or terminate or replace the relevant KPI or any other necessary amendment; and
- (ii) If the amendments referred to in (i) above are made, procure that an updated Sustainability Opinion is published by the External Review Provider which confirms (among other things) such amendments provided that such Sustainability Opinion will not be required in connection with SPT 1 or any amendment relating thereto.

For the avoidance of doubt, such amendments shall not take effect until the updated Sustainability Opinion has been published as specified above. After the aforesaid amendments have taken effect, Thai Union shall, as soon as practicable, inform the Bondholders/lenders in writing of the same and deliver copies of the amendments and the updated Sustainability Opinion to the Bondholders/lenders.

After the occurrence of the Sustainability Review Event, if no amendment is effective and reflected in the Sustainability Compliance Certificate to be delivered to the Bondholders/lenders within the relevant Submission Period, it shall be deemed that such relevant SPT is not achieved and the interest rate shall be increased in accordance with relevant terms and conditions.

For the avoidance of doubt, if such Submission Period referred to above is the first Submission Period, Thai Union will still be able to procure that the relevant amendments take effect and are reflected in the Sustainability Compliance Certificate to be delivered within the second Submission Period.

As for other financings not specified herewith, the financial characteristics of any security issued under this Framework will be specified in its corresponding security documentation i.e., Terms & Conditions or the facility agreement of such financings or security.

---

## 2.4 REPORTING

Thai Union will disclose the progress on the KPIs and SPTs at least once a year, in Thai Union's Annual Sustainability Report or as a separate document whichever is more suitable considering the timeline and administrative arrangement.

In addition, in order to provide investors and other stakeholders with adequate information about Thai Union's sustainability strategy in general, the progress made on the KPIs, and the achievement or not of the SPTs set out in this Framework and in security specific documentation, Thai Union will provide relevant reporting.

The reporting shall be made publicly available on an annual basis in a Sustainability-Linked Financing Progress Report. The Progress Report shall be published on Thai Union's website no later than 5 months after each calendar year-end.

Information may also include when feasible and possible:

- Qualitative or quantitative explanation of the contribution of the main factors behind the development of the performance on an annual basis;
- Illustration of the positive sustainability impacts of the performance improvement; and
- Any re-assessments of KPIs and/or restatement of the SPT and/or adjustments of baselines or KPI scope.

---

## 2.5 VERIFICATION

In order to provide transparency to investors and other stakeholders and in alignment with the SLLP, ASEAN SLBS and SLBP, Thai Union will ensure an external and independent verification by one or more qualified external reviewer(s) with relevant expertise as outlined below:

## **1) Review of the Framework**

Thai Union's Sustainability-Linked Financing Framework has been reviewed by DNV who provided a Second Party Opinion (SPO), confirming the alignment with the Sustainability-Linked Bond Principles (SLBP) administered by the International Capital Market Association (ICMA), the ASEAN Sustainability-linked Bond Standards (ASEAN SLBS) 2022 as administered by the ASEAN Capital Markets Forum (ACMF) and Sustainability Linked Loan Principles (SLLP) as published by the Loan Market Association (LMA).

Thai Union will disclose both Framework and Second Party Opinion report on Thai Union's website.

## **2) Review of KPIs against SPTs**

Thai Union will seek external verification on the performance against KPI 2, KPI 3, and KPI 4, by qualified external reviewers with relevant expertise at least once a year. The external reviewer could be an auditor or environmental consultant, depending on the nature of the KPIs and SPTs selected. Note that at present, KPI 1 can be checked via <https://www.spglobal.com/esg/csa/yearbook/ranking/>. KPI 2, KPI 3, and KPI 4 will be verified by Lloyds' Register Quality Assurance Ltd, or any other reputable verifiers with relevant expertise.

Thai Union will disclose the verification reports on Thai Union's website.

## **SECTION 3 AMENDMENTS TO THIS FRAMEWORK**

Thai Union will review this Framework from time to time, including its alignment to updated versions of the relevant principles as and when they are released, with the aim of adhering to best practices in the market. Thai Union will also review this Framework in case of material changes in the perimeter, methodology, and in particular KPIs and/or the SPTs calibration. Such review may result in this Framework being updated and amended. The updates, if not minor in nature, will be subjected to the prior approval of a Second Party Opinion provider. Any future updated version of this Framework that may exist will either keep or improve the current levels of transparency and reporting disclosures, including the corresponding review by an external reviewer. The updated Framework, if any, will be published on Thai Union's website.

Note that Thai Union's Sustainability-Linked Bonds issued in July and November 2021 will consistently align their KPIs and SPTs with Thai Union's Sustainability-Linked Financing Framework established in July 2021.