

Modern Slavery Act Transparency Statement 2016

The purpose of this statement is to disclose activities undertaken by Thai Union to eliminate slavery and human trafficking from our supply chains and our own business operations. This statement is written in compliance with the requirements under the UK Modern Slavery Act 2015, with particular reference to Section 54 *Transparency in Supply Chains*.

About Thai Union Group PCL

Thai Union Group PCL (Thai Union) is the world's largest producer of shelf-stable tuna products with annual sales exceeding THB125 billion and a global workforce of over 46,000 people. In addition to tuna, Thai Union produces shrimp, sardines and mackerel, salmon, other seafood and value added products, and pet food.

The company's global brand portfolio includes market-leading international brands such as Chicken of the Sea, John West, Petit Navire, Parmentier, Mareblu, King Oscar, Century, and Rügen Fisch, as well Thai-leading brands Sealect, Fisho and Bellotta.

A full list of our company brands, subsidiaries and product categories can be found in our annual report at <http://tu.listedcompany.com/misc/ar/20160317-tu-ar2015-en-03.pdf>



Thai Union's vision is to be the world's most trusted seafood leader, through the products we sell, how we conduct business, and with respect to resource conservation, to ensure future generations are nurtured for years to come. Our mission is to be the

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

Thai Union is a founding member of the International Seafood Sustainability Foundation (ISSF) and the National Fisheries Institute Crab Council. Thai Union's work on sustainability has been recognized by its inclusion in the Dow Jones Sustainability Indices (DJSI) Emerging Markets in 2014 and in 2015, with annually improved performances across environmental, economic and social criteria.

As a company committed to innovation and globally responsible behavior, Thai Union is proud to be a member of the United Nations Global Compact since 2013 and is a founding member of the UN Global Compact Local Network for Thailand. We are committed to the implementation, disclosure and promotion of the UNGC's ten universal principles.



Figure 1 UNGCs ten universal principles

2. Company policy on slavery and human trafficking



Thai Union Group actively supports and respects internationally recognized human rights, leveraging our leadership position to assist in detecting and eradicating abuses in the seafood industry.

Business Ethics and Labor Code of Conduct

Thai Union is committed to fighting human trafficking and human rights violations of any kind, whether is found in our own operations or anywhere within our supply chain. We will accomplish this goal by making it economically non-viable for those who practice such conduct through the enforcement of our own strict Business Ethics and Labor Code of Conduct (Code of Conduct), which is applicable to the staff in both our operations, and those in our supply chain. We have integrated the Code of Conduct into our recruitment and procurement procedures. All management staff are required to sign the Code of Conduct, as are all suppliers. New suppliers and new staff must sign the Code of Conduct prior to working with Thai Union.

Our Code of Conduct is made up of 12 fundamental principles grounded in internationally recognized standards:

1. Business is conducted lawfully and with integrity.
2. Work is conducted on the basis of freely agreed and documented terms of employment with legal compliance.
3. All workers are treated equally and with respect and dignity.
4. Work is conducted on a voluntary basis with no forced or compulsory labor.
5. All workers are of an appropriate age.
6. All workers are paid fair wages.
7. Working hours for all workers are reasonable.
8. All workers are free to exercise their right to form and/or join trade unions and to bargain collectively where permitted by law.
9. Workers' health and safety are protected at work.
10. Workers have access to fair procedures.
11. Business is conducted in a manner that embraces sustainability and reduces environmental impact.
12. Progress and compliance are monitored.

Specifically, our Code of Conduct states:



- i. “With respect for universal human rights of individuals, Thai Union ... [will] strive to [provide] safe and fair treatment to all workers.”
- ii. “Forced labor, whether in the form of indentured labor, bonded labor or other forms is not acceptable. Mental and physical coercion, slavery and human trafficking are prohibited.”

Our Code of Conduct has been translated into 19 languages to allow us to apply it to operations and supply chains around the world. The Code and its translations can be found at <http://www.thaiunion.com/en/sustain/tu-sustainability/code-of-conduct.ashx>

Sea Change

Sea Change is Thai Union’s sustainability strategy and is designed to deliver real and lasting changes in the way that we operate in the wider Thai and global fishing industries. Our policy commitment to labor is that workers are safe, and that they are legally employed and empowered. Our initiatives on fair and legal labor are designed to ensure workers in our supply chain have safe and freely chosen employment and that human trafficking is unviable for those who practice it.

Our fair labor roadmap can be seen at <http://www.thaiunion-sustainability.com/safe-and-legal-labour.php>

Actions Taken on Priority Issues

- Our Business Ethics and Labor Code of Conduct was released in 2015.
- We have translations into 19 key languages completed in early 2016.
- A staff training package was developed and delivered to executives, human resources and procurement staff in Thailand in December 2015. Training on the code is ongoing and is currently being rolled out across our global operations for staff in 2015/2016.
- All management employees are required to sign the Code of Conduct to acknowledge compliance, and this will be kept on their personnel records.
- A significant supplier event was held in Thailand in March 2016 where 600 suppliers of seafood and non-seafood products were invited to hear details of the Code of Conduct, compliance and auditing requirements, and zero tolerance policy towards forced or child labor, and human trafficking. The code is being rolled out globally to all suppliers in 2016.
- An ethical recruitment policy has been drafted and been trialed in consultation with human resources staff and NGOs.
- We are working with tuna industry groups and the NGO Verite to develop ethical labor standards for tuna vessels in international waters.
- Sea Change website developed to help communicate progress and direction with our key stakeholders including customers, consumers,

3. Identification and mitigation of risks of slavery and human trafficking in business and supply chain

Nature of Thai Union supply chains

Seafood supply chains are complex, particularly where multiple species are involved. Thai Union sources from six main categories of seafood: tuna, shrimp, salmon, sardine, mackerel and cephalopod. These are sourced through both wild capture and aquaculture, from oceans and aquaculture operations around the world. For slavery and human trafficking issues, Thailand has been identified as one of the highest risk countries in which we operate followed by other countries in the ASEAN region. Thai Union's commitment is to demonstrate leadership in Thailand on these issues and remain actively engaged with industry, civil society and government on solutions to eradicate modern slavery. Thai Union's policies



apply globally across the company, and priority is given to deploying these policies, risk mitigation procedures, and capacity building activities within the highest risk countries.

Supply Chain Risk Assessment

Thai Union is committed to demonstrating full transparency and traceability in our supply chain. All supply chains are in the process of being mapped to source, and audited for compliance with quality and labor standards. The timeline for our mapping and auditing program for the next five years can be found at <http://www.thaiunion-sustainability.com/responsible-sourcing.php>.

We identify the potential risks in our supply chain through supply chain mapping and risk analysis. We segregate our suppliers into critical and non-critical suppliers based on both spend and risk assessment through audits and social dialogue. We engage with civil society and third parties to assist with this process.

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

Supply Chain Risk Mitigation

We mitigate these risks through social compliance programs, where we communicate with our suppliers so that they are aware of what Thai Union standards are. Examples of supplier communication include supplier information events on our Business Ethics and Labor Code of Conduct where suppliers are trained on how to best adhere to Thai Union's Code of Conduct. Suppliers are then invited to sign an acknowledgement of this document, which commits them to compliance with Thai Union standards regarding, amongst other things, fair labor standards.

We engage in supplier capacity building, so that any suppliers who are unsure of how to comply with our Code of Conduct are given the opportunity to meet our standards. We work in collaboration with our suppliers to ensure our traceability systems are aligned, and in collaboration with NGO partners to facilitate social dialogue, social auditing and capacity building through training, workshops and practical demonstrations.

We conduct internal and third party audits to inspect manufacturing facilities and interview employees to ensure our suppliers and their sub-suppliers are in full compliance with Thai Union standards.



We provide internal reporting mechanisms for whistleblowers or complainants regarding unfair treatment of workers in our factories and our supply chains. In addition, in Thailand we provide access to a third party helpline run by the Issara Institute. This helpline is provided in five languages and anyone can report issues of concern or requests for help independently of Thai Union management. The details of the helpline are provided in posters at our factories and the ports in which we operate, as well embedded within our Code of Conduct.

Actions Taken on Priority Issues

- Thai Union has terminated relationships with 17 suppliers as a result of forced labor or human trafficking violations since the start of 2015.
- In two cases in 2015, serious issues of forced labor were uncovered within the Thai Union supply chain. Thai Union worked with local NGOs, the Issara Institute and Migrant Workers Rights Network to provide humanitarian aid to workers, full compensation of lost benefits, and offers for safe and legal employment within Thai Union factories.
- In 2015 we identified external preprocessors as being at very high risk of illegal or forced labor within our supply chain in Thailand. In January 2016 we ceased all work with external preprocessors, bringing over 1200 workers within our own factories and ensuring that they were safely and legally employed.
- We identified third party brokers for employment in Thailand as a high risk to our migrant workers for exploitation, and ceased working with all third party employment brokers in Thailand. These processes are now completed by a Thai Union company with zero fees for workers.
- We have 100% traceability for all tuna brands and we are developing a full digital chain of custody from hatch to catch to consumption, with a public facing can-tracker for all of our major tuna brands.
- We have conducted labor risk assessments of the shrimp supply chain, and non- seafood supply chains in Thailand.
- We are working with the Issara Institute to provide an independent, 24 hour multilingual third party helpline to workers across our factories and ports as well as support for the development of a social media app to be used by workers on land and at sea.
- We are working with the Shrimp Sustainable Supply Chain Task Force in Thailand to map and audit our Thai seafood and shrimp supply chains.

For further details see www.thaiunion-sustainability.com

Those suppliers who fail to adhere to our Code of Conduct and engage in unfair and illegal labor practices will be asked to provide a time-bound remedial plan or may have their contracts terminated. Thai Union reserves the right to take legal

action and report illegal activities to the relevant authorities and trade associations.

4. Due diligence and capacity building processes in relation to slavery and human trafficking in business and supply chains

Audits

Supply chain audits are one way to ensure our own operations and those of suppliers comply with legal obligations and our Code of Conduct. Any supplier found to be in violation of zero tolerance policy towards forced or child labor and human trafficking will be immediately terminated as a supplier.

Our own operations are subject to world recognized external verifications and audits by third-party certification bodies working to promote standard labor practices which include the Ethical Trade Initiative (ETI) Base Code; Business Social Compliance Initiative (BSCI), Supplier Ethical Data Exchange (Sedex) and Verite social capacity standards as well as a number of retailer specific programs to audit and verify fair and legal labor.

We are conducting social dialogue based audits in the relevant languages of the workers (primarily Burmese and Cambodian), in collaboration with the Migrant Workers Rights Network (MWRN) in Thailand. This process allows for workers to actively participate in the social audit process, express their concerns or suggestions for improvement as well as highlight good progress. MWRN staff are given full access to Thai Union's factories and staff, as well as to records, to enable them to conduct full assessment. We are also working together to develop strengthened welfare committees for our factories, to provide migrant and local workers alike with a direct and united voice to management.

Through working with the Shrimp Sustainable Supply Chain Task Force, an international industry alliance, we have piloted a social audit system to audit from vessel to shrimp feed factory. Internal audits of this supply chain have been completed and third party audits will be completed in 2016. This audit system was designed in collaboration with leading retailers, manufacturers, government and NGOs and a revised and strengthened labor Code will be used to audit all vessels providing Thai caught seafood. To mitigate the high risk of labor violations in the Thai Seafood industry, all vessels supplying Thai Union in Thailand have been first party audited by our own trained procurement and HR staff, and full documentation for each catch is mandated.

Thai Union has initiated an external audit process of its supplying fleet to Europe. The audit will check compliance with the European Union Illegal, Unreported, Unregulated Regulation, ISSF requirements, quality and food safety, our own Thai Union



sustainability policy and Code of Conduct. This project will be completed in Europe in 2017 and rolled out across the Group.

Verification and Documentation

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

Thai Union has a policy that bans transshipment at sea in Thai and international waters in line with the International Seafood Sustainability Foundation (ISSF) transshipment resolution, to minimize the risk of illegal activities such as crew members being detained at sea or trafficked. Tuna caught on purse seiner vessels in international waters must have an independent observer on board, who is able to raise an alarm if forced labor is observed.

Capacity Building

We recognize that addressing modern slavery and human trafficking is an issue that we must take responsibility for and at the same time work collaboratively for shared responsibility. Our work includes developing partnerships with NGOs, regulators and intergovernmental agencies, our customers and well as multi-stakeholder initiatives. Many of these initiatives build capacity within our own facilities or across our supply chains. Our approach is that if we raise awareness of modern slavery and human trafficking across our supply chains, and work with our suppliers and customers, we can start to make real and genuine progress and achieve lasting success. We are working with the International Labor Organization on the Good Labor Practice program, with USAID on the Oceans program in South East Asia on traceability and links between fishing and human trafficking, as well as the Shrimp Sustainable Supply Chain task force. Capacity building to date includes updating migrant workers on their rights and entitlements, updating Thai Union management on their roles and responsibilities under the Code of Conduct and working with fishing boat captains on health and safety for crew members.

Ethical Recruitment

Migration and recruitment of migrant workers is recognized as one of the highest risk areas for workers to become involved in human trafficking, forced labor or debt bondage. Recognizing this, Thai Union has focused on reducing the potential for abuse

and extortion by agents and brokers in recruitment of migrant workers. By committing significant resources and time to dealing directly and building stronger relationships with recruitment agents in Cambodia and Myanmar, Thai Union has been able to map out recruitment processes more effectively, with MWRN and the Issara Institute providing oversight of the process and assisting with the effective communication with workers on safe and legal migration. Thai Union uses its own recruitment company in Thailand to ensure workers are not paying fees to brokers for their employment, and works closely with recruitment agents and NGOs to ensure that workers are not charged recruitment fees, and that they are able to freely choose the work permit option that best suits their circumstances.

Actions Taken on Priority Issues

- Thai Union undertook a pilot project with Labor Promotion Network (LPN) in 2015 offering a fresh start to victims of human trafficking through the provision of medical aid, accommodation and employment to victims of human trafficking.
- We have established two child care centres in Samut Sakhorn (with an additional three planned), to enable the children of migrant workers to enter the Thai education system and be empowered through education and knowledge.
- To complement the work in the child care centres, we work with LPN to deliver training to our migrant worker staff to highlight the importance of education and advice on avoiding child labor or trafficking.
- We organized an English language teaching program in one of the schools hosting our child care centres to empower children through knowledge.
- We have agreed a project with Nestle, Verite and the Royal Thai Government to retrofit a Thai fishing vessel to demonstrate good practice on board, safety requirements as well as safe and legal employment. Once the work is complete, the vessel will be used to provide education at ports throughout Thailand.
- Our subsidiary Chicken of the Sea shifted to a performance improvement plan (PIP) approach with suppliers after deciding that audits alone were not always a meaningful tool for changing suppliers' behavior. Working with the Verite, a third-party audit team conducts an initial assessment to determine performance gaps, and then works with the supplier over the following year to develop new policies, change or introduce new practices, and to create better data management systems.
- We are working with the Migrant Worker Rights Network (MWRN) on training for migrant workers on their worker rights and entitlements in Thailand, improved social dialogue and strengthened welfare committees.
- We have developed a zero recruitment fee policy for migrant workers in our Thai factories and facilities.

Review

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



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Date of Issue: June 2016