

Global Packaging Strategy: Annual Progress Update

Issue: May 2021



Packaging

Business Driver

- Packaging is an important component of any product and contributes significantly to a company's overall environmental impact. By developing and implementing sustainable packaging initiatives, our environmental footprint is reduced.
- By exploring sustainable packaging in our innovation.
- When cost of packaging materials increases, it means potential harm on business. However if well managed packaging from a marketing perspective, sustainability packaging may lean to brand differentiation.

Packaging Solutions

- Programs to develop re-usable business models
- Programs to increase the use of recyclable packaging
- Programs to phase out single-use plastic packaging
- Programs to increase the use of recycled material as packaging solutions
- Programs to ensure that recyclable packaging is actually recycled
- R&D resources to sustainable packaging and alternative solutions



Group-Wide Commitment

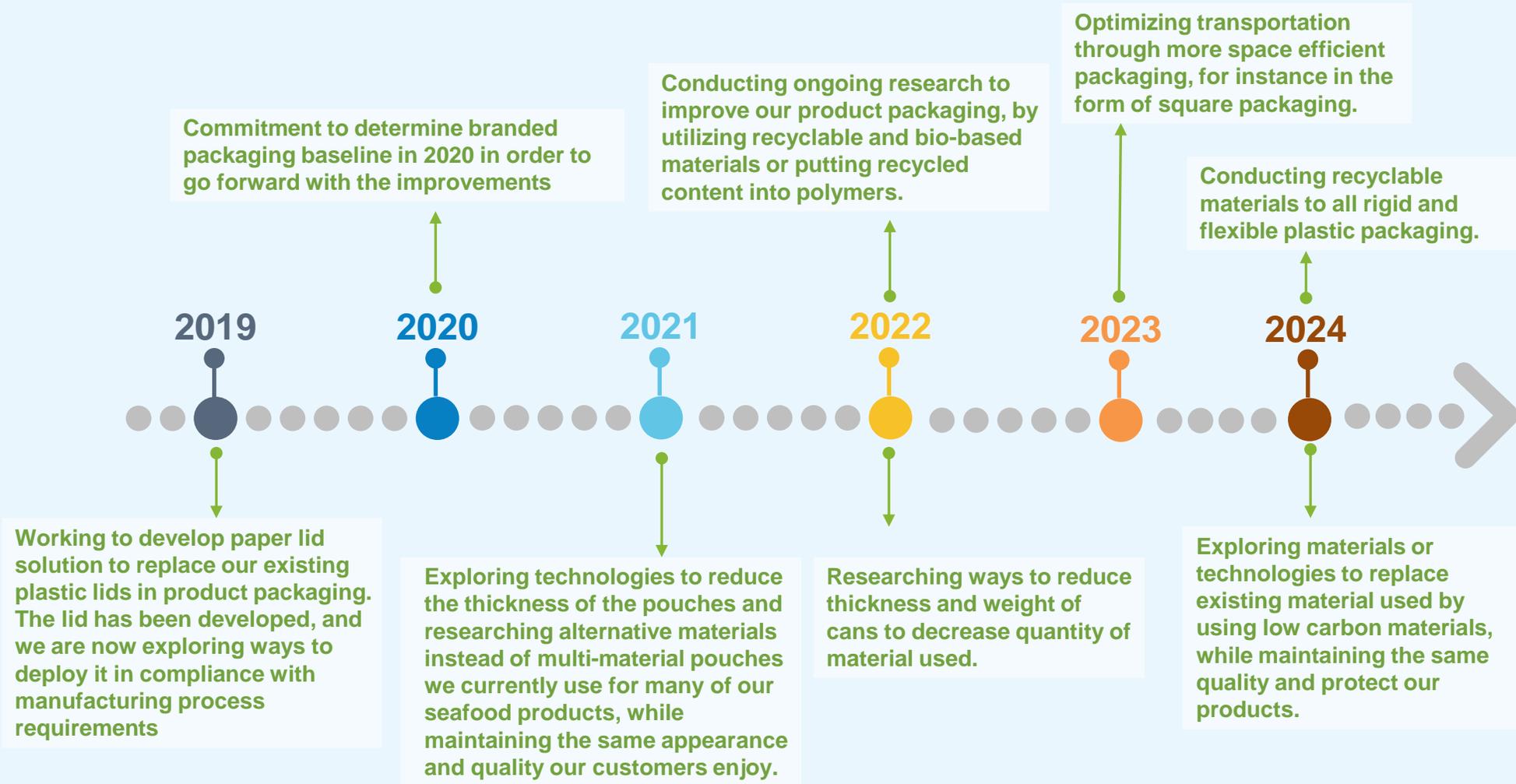
We have committed to ensuring 100 percent of our branded packaging is reusable, recyclable or compostable by 2025 and 30 percent average recycled content in our branded packaging by 2025.

SUSTAINABLE PACKAGING

We have placed a strong focus on developing and implementing sustainable packaging initiatives. We have sought to better understand the full lifecycle of packaging materials by comparing metal to plastic, innovated with different kinds of packaging, and conducted baseline packaging assessments.



Thai Union Packaging Innovation Roadmap

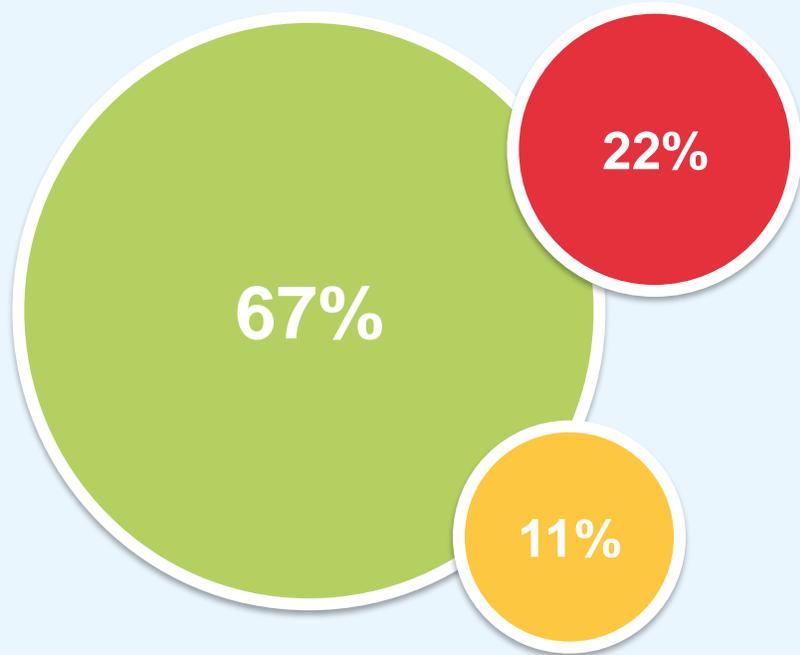


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Thai Union Packaging Assessment 2020

Overall assessment of Thai Union Group packaging



The values in the graph refer to the number of different primary packaging types. Packaging types are intended as examples of packaging, and do not represent not the complete Thai Union portfolio.

Category	Packaging type	Problem	Action
RED	(1) If the material is completely non-recyclable or it is listed in the 'Hard-to-recycle plastic materials' category ; (2) If it is a combination of different materials and/or components where some of them are considered hard to recycle, while others are not yet recycled; (3) If the material(s)/ component(s) is banned by law.	Has one or more of the following characteristics or material types: carbon black plastics, PVC, PVDC, PS, EPS, straws, cutlery, multi-material bags/sachets/ pouches, multipack shrinks/ wrappers.	Identify different materials which can be easily recycled/composted or consider a change to packaging design.
YELLOW	Packaging types under this category can be classified as 'technical recyclable', meaning that they could be recycled in theory, but there is no established market for recycling them.	Packaging types with sealing closures, plastic films, foils thin layers, paper labels with no washable adhesive, or other components that are recycle in theory and that might represent an issue to recycling.	Improve packaging design and look for alternatives for those components that might represent a barrier or challenge to recycling.
GREEN	The packaging material(s) is 'fully recyclable' and there is infrastructure available to recycle.		Keep looking for better alternatives and improved design to reduce material consumption and environmental footprint.

Green

- Aluminum cans
- Tin-coated steel cans
- Glass jar + aluminum lid
- Cans + cartonette
- Cans + carton cluster



Yellow

- Monomaterial plastic cups (PP)
- Cans with monomaterial plastic wrapper (LDPE)
- Cans with monomaterial plastic lid (PP)
- Other items with monomaterial plastic



Red

- Mixed/multimaterial pouches
- Mixed/multimaterial bags
- Mixed/ multimaterial sachets
- PVC/PVdC/PS/ePS plastic items
- Carbon black plastic items
- Plastic cups with fork included



- Multipack cans with wrappers (PET/PVC)
- Salad boxes + plastic fork
- Cardboard + plastic foil (PE/PA)

Associated Programs

Programs to develop re-usable business models

- Reusable packaging requires a substantial innovation in operations and logistics. While it might be easier for non-perishable products, reusable business models are more difficult to achieve for fresh and semi-fresh food and seafood.
- Nevertheless, we are exploring ways to launch new products with reusable packaging while balancing the quality and safety of our products, and exploring ways to shift already existing items under our current portfolio.

Programs to increase the use of recyclable packaging

- In 2019 we have assessed our entire branded portfolio in order to understand the recyclability performance of our primary packaging and identify gaps and areas for improvement.
- In 2020-2021, we have published our sustainable packaging guideline. To provide a set of principles to ensure that the materials adopted for branded packaging are chosen to reduce the overall environmental impact and achieve as much circularity as possible in the portfolio. (Link: <https://www.thaiunion.com/files/download/sustainability/policy/final-tu-sustainable-packaging-guidelines-short.pdf>)
- We revised recyclability classification into 3 categories (**Green**, **Yellow** and **Red**) to determine the likelihood of the packaging to be recycled in accordance with DJSI requirements and the Ellen McArthur Foundation guidelines.
- It is of primary importance to understand the difference of recyclability. For this reason we have identified packaging types that are fully recyclable and there is infrastructure available to recycle (**Green category**), as well as those that might be recycled in theory, but there is no established market for recycling them (**Yellow category**).
- By end of 2021 we are committed to complete an packaging database covering primary and secondary packaging with a breakdown by material and, for plastic, also by polymer type.

Programs to phase out single-use plastic packaging

- In our packaging assessment, we classify cutlery and straws (currently not in TU portfolio) as non-recyclable items, and we are looking for alternatives to comply with our commitment.
- In order to reduce the reliance on single use plastics, reusable models are being explored. Where this proves not to be feasible due care will be taken in respecting recyclability guidelines and the definition of recyclable in practice and at scale.



see:

Thai Union Packaging Assessment 2020



Associated Programs

Programs to increase the use of recycled material as packaging solutions

- Many food-grade recycled plastics polymers are not yet allowed by law in several countries. rPET is the only polymer widely accepted for food packaging application (still not in every country), but it is currently not adopted in our portfolio. The main polymer adopted by Thai Union is Polypropylene (PP), but the suitability of the recycled polymer for food application is still under investigation globally.
- Our packaging team within Thai Union Global Innovation Center (GIC) is in the process of understanding where recycled polymers could be used respecting all food safety and hygiene standards.

Programs to ensure that recyclable packaging is actually recycled

- To promote recycling of recyclable packaging and recyclable items, since 2014 Thai Union have established Garbage Bank program, designed to improve awareness and ability of our staff to identify waste, at workplace and at home, as well as to reduce plastic waste in the community. Revenue from the Garbage Bank supports educational materials for the children of Thai Union workers.
- In addition to plastics downstream of our value chain, Thai Union is in a unique position to address marine plastic debris, particularly plastic waste of the fishing industry. Since 2018, Thai Union have joined the Global Ghost Gear Initiative (GGGI) to reduce the growing problem of abandoned, lost and discarded fishing gear (ALDFG) estimated to represent up to 70% of the macroplastics debris in the open ocean by weight . We are collaborating with multiple actors, from supporting fisheries to shift away from fishing gears with high potential to be discarded; preparing to conduct research on Fishing Gear Practice and Management in Thailand; to launching #GhostGearReborn awareness campaign and arranging dive to remove lost fishing gear from the ocean.

R&D resources to sustainable packaging and alternative solutions

- The packaging team in our Global Innovation Centre (GIC) is focusing on developing recyclable and compostable packaging. For example, bio-degradable material to introduce compostable packaging in our portfolio, bio-based pouches and monopolymer pouches to phase-out multi-material packaging that is not recyclable and a paper lid to be used instead of plastic lids.
- GIC is also focusing on finding alternative metal material which lower weight on developing metal packaging to decrease the amount of material used.
- At the same time, during the second phase of our Space-F program we will be scouting and looking for innovative ideas and startups to support that might result to be interesting for Thai Union business by assessing the suitability of new and/or new design solutions.



Packaging Solutions



Biomaterials & Chemicals



Food Safety & Quality