



Thai Union Group: Policy on No Deforestation

Issued by:

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Group Commitment	
Policy on No Deforestation	Dated: 9 July 2021
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Issued by: Mr. Prad Kerdpairoj, Director of Sustainability, Asia	
Verified by: Dr. Darian McBain, Group Director, Sustainability	
Approved by: Mr. Thiraphong Chansiri, President & CEO, and Mr. Shue Chung Chan, Executive Director	
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OUR RATIONALE

Thai Union Group supports a vision for a future without deforestation. Thai Union recognizes the critical role of forest in preserving the earth’s biodiversity, mitigating climate change, reducing the risk of natural disasters, protecting watersheds, as well as safeguarding the livelihoods of around 1.6 billion people who depend on forests for their livelihoods. This recognition is in line with Thai Union’s global sustainability strategy, SeaChange®, and our corporate strategy, “Healthy Living, Healthy Oceans”.

We acknowledge the important contributions that the private sector can make to combat deforestation, especially in the context of the United Nations Sustainable Development Goal (SDG) 15: *Life on Land*, which includes a target to promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests, and substantially increase afforestation and reforestation globally.

As a global seafood leader, Thai Union also acknowledges the important role than mangroves play in healthy coastal and marine ecosystems from providing a nursery ground to fisheries to coastal zone protection, livelihoods for local communities, and carbon storage. Mangroves have an important interrelationship with both wild capture fisheries, and also with aquaculture, in particular through shrimp farms and how they are sited.

OUR COMMITMENTS

1. Actions in our own operations

Thai Union is committed to ensuring that our own operational sites comply with applicable forest-related and environmental regulations. We are committed to zero gross deforestation: our future, newly established operational sites, starting in 2021, shall not be located on or in close proximity (within 1 kilometer distance) to protected forest areas or sites of globally important biodiversity, such as [UNESCO World Heritage Sites](#), [IUCN Category I-IV protected areas](#), and reserved forests or national parks as specified by national regulations.



For any of our own existing operational sites that are located close to protected biodiversity areas, in addition to complying with the relevant environmental regulations, the sites are also encouraged to assess whether their operations may cause adverse impact on the nearby biodiversity areas, and in cases where the impact is identified and significant, the sites should consider taking appropriate mitigation measures.

All of the four Thai Union-owned aquaculture farms are also certified by the ASC standards, which require farms to conduct the Biodiversity Environmental Impact Assessment (B-EIA) and Participatory Social Impact Assessment (p-SIA).

2. Responsible aquaculture and responsible sourcing through supply chain initiatives

We commit to promoting responsible aquaculture that preserves biodiversity and protects sensitive habitats. We also commit to further promoting responsible sourcing of agricultural commodities that may be exposed to high deforestation risks, in particular palm oil and soy. We recognize the need to further strengthen the collaboration with our partners and stakeholders, especially our suppliers, in order to better manage and mitigate deforestation risks.

Thai Union has introduced a set of specific commitments and measures to reduce deforestation in our supply chains. A summary of these existing commitments are as follows:

2.1 Responsible aquaculture that help protect sensitive habitats, including mangroves

We commit to promote international certifications of our suppliers' aquaculture farms, which contribute to the conservation and protection of mangroves and sensitive habitats. For example, all [Aquaculture Stewardship Council \(ASC\)](#) certified farms must conduct Biodiversity Environmental Impact Assessment (B-EIA) and Participatory Social Impact Assessment (p-SIA) to ensure that farm areas are not located in sensitive habitats or mangrove forests. [Best Aquaculture Practices \(BAP\)](#) also requires new farms not to be located in mangroves, sensitive wetlands or any other critical or vulnerable habitats. For farms that existed in mangrove areas before 1999, the standards require restoration and rehabilitation to compensate for the impacts on the ecosystems.

As of the end of 2020, 79 of Thailand-based shrimp farms we source from were BAP certified, and 8 were ASC certified. We are working with our suppliers to increase the number of BAP and ASC certified farms.

Our [Responsible Aquaculture Commitment](#) lays out a plan for 100 percent of Chicken of the Sea® branded aquaculture products to meet Monterey Bay Aquarium Seafood Watch recommended ratings and certifications as well as social responsibility standards accepted by Global Seafood Sustainability Initiative (GSSI) or Social Supply Chain Initiative (SSCI) through fully traceable supply chains. This commitment is inclusive of all steps in the production process to ensure Chicken of the Sea's aquaculture supply chains are fully traceable and sustainable—from harvest to consumption. With our partnership with the Monterey Bay Aquarium, we are engaged in active projects to improve shrimp farming in Vietnam and Indonesia, where impacts on sensitive habitats are part of the criteria considered in the MBA rating and improvement projects.



2.2 Responsible sourcing of commodities known to have high global deforestation risks

Our [General Responsible Sourcing Guideline](#) and [Agricultural Raw Materials Sourcing Guideline](#) set the expectations on our agricultural ingredient suppliers to support environmentally and socially responsible agriculture. One of the key expectations is for our suppliers to adopt agricultural international and industry standards that are related to the sustainable forest management. These standards include, but are not limited to, Round Table for Sustainable Palm Oil (RSPO) certification for palm oil, Forest Stewardship Council (FSC) certification for wood and timber products, and Round Table on Responsible Soy (RTRS) certification for soy products.

We introduced our [Responsible Sourcing of Palm Oil Policy](#) in 2021. We are working towards additional responsible sourcing policies and targets for other commodities known to have global deforestation risks, in particular ingredients derived from soy.

As an important part of our commitment to promote responsible sourcing of soy, Thai Union Feedmill (TFM) has set a target for its Thailand-based feed mills to source at least 50 percent of soymeal and other soy derived ingredients from sources that are certified to ProTerra, RTRS, SSAP, organic or to other standards successfully benchmarked against the FEFAC Guidelines for Responsible Soy Sourcing by June 2022, in accordance with the BAP Feed Mill Standard Issue 3.0.

2.3 Towards deforestation-free palm oil

Our [Responsible Sourcing of Palm Oil Policy](#) states that all palm oil for Thai Union branded products, including value added products and aquaculture feeds, shall come from certified sustainable sources, such as those certified by the RSPO or equivalent. From the end of 2021, mass balance supply chain RSPO certification or a higher level of certification (segregated or identity preserved) will be accepted, with a preference for segregated or identity preserved. By 2025 all palm oil sourced shall meet segregated or identity preserved RSPO or equivalent requirements.

The Policy also states our commitment that palm oil shall not originate from areas of deforestation. The producer shall ensure legal use of land and water, and respect of the needs and rights of smallholders and indigenous people as well as protection of workers' health and rights. All palm oil should also be traceable to the mill, and where possible the plantation or smallholder. Priority will be given to sources of fully traceable palm oil and continuous improvement of environmental and social outcomes. We will monitor the data and progress made to ensure compliance with the Policy, and will publish an annual progress report against our commitments from 2021 for transparency and monitoring purpose.

2.4 Towards sustainable paper-based packaging

Our [Sustainable Packaging Guidelines](#) 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. Thai Union will pursue the commitment of '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'.



As part of the Guidelines and to prevent the depletion of natural resources including forests, we are working towards our goal that all paper-based packaging materials should be certified. Examples of these certifications include Forest Stewardship Council (FSC), Program for the Endorsement of Forest Certification (PEFC), and Sustainable Forestry Initiative (SFI). By increasing the use of recycled materials, we are taking pressure off the need for raw materials to be sourced from forested areas.

3. CSR initiatives on mangrove conservation

Building on a number of previous programs and efforts, Thai Union will continue to work with local partners on the conservation and restoration of mangroves, which are vital to preserving the biodiversity of coastal and marine ecosystems. Mangroves provide a nutrient-rich nursery and habitat for fish, crab and shrimp species and mammals like sea turtles. Mangroves act as a natural coastal barrier that safeguards the coastline areas against storms and floods. Mangroves possess a great capacity in absorbing and storing carbon dioxide, helping to fight climate change. Mangroves also support livelihoods, food, and a source of income for local people living in coastal areas by providing a rich supply of seafood and supporting ecotourism activities.

Thai Union will continue to organize educational field trips for local and migrant students in Thailand to raise their awareness on the importance of mangroves to the coastal ecosystems and communities. As part of these trips, the students will learn first-hand about the actions they can take to help conserve mangroves, such as by picking up ocean waste and plastics in mangrove and coastal areas.

We commit to collect relevant data, monitor and report on the progress on the implementation of this Policy annually in our Sustainability Report and SeaChange® website.

This Policy extends to Thai Union Group and its subsidiaries.
