

No Deforestation and Conversion Policy

INTRODUCTION AND CONTEXT

Forests and natural ecosystems are vital for mitigating climate risks, preserving biodiversity, and sustaining livelihoods worldwide. Thai Union Feedmill Public Company Limited (the “Company”), guided by its corporate sustainability strategy, SeaChange®, and its commitment to “Healthy Living, Healthy Oceans,” recognizes the urgent need to combat deforestation and ecosystem conversion. Aligned with UN SDG 15, the Company prioritizes sustainable forest management, halting deforestation, and restoring degraded ecosystems.

Acknowledging the interconnectedness of these issues, the Company aims to address drivers of deforestation and conversion in all plant-based ingredients that its sources include but not limited to soy, palm oil, and wheat. This approach reflects dedication to responsible sourcing and ethical practices, fostering positive impacts on communities and the environment. The Company ensures alignment with industry standards and stakeholder expectations. Together it envisions a future where forests thrive, biodiversity flourishes, and communities prosper harmoniously with nature.

POLICY SCOPE

This Policy shall apply to all plant-based ingredients sourced by Thai Union Feedmill’s operational sites in Thailand.

OUR COMMITMENTS AND ACTIONS

We commit to promoting responsible sourcing of all plant-based ingredients and agricultural commodities that we source. We recognize the need to strengthen the collaboration with our partners and stakeholders, especially our suppliers, in order to better manage and mitigate deforestation and conversion risks.

Starting from January 31, 2025, all plant-based ingredients we source must comply with mechanisms ensuring zero deforestation and conversion, with a cut-off date no later than December 31, 2020. Suppliers of plant-based ingredients must demonstrate their compliance through the following:

- Conduct supplier audits to ensure adherence to the Policy on No Deforestation and Conversion, course-correcting or terminating relationships. All the Company's contracted suppliers must be subject to an annual supplier audits program during the procurement cycle to ensure that they and their sub-suppliers are in full compliance with all the Company's policies. Suppliers who did not pass the audit could select to undergo a supplier performance improvement program, refusal to participate will lead to contract termination. The goal of a supplier performance improvement program is to streamline the procurement process and optimize the supply chain, resulting in better vendor selection, improved contract negotiation, reduced risk and increased efficiency for all ingredients sourcing.
- If the materials are sourced from countries designated as "low risk" in all dimensions¹ based on the Aquaculture Stewardship Council (ASC) country scorecard, suppliers must provide verifiable proof of the materials' origin. This evidence may include documentation such as certificates of origin, traceability records, or data effectively demonstrating the sourcing locations of the materials.
- If materials are sourced from countries designated as "medium" or "high risk" in at least one dimension based on ASC country scorecard, suppliers must present at least one of the following required evidence:
 - **Third-Party Deforestation and Conversion-Free (DCF) Certification:** As we strive to establish Deforestation and Conversion Free (DCF) supply chain, we will use a variety of supply chain certification models specific to each of the plant-based ingredients. The acceptable certification schemes for each plant-based ingredient are in line with ASC feed standard requirements.
 - **Verification of Sourcing Areas and Suppliers:** Due diligence assessments are conducted to ensure low risk for each variety of plant-based ingredients. Evidence confirming low risk should include a detailed risk assessment and its conclusions, along with specifics about the monitoring programs implemented, and the effectiveness of measures taken by plant-based ingredients suppliers. Additionally, supplementary information regarding traceability of raw materials will be requested to uphold the integrity and sustainability of our plant-based ingredients supply chain verification processes.

MONITORING AND REPORTING

We commit to collect relevant data and report on the progress on the implementation of this Policy annually in Thai Union Feedmill's and Thai Union Group's annual reports, and companies' websites. The action plans outlining timelines and milestones will also be published.

¹ The risk dimensions identified by the Aquaculture Stewardship Council (ASC) include legal risk, social risk, illegal deforestation and conversion risk, legal deforestation and conversion risk, environmental illegal D/C, and environmental legal D/C.

Ref: https://www.thaiunionfeedmill.com/storage/download/corporate-governance/corporate-policies/Policy%20on%20No%20Deforestation%20and%20Conversion_003-2024%2001%20June%2024.pdf