



Thai Union Group:

Commitment on Food Loss and Waste Reduction

Issued by:

A handwritten signature in blue ink, appearing to read "Prad Kerdpairoj", written over a horizontal line.

(Mr. Prad Kerdpairoj)
Director of Sustainability, Asia

Verified by:

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(Dr. Darian McBain)
Group Director, Sustainability

Approved by:

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(Mr. Thiraphong Chansiri)
President & CEO

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(Mr. Shue Chung Chan)
Executive Director

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Public	
Group Commitment	
Commitment on Food Loss and Waste Reduction	Dated: 9 July 2021
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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

Food loss and waste (FLW) are a critical global challenge. The United Nations estimated that 14 percent of food produced is lost from post-harvest up to, but excluding, the retail level, while 17 percent of food produced is wasted at retail, food service and household levels.¹ An estimated 8-10 percent of global greenhouse gas emissions are associated with unconsumed food.²

Against this backdrop and as a global seafood industry leader, Thai Union’s goal is that no food should ever be lost or wasted. We recognize how FLW reduction supports our ‘Healthy Living, Healthy Oceans’ corporate strategy by helping to deliver healthy, nutritious and safe food to consumers. We also acknowledge the crucial role of business, especially the food industry, to support the implementation of the UN Sustainable Development Goal 12 – Responsible Consumption and Production, and in particular Target 12.3, which aims to “by 2030 halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses.” In recognition of the impacts of FLW on food security and climate change, our efforts to reduce FLW will contribute to the fulfilment of other SDGs, such as SDG 2 on Zero Hunger and SDG 13 on Climate Action. FLW reduction also contributes to the realization of a green and circular economy.

Thai Union has therefore set the **target of reducing food loss in our own ambient, frozen and chilled seafood operations by 50 percent by 2025, compared to a 2021 baseline.**

OUR CURRENT PROGRAMS TO REDUCE FOOD LOSS AND WASTE

Thai Union has initiated a number of programs that contribute to the reduction of FLW in our own operations and supply chains.

¹ <http://www.fao.org/food-loss-and-food-waste/flw-data>) and *UNEP Food Waste Index Report 2021*

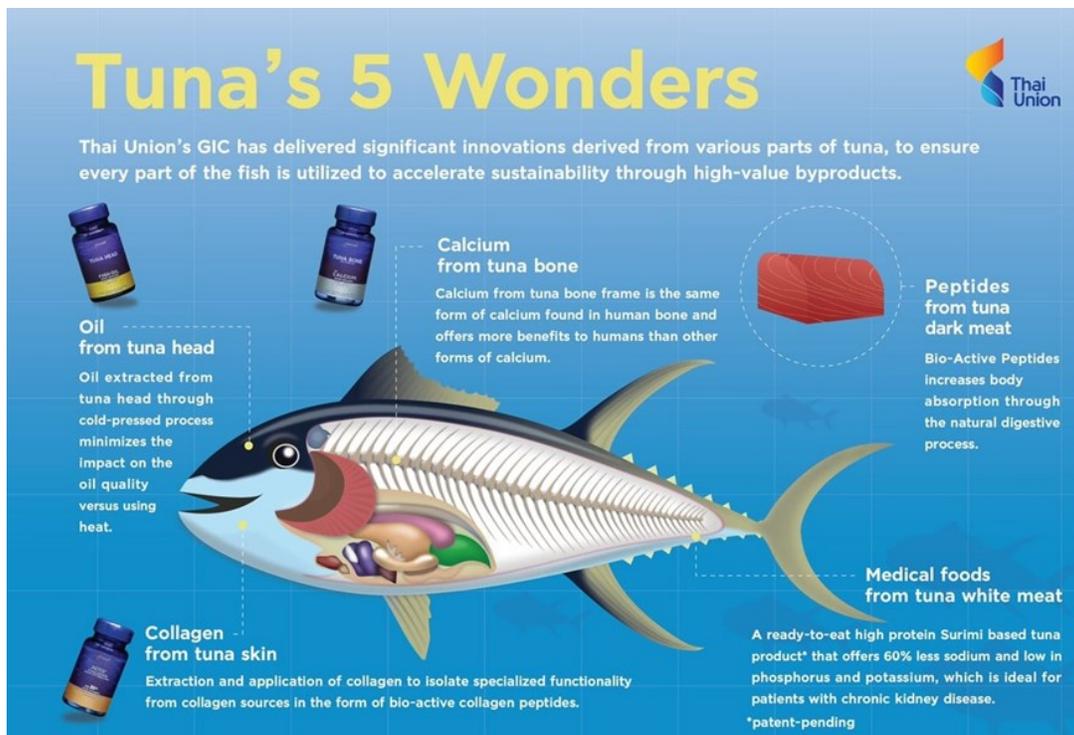
² *UNEP Food Waste Index Report 2021*, page 20.

• Reduction of waste disposal to landfill

As of the end of 2020, Thai Union has reduced our waste disposal to landfill, which includes both food and non-food components, by 70 percent compared to 2016 baseline. Thai Union has applied the circular economy principle in waste management in order to reduce waste in production process while optimizing the use of resources. We aim to not only reduce, but also to add value to waste using the following approaches; using food scrap for feeding animal, using sludge from water treatment process for composting, and sending used or contaminated oil to incineration with heat recovery. At several of our factories, sludge from the wastewater treatment process was used as soil amendment leading to the reduction of 8,042 tons of waste per year.

• Innovation to maximize co-product utilization and valorization of tuna parts

Thai Union has invested in product innovations that help valorize the otherwise inedible parts of tuna into nutritional marine based ingredients and food supplements. Examples include extracting high-in-DHA omega-3 [tuna oil](#) from tuna heads, and turning [tuna bone](#) into calcium supplements. Our [Commitment on Health and Wellness](#) also seeks to maximize the value of fishery resources by using underutilized tuna by-products for potential health and nutrition benefits. Our Global Innovation Center (GIC) is conducting research on how to transform the inedible parts of tuna into nutritious, value-added products for human consumption. We are also maximizing the use of shrimp parts, such as shrimp heads for snacks and shrimp shells for animal feed, which help reduce food loss.



Tuna's 5 Wonders: Thai Union is focused on driving innovations that enable us to utilize all parts of the fish to produce nutritious products.



- **Actions to minimize food loss at our factories**

Our factories have introduced measures to improve production yields and ‘right the first time’ production targets, hence minimizing food loss in processing. For example, approximately 99.5 percent of products manufactured by our Thai Union Group (TUF) factory in 2020 were ‘right the first time’ and ready for delivery to our customers. For the 0.5 percent of finished products that were not ‘right the first time’, none would be wasted. Instead, depending on the types of manufacturing imperfection and conditions of the products, they would be either reworked/reprocessed into marketable products or sold to employees at discounted prices. If any of the products were deemed unsuitable for human consumption, they would be used for animal feed or other useful purposes. No finished products were discarded without a good use.

- **Food waste reduction and food donation programs by our brands**

Thai Union’s brands have undertaken programs in collaboration with governments, customers and other partners to reduce FLW. Examples include:

- **King Oscar** brand has collaborated with the Norwegian government and industry peers to reduce food waste in the ‘Zero Hunger Challenge’. King Oscar’s plan set clear targets for food waste with the vision of reaching zero waste. This included looking closely at all parts of the organization, from supply chain to finance to marketing and product development and sales. The aim was to be able to utilize all the raw materials from production and making sure that co-products, as well as surplus or poor-quality fish, were also used for goods such as fish meal and cod liver oil. As a result, King Oscar managed to achieve zero food waste from finished products during 2017-2020.

- **SEALECT** brand in Thailand has a food rescue program in place. SEALECT works with our customers, retailers and distributors to accelerate the sales and turnover of ageing products. SEALECT also buys back ageing products that are still fit for consumption and redistribute them to other distribution outlets with faster turnover, as well as donate them to community organizations. Thanks to these programs, the number of SEALECT products that reach their respective best-before dates is extremely small and negligible. Even in the case of products that are over their best-before dates, they can still be safe for consumption and reprocessed into lower grade products or used for animal feed.

- **John West** brand in the UK has introduced new product containers, such as ‘fridge pots’, that allow consumers to safely and conveniently store the leftover food in the fridge. The fridge pots were developed in response to research demonstrating that consumers tend not to eat leftover food in cans. By introducing new packaging and portion size, John West has induced a change in consumer behavior that results in less food waste.

- **Food donations** Our brands have donated seafood products, including ageing products that are still perfectly safe and nutritious for consumption, to communities in need worldwide. During the COVID-19 pandemic, we have supported a number of affected communities through food donations.

- **Food loss reduction upstream in the supply chain**

Thai Union recognizes the importance of reducing food loss upstream in our supply chain. Thai Union Manufacturing (TUM) and Thai Union Europe (TUE) are audited by MRAG Americas on compliance with the International Sustainable Seafood Foundation’s Conservation Measures and Commitments. One of the criteria used in the compliance audit is called ‘Full Retention of Tunas’, which states that “All purse seine caught tuna (skipjack, yellowfin and bigeye) is retained onboard, except those unfit for human consumption as defined, or when in the final set of a trip, where there is insufficient well space to accommodate all fish caught in that set.” The full retention of tuna helps reduce food loss upstream. The 2020 audit results verified that all purse seine vessels from which TUM and TUE sourced tuna were in compliance with this criterion.



- **Supporting a startup with a focus on food waste reduction**

Through our SPACE-F program, the first global FoodTech startup incubator and accelerator in Thailand, Thai Union provided funding to a startup called Yindii, a digital platform and mobile application that help restaurants, bakeries and supermarkets sell their unsold surplus or near-expired ingredients to consumers at discounted price. They allow users to buy high quality, cheap food while reducing the environmental impact of food waste. As of June 2021, Yindii has grown quickly to serve over 35,000 users in Thailand.

OUR COMMITMENT

Thai Union's goal is to eliminate all food loss and waste. Building on the existing programs outlined above, Thai Union is committed to further reducing food loss and waste in our own operations and supply chain to support the UN SDG target 12.3.

Thai Union is committed to a target of reducing food loss across our ambient, frozen and chilled seafood operations by 50 percent by 2025, compared to a 2021 baseline. We are also committed to working with our customers and partners to further reduce food waste at retail and consumer level.

To achieve these goals, we are committed to taking the following steps:

- Develop a group-wide FLW reduction action plan by mid-2022, with appropriate measurable indicators and monitoring mechanism, in line with applicable global standards and the “Responsible Operations” and “Responsible Sourcing” pillars of our global sustainability strategy, SeaChange®.
- Launch pilot projects in 2021 with selected factories and brands in order to better collect FLW data and establish an appropriate baseline, understand the sources and causes of FLW, and identify feasible solutions.
- Continue to improve our operational excellence and waste management, such as by enhancing production yields, maximizing ‘right the first time’ targets, reducing processing problems, increasing the alternative uses of food loss, and improving waste management methods to minimize food discarded to landfill or incinerated without energy recovery.
- Continue to invest in innovations that maximize the co-product utilization and valorization of tuna and other fish, in order to transform the associated inedible parts into nutritious ingredients and food supplements designed for human consumption, thereby reducing FLW.
- Identify appropriate measures relating to product packaging and labelling that could influence consumer behavior in a manner that helps reduce FLW.
- Continue to drive efforts to donate food products, including ageing but nutritious products that are safe to consume, for communities in need around the world, including through potential partnerships with food rescue organizations.
- Scale up our consultations, collaborations, capacity-building and awareness-raising programs with our partners and stakeholders along our value chain, including but not limited to suppliers, distributors, customers, retailers, consumers, and food rescue organizations, with a view to strengthening our concerted efforts to reduce FLW.
- Endeavor to reduce food loss and waste in our pet care and feed mill business operations. While global food loss and waste standards pertain only to human food, we believe that it is important to take a broader approach and address food loss and waste in pet foods and animal feeds as well.
- Improve systematic collection of FLW data including appropriate break-downs, monitor and publicly report on our progress in FLW reduction through our Sustainability Report and/or [SeaChange® website](#), and use the results to inform future measures on FLW reduction.

This Commitment extends to Thai Union Group and its subsidiaries.
