

Thai Union Launches Thailand's First Sustainability-Linked Bond

- *Ground-breaking bond reaffirms Thai Union's strategic commitment to sustainability throughout its business*
- *New product builds on Thai Union's Blue Finance portfolio following the Sustainability-Linked Loan launched in February 2021*

BANGKOK – July 21, 2021 – [Thai Union Group PCL. \(Thai Union\)](#), the world's leading seafood processor, has successfully priced a THB 5 billion seven-year senior, unsecured Sustainability-Linked Bond (SLB) for institutional investors. The SLB carries an interest rate of 2.47 % p.a. and was issued on July 20, 2021.

This is the first SLB that has been launched in Thailand and follows the launch of [Thai Union's inaugural Sustainability-Linked Loan \(SLL\)](#) in February 2021, further demonstrating the Company's ongoing commitment to its ESG principles. It is another significant step forward for Blue Finance—financing for projects benefiting oceans—and the seafood industry as a whole.

[TRIS Rating Co., Ltd.](#) rated the bond as “A+” with a “Stable” outlook on July 16, 2021, showing the strength of Thai Union's position as one of the world's leading seafood processors and providing a solid indication of the Company's financial standing.

[Bank of Ayudhya Public Company Limited \(Krungsri\)](#) is the sole arranger for this offering, while both Krungsri and [MUFG Securities Asia Limited](#), the securities entity of Mitsubishi UFJ Financial Group, Inc. (MUFG), are the Joint Sustainability-Linked Structuring Advisors.

The offering has garnered demand of approximately THB 8.9 billion or more than 2.23 times of the offered amount. This led Thai Union to increase its issue size from THB 4 billion to THB 5 billion in response. This very encouraging demand has shown investors' confidence in Thai Union's solid business profile and a real willingness to invest in sustainability.

Thai Union's SLB is not only the first in Thailand but also the first globally to introduce step-up and/or step-down facilities related to the achievement of Sustainability Performance Targets (SPTs). These targets include remaining in the Dow Jones Sustainability Index (DJSI) Emerging Markets and ranking in the top 10 companies for the DJSI Food Products Industry Index; reducing Thai Union's Scope 1 and Scope 2 carbon emissions from manufacturing operations by 4% annually (carbon intensity); and increasing the monitoring and surveillance of Thai Union's wild-caught tuna supply chains, whether electronically and/or through the use of human observers at sea. Investors in the bond will be entitled to a lower or higher coupon should the Company achieve or fail to achieve these SPTs in 2023 and 2026. The Company's Sustainability-Linked Financing Framework is externally verified by [Sustainalytics](#) to ensure alignment with international best practices and standards.

“Sustainability is central to our operations and business philosophy and we have committed to a policy of *Healthy Living, Healthy Oceans*. This type of Blue Financing represents another way we can now work with our partners in the financial community on products that help ensure we continue to preserve the oceans that are vital not only to our business, but also the planet while providing healthy and nutritious products that health-conscious consumers globally are demanding,” said **Thiraphong Chansiri, President & CEO of Thai Union**. “We are extremely proud to have launched Thailand's first Sustainability-Linked Bond and are grateful for the nod of approval to this offering through the unprecedented interest

shown by institutional investors including government related funds, life insurance companies, asset management companies, and banks.”

“As part of our ongoing commitment to Blue Finance, we have also established our first [Sustainability-Linked Financing Framework](#) to reinforce Thai Union’s commitment to drive meaningful change in our operations and the industry as a whole,” Chansiri said.

Dr. Srikanya Yathip, Secretary General of The Government Pension Fund (GPF), one of the key strategic investors, said, “We are delighted to be part of Thai Union’s first Sustainability-Linked Bond journey. We have recognized many Thai Union’s sustainability activities and operations. This transaction readdressed our goal to be the leader in ESG Investing and Initiatives in Thailand. GPF believes in sustainability and aims to become a sustainable pension fund bringing both sustainable yet stable returns to members and social returns to the society. This investment in the first Sustainability-Linked Bond provides a good fit to our ESG investment framework.”

“Sustainable and responsible investment has been a longstanding strategy at the GPF. There is no compromise in sacrificing social values through financial values or the other way around. We must achieve both. As a pension fund, our investment is long-term enough to generate both the social values and financial values. Creating social values is not an option but a mandate for pension fund like us. We want to introduce initiatives so that more investors in Thailand can adopt this ESG investment strategy.”

Sara Lamsam, Chief Executive Officer of Muang Thai Life Assurance Public Company Limited, said, “Muang Thai Life Assurance Public Company Limited is committed to long-term sustainability by considering every group of stakeholders including customers, employees, business partners, shareholders and the society. The Company has carried out the investment by placing value on Environmental, Social and Governance Issues (ESG) for continuous sustainability and appropriateness in accordance with the duty of life insurance business on a long-term responsibility and obligation to the policyholders, while promoting social and environmental sustainability. In this regard, the Company has continuously applied the sustainable investment concept and made appropriate investment allocation into ESG assets.”

“This investment in the first sustainability-linked bond in Thailand of Thai Union Group has reiterated the Company’s intention to encourage the investment in ESG assets or ESG businesses, and to support Thai Union Group as a business partner who is well aware of sustainability activities which are in accordance with the Company’s mission.”

Seiichiro Akita, President and Chief Executive Officer of Krungsri (Bank of Ayudhya PCL and its business units) said, “The issuance marks a new milestone for our sustainable banking journey. The successful debut of a Sustainability-Linked Bond in the Thai capital markets reinforces Krungsri’s ESG commitments and mandates and responds to our clients’ financing needs while promoting and developing the impact bonds as a viable asset class in Thailand. With this innovative financing initiative, Thai Union can both meet its financing needs to grow and keep advancing toward the company’s environmental and social purposes.”

“This Sustainability-Linked Bond also demonstrates the continued strong synergy between Krungsri and MUFG, harnessing the ability of both institutions to offer support and connect the dots for our customers to achieve their goals both in Thailand and beyond.”



Richard Yorke, Head of Global Corporate & Investment Banking, Asia Pacific, MUFG Bank, said, “We are indeed privileged to be given the opportunity to once again work with Thai Union as it presses ahead with its sustainability mission. This landmark offering marks the second time MUFG has leveraged its ESG financing expertise and experience in support of Thai Union, further demonstrating our unshakable resolve in paving a sustainable future for our global clients and communities.”

“This successful issuance also represents the depth of our capital markets capabilities, which, when combined with our ESG domain expertise and unrivalled distribution network in APAC, allows us to add significant value to Thai Union’s sustainability agenda. Once again, I would like to congratulate Thai Union for this milestone.” added Yorke, who also serves as the Regional Executive of Capital Markets with MUFG Securities Asia.

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About Thai Union Group

Thai Union Group PCL is the world’s seafood leader, bringing high quality, healthy, tasty and innovative seafood products to customers across the world for more than 40 years.

Today, Thai Union is regarded as one of the world’s leading seafood producers and is one of the largest producers of shelf-stable tuna products with annual sales exceeding THB 132.4 billion (US\$ 4.2 billion) and a global workforce of more than 44,000 people who are dedicated to pioneering sustainable, innovative seafood products.

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, and Rügen Fisch, Thai-leading brands SEAELECT, Fisho, Qfresh, Monori, Bellotta, Marvo and OMG Meat, and ingredient and supplement brands UniQ™BONE, UniQ™DHA and ZEAvita.

As a company committed to innovation and globally responsible behavior, Thai Union is proud to be a member of the United Nations Global Compact, and a founding member of the International Seafood Sustainability Foundation (ISSF). In 2015, Thai Union introduced its SeaChange® sustainability strategy. Find out more at seachangesustainability.org. Thai Union’s on-going work on sustainability issues was recognized when the company was listed on the Dow Jones Sustainability Indices (DJSI) for the seventh consecutive year in 2020, and ranked number two in the world on the Food Products Industry Index. Thai Union was also named to the FTSE4Good Emerging Index for the fifth straight year in 2020.

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About Krungsri

Krungsri (Bank of Ayudhya PCL and its group companies) is the fifth largest financial group in Thailand in terms of assets, loans, and deposits, and one of Thailand’s five Domestic Systemically Important Banks (D-SIBs) with 76 years of history in the country. Krungsri is a strategic member of the Mitsubishi UFJ Financial Group (MUFG), Japan’s largest financial group and one of the world’s largest financial organizations. Krungsri provides a comprehensive range of banking, consumer finance, investment, asset management, and other financial products and services to individual consumers, SMEs, and large corporations through 656 branches (617 Banking Branches and 39 Auto Business Branches) and over 32,406 service outlets nationwide. The Krungsri Group is the largest card issuer in Thailand with 9.6 million credit cards, sales finance, and personal loan accounts in its portfolio; a major automobile financing service provider (Krungsri Auto); one of the fastest growing asset management companies (Krungsri Asset Management); and a pioneer in microfinance (Ngern Tid Lor PCL).



Krungsri is strongly committed to the highest level of integrity in conducting its business. All Krungsri Group companies have been awarded accreditation from the Private Sector Collective Action Coalition Against Corruption (CAC) in collaboration with industry peers and stakeholders on a zero tolerance approach to corruption.

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About MUFG (Mitsubishi UFJ Financial Group, Inc.)

Mitsubishi UFJ Financial Group, Inc. (MUFG) is one of the world's leading financial groups. Headquartered in Tokyo and with over 360 years of history, MUFG has a global network with around 2,500 locations in more than 50 markets. The Group has over 180,000 employees and offers services including commercial banking, trust banking, securities, credit cards, consumer finance, asset management, and leasing. The Group aims to "be the world's most trusted financial group" through close collaboration among our operating companies and flexibly respond to all of the financial needs of our customers, serving society, and fostering shared and sustainable growth for a better world. MUFG's shares trade on the Tokyo, Nagoya, and New York stock exchanges.

MUFG Bank, Ltd. is Japan's premier bank, with a global network spanning more than 50 markets. Outside of Japan, the bank offers an extensive scope of commercial and investment banking products and services to businesses, governments and individuals worldwide.

In Asia, MUFG has a presence across 20 markets – Australia, Bangladesh, Cambodia, China, Hong Kong, Indonesia, India, South Korea, Laos, Malaysia, Mongolia, Myanmar, New Zealand, Pakistan, Philippines, Singapore, Sri Lanka, Taiwan, Thailand and Vietnam. It has also formed strategic partnerships with some of the most prominent banks in Southeast Asia, further augmenting its unrivalled network across the region – VietinBank in Vietnam, Krungsri in Thailand, Security Bank in the Philippines and Bank Danamon in Indonesia.

For more information, visit <https://www.mufg.jp/english>.

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Media contacts

Thai Union Group

Wiriyaporn Posayanonda

M: +66.99.154.1254

E: Wiriyaporn.Posayanonda@thaiunion.com

Jirawat Montreevong

M: +66.80.976.4613

E: Jirawat.Montreevong@thaiunion.com

Bank of Ayudhya PCL

Public Relations Department

E: Krungsri.PR@krungsri.com