

April 24, 2019

Dear Valued Seafood Supplier,

As one of the Midwest's largest grocers, we at Hy-Vee, Inc. recognize the important part we play in protecting marine resources and are proud to help maintain seafood for future generations.

Hy-Vee's [Seafood Procurement Policy](#) (Policy) establishes environmental sourcing criteria and expectations for traceability and social responsibility in our seafood supply chains. The Policy was developed in partnership with [FishWise](#), a nonprofit sustainable seafood consultancy that promotes the health and recovery of ecosystems through environmentally and socially responsible business practices.

As a valued seafood supplier to Hy-Vee, we rely on your continued assistance as we work to ensure that all of our seafood products are sourced in compliance with the Policy. To provide guidelines for your company's explicit role in these efforts, we have outlined expectations for our suppliers in the following pages of this document. Each year we update and send this letter to our suppliers in an effort to clearly communicate the Policy and our expectations of suppliers. Notably, we have added "At-Sea Transshipment of Tuna" to our Policy. For tuna suppliers only (applies to fresh & frozen and shelf-stable tuna), this means additional information related to at-sea transshipment will now be required. Additionally, you'll find added detail surrounding our expectations for Supply Chain Accountability.

**Please acknowledge that you have received and reviewed this document by signing and returning the last page by fax or email to the FishWise contact below by May 8<sup>th</sup>, 2019.**

Thank you in advance for your existing and future cooperation in this important endeavor. Together, Hy-Vee and our valued seafood suppliers will emerge as industry leaders for seafood sustainability. If you have any questions, please contact John Rohrs at Hy-Vee ([john.rohrs@pdisrd.com](mailto:john.rohrs@pdisrd.com)) or Jessie Zupcic at FishWise ([j.zupcic@fishwise.org](mailto:j.zupcic@fishwise.org)).

Kind Regards,



Nate Stewart  
Executive Vice President, Perishables



## Hy-Vee's Seafood Procurement Policy

It is Hy-Vee's intent to sell seafood that not only is safe for consumption but also is harvested or raised in a manner that provides for its long-term viability (sustainability) while minimizing damage to the environment and other sea life. In order to protect marine resources and ensure future seafood supplies, Hy-Vee has committed to selling responsibly sourced seafood as defined by our Seafood Procurement Policy.

### Fresh and Frozen Seafood

Hy-Vee is committed to sourcing fresh and frozen seafood that is Green or Yellow rated by the Monterey Bay Aquarium's [Seafood Watch](#) program, certified to an environmental standard [equivalent](#) to these ratings, or in a time-bound improvement process.

### Sushi

Hy-Vee is committed to sourcing seafood in our fresh-made Nori sushi bars and Hy-Vee Market Grille restaurants that is Green or Yellow rated by the Monterey Bay Aquarium's [Seafood Watch](#) program, certified to an environmental standard [equivalent](#) to these ratings, or in a time-bound improvement process.

### Shelf-Stable Tuna

Hy-Vee recognizes that the shelf-stable tuna category has unique environmental, traceability, and social responsibility challenges that requires a distinct approach. Therefore, Hy-Vee is committed to sourcing shelf-stable tuna from fisheries that are (in order of preference):

1. Certified by the [Marine Stewardship Council](#) with supply chain traceability (Chain of Custody); and/or
2. Green or Yellow rated by the Monterey Bay Aquarium's [Seafood Watch](#) program; and/or
3. Engaged in [fishery improvement projects](#) making measurable and time-bound progress

Additionally, Hy-Vee preferentially partners with shelf-stable tuna suppliers that:

- Have a published responsible purchasing policy and are participating in initiatives which are working to address environmental and social responsibility, and traceability; and/or
- Are members of the [International Pole & Line Foundation](#); and/or
- Are [International Seafood Sustainability Foundation](#) participating companies

### Shelf-Stable Tuna Commitment

Hy-Vee will continually work to improve the environmental responsibility, traceability, and social responsibility of our shelf-stable tuna products and support efforts to combat IUU fishing by sourcing from tuna fisheries in compliance with our Seafood Procurement Policy. Hy-Vee will publicly report on our annual progress toward this goal.

## **Traceability**

Hy-Vee recognizes that traceability in seafood supply chains is essential for ensuring that our seafood is from legal and verifiable sources. We are committed to implementing industry best practices in traceability and working with our seafood suppliers to adopt more robust traceability systems.

### **Traceability and Counter-Illegal, Unreported, Unregulated Fishing Commitment**

Hy-Vee is committed to demonstrating due diligence in procurement of traceable and legal seafood by taking actionable steps to assess and mitigate risks in collaboration with our seafood suppliers. We will publicly report our annual progress toward this commitment.

## **Social Responsibility**

Hy-Vee expects its seafood suppliers to uphold human rights principles and take appropriate steps to identify, prevent, and mitigate abuse including human trafficking and forced labor. We will continue collaborative efforts with companies and organizations to find effective ways to prevent human trafficking and forced labor in seafood supply chains.

### **Social Responsibility Commitment**

Hy-Vee will continue to improve the social responsibility of its fresh and frozen seafood and sushi through collaborative efforts with suppliers and other stakeholders. Hy-Vee will publicly report our annual progress toward this commitment.

## **Policy Engagement**

Hy-Vee understands that strong policy and management at the local, state, national, and international levels is critical to the long-term sustainability and social responsibility of seafood production. Therefore, we will support and engage in seafood industry policy and management reform initiatives that lead to positive social, economic, and environmental outcomes in fisheries and aquaculture production, including ensuring implementation of core labor standards.

## **At-Sea Transshipment of Tuna**

Hy-Vee is committed to sourcing tuna that meets the following at-sea transshipment practices:

- Monitoring and Oversight – Transshipment events are electronically monitored and take place with 100% human or electronic observer coverage with supporting documentation referencing authorization to transship in RFMO waters.
- Transparency – Suppliers are able to provide transshipment information upon request, including post-activity declarations.
- Worker Protections – Transshipment activities adhere to national and international regulations related to vessel and crew safety and worker protections.
- Advocacy – Hy-Vee will support strengthened RFMO at-sea transshipment regulations and international agreements advocating for human rights at sea and counter-IUU fishing legislation



## Supplier Expectations & Supply Chain Accountability

### Suppliers are expected to:

1. Demonstrate willingness to work with Hy-Vee and FishWise to comply with the Seafood Procurement Policy; and
2. Have a traceability system in place and demonstrate that products are traceable and from legal, verifiable sources<sup>1</sup>; and
3. Be able to communicate product information listed in the tables below to Hy-Vee on request; and
4. Work towards implementing procedures to monitor supply chains and all labor involved to ensure they comply with laws on human trafficking and forced labor, including the fundamental Conventions of the International Labour Organisation (ILO)<sup>2</sup>; and
5. Continually work towards reducing the environmental impacts associated with wild fisheries and aquaculture production.

### Suppliers are encouraged to:

1. Have a public company policy, commitment, or expectations for supply chains regarding sustainability, traceability, legality, and social responsibility; and
2. Take responsibility for products including ecofriendly packaging and eliminating unnecessary waste materials from within the supply chain; and
3. Use an electronic traceability system and collect and store key data elements within their own business; and
4. Be prepared for future traceability requests; and
5. Consider whether a country has ratified the ILO's Work in Fishing Convention<sup>3</sup> when sourcing from its fisheries.

### Supply Chain Accountability:

The supplier is responsible for:

- Identifying any areas of its operations that do not conform to the expectations listed; and
- Implementing improvements designed to achieve conformance with this document.

Furthermore, the supplier is expected to ensure any products that are imported abide by the [Reasonable Care Guidelines for Forced Labor](#) produced by U.S. Customs and Border Protection Agency (CBP) which includes, but is not limited to, the following:

- Knowing the workers, location, and labor conditions under which the imported goods are made
- Vetting new suppliers/vendors for forced labor risks through questionnaires or other means

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<sup>1</sup> We expect suppliers to ensure they do not source seafood harvested from vessels on IUU fishing blacklists (e.g. Trygg Mat Tracking's Combined IUU Vessel List: <http://iuu-vessels.org/iuu>).

<sup>2</sup> More information on the eight fundamental Conventions of the ILO can be found here: [www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang--en/index.htm](http://www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang--en/index.htm)

<sup>3</sup> Countries that have ratified the ILO Work in Fishing Convention can be found here: [http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:11300:0::NO:11300:P11300\\_INSTRUMENT\\_ID:312333:NO](http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:11300:0::NO:11300:P11300_INSTRUMENT_ID:312333:NO)

- Establishing a reliable procedure for conducting periodic internal audits to check for forced labor in supply chains.

The supplier agrees to indemnify Hy-Vee and hold it harmless with respect to any violation of or for any civil or criminal liability arising from the contravention of relevant laws and regulations by supplier or any of its suppliers of goods or services, including, but not limited to, any remediation. The supplier also agrees that, in the event that Hy-Vee determines that a violation or contravention of relevant laws and regulations may have occurred, Hy-Vee shall notify the supplier and the supplier shall immediately remedy or remediate or cause to be remedied or remediated, the potential violation or contravention. In the event that Hy-Vee determines that the supplier has not made a good faith effort to remedy or remediate the potential violation or contravention in order to comply with the law, then Hy-Vee may terminate its supplier contract immediately, and such termination will be with cause.

**Key Data Elements Required from Suppliers:**

The following information, called key data elements (KDEs), needs to be reported to Hy-Vee for each shipment of a seafood product to Hy-Vee. Information should be included on a master case label in the following table format:

**Table 1: KDEs required for each product or seafood source.**

Data	Example (Wild)	Example (Farmed)
<b>COOL Requirements</b> <ul style="list-style-type: none"> <li>● Country of Origin</li> <li>● Wild/Farmed</li> </ul>	<b>COOL Requirements</b> <ul style="list-style-type: none"> <li>● Ecuador</li> <li>● Wild</li> </ul>	<b>COOL Requirements</b> <ul style="list-style-type: none"> <li>● China</li> <li>● Farmed</li> </ul>
<b>Sustainability Information</b> <ul style="list-style-type: none"> <li>● Common Name</li> <li>● Scientific Species Name</li> <li>● Country of Catch/Production</li> <li>● Region of Catch/Production</li> <li>● Method of Catch/Production</li> <li>● Sustainability Certification</li> </ul>	<b>Sustainability Information</b> <ul style="list-style-type: none"> <li>● Mahi Mahi</li> <li>● Coryphaena hippurus</li> <li>● Ecuador</li> <li>● FAO 87</li> <li>● Longline</li> <li>● N/A</li> </ul>	<b>Sustainability Information</b> <ul style="list-style-type: none"> <li>● Tilapia</li> <li>● Oreochromis spp.</li> <li>● China</li> <li>● Guangdong Province</li> <li>● Pond-Infrequent Exchange</li> <li>● BAP 2 Star</li> </ul>
<b>Transshipment Information</b>	<b>Transshipment Information</b>	<i>Transshipment Information not applicable for farmed sources</i>

**At-Sea Transshipment Information Required from Tuna Suppliers:**

For tuna products\* only, suppliers must indicate if each source utilized at-sea transshipment. Additional information, such as name of transshipment vessel, may also be collected.

*\*This applies to both fresh & frozen tuna and shelf-stable tuna*

**KEY TERMS AND DEFINITIONS**

**Supplier:** Organizations and individuals in Hy-Vee’s supply chain who directly supply Hy-Vee or a Supplier of Hy-Vee

**Supply Chain:** Any organizations or individuals involved in providing services to Hy-Vee or producing, processing, or distributing Hy-Vee's products from the product's point of origin to Hy-Vee or point of sale, as applicable

**Traceability:** The ability of each stakeholder in the supply chain who takes possession of the product to systematically identify a unit of production, track its location and associated sources (see KDE Table), and describe any treatments or transformations at all stages of production, processing, and distribution. This traceability must enable the product to be traced back to its original source(s) and comply with all applicable government regulations, such as the Seafood Import Monitoring Program (SIMP).

**Verifiable Source:** Hy-Vee, or parties authorized by Hy-Vee, can at any time request data or documents to verify the legality, traceability, or source information of a product

**Forced Labor:** Includes all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered themselves voluntarily,<sup>4</sup> encompassing traditional practices of forced labor as well as new forms of forced labor such as human trafficking<sup>5</sup>

**Human Trafficking:** Human trafficking involves the recruitment, harboring, transportation, provision or obtaining of a person for labor or for the purposes of a commercial sex act through the use of force, fraud, or coercion or for the purposes of subjection to involuntary servitude, peonage, debt bondage or slavery

**Labor Trafficking:** The act of recruiting, harboring, transporting, providing, or obtaining a person for involuntary labor or services by means of force or physical threats, fraud or deception, or other forms of coercion. Labor trafficking shall also include:

**Trafficking-related activities:** All activities that directly support or promote Labor Trafficking or Child Labor, including but not limited to: (i) using misleading or fraudulent recruitment practices during the recruitment of employees, such as failing to disclose basic information or making material misrepresentations regarding the key terms and conditions of employment, including wages and fringe benefits, the location of work, living conditions and housing (if employer-provided or employer-arranged), any significant costs to be charged to the employee, and, if applicable, the hazardous nature of the work; (ii) charging employees recruitment fees; and (iii) destroying, concealing, confiscating, or otherwise denying access by an employee to the employee's identity documents, such as passports or drivers' licenses.<sup>6</sup>

**Child Labor:** - Work performed by a person who is under the minimum legal working age to be employed as determined by (i) a Business's or Supplier's policy, (ii) the law of the jurisdiction in which

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<sup>4</sup> International Labour Organization (ILO). Forced Labor Convention, 1930  
[https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100\\_ILO\\_CODE:C029](https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C029)

<sup>5</sup> ILO, *General Survey on the fundamental Conventions concerning rights at work in light of the ILO Declaration on Social Justice for a Fair Globalization*, Report of the Committee of Experts on the Application of Conventions and Recommendations, 2012, ILC.101/III/1B, para. 272.

<sup>6</sup> Trafficking Related Activities, refer to those actions, usually employed by labor brokers, to facilitate Labor Trafficking and Child Labor. These Model Policies use the definition contained in Executive Order 13627 issued by President Obama on September 25, 2012.

the work will be performed, or (iii) the International Labor Organization Minimum Age Convention No. 138 - whichever indicates the higher minimum age requirement.

**Equivalent environmental standard:** The following certifications are equivalent to at least a Seafood Watch Yellow Rating and meet Hy-Vee’s Seafood Procurement Policy:

Certification	Eligible Species
Marine Stewardship Council (MSC)	All Wild Fisheries
Aquaculture Stewardship Council (ASC)	Farmed Shrimp, Salmon, Tilapia, <i>Pangasius</i> (Swai), Bivalves
Best Aquaculture Practices* (BAP) 2/3/4 Star	Farmed Shrimp, Tilapia, <i>Pangasius</i> (Swai), Mussels
Fair Trade USA*	Seafood Watch Green/Yellow Rated and/or MSC Certified <i>only</i>
Naturland	Farmed Carp, Freshwater Fishes, Mussels, Shrimp
Food Alliance	Farmed Shellfish
Canada Organic	Farmed Shellfish
Friend of the Sea	Farmed Mussels

\* Also includes a social component within the standard

**Chain of Custody Certification:** Suppliers of certified seafood products are expected to maintain Chain of Custody certification (i.e. MSC/ASC Chain of Custody certification, BAP Repacker certification) to handle and process seafood products that meet the Policy through eco-certification.

**Time-bound improvement process:** A time-bound improvement process is an internal, formalized agreement between Hy-Vee and a supplier regarding a timeline for sourcing in compliance with Hy-Vee’s Policy. They include 1) fishery improvement projects; and 2) time-bound improvement projects:

**Fishery improvement project:** A fishery improvement project (FIP) is a multi-stakeholder effort to address environmental challenges in a fishery. FIP products may qualify for Hy-Vee’s Policy when sourced from FIPs that meet all the criteria detailed in the Conservation Alliance for Seafood Solutions [Guidelines for Supporting Fishery Improvement Projects](#). FIPs may be ‘Basic’ or ‘Comprehensive’.

To meet Hy-Vee’s Policy, each of the following criteria must be met:

- Be at “Stage 3 - FIP Implementation” or higher; and
- Demonstrate adequate recent progress; and
- Regularly and publicly report on progress using:
  - [FisheryProgress.org](http://FisheryProgress.org) (preferred); or
  - Other industry website.

*Note: In the case that a FIP has serious concerns outside the scope of those being addressed by the FIP workplan, such as illegal fishing or human rights violations, Hy-Vee may discontinue sourcing from that FIP even if the above criteria are met.*