

April 3, 2018

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 Seafood Procurement Policy and our expectations of suppliers.

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 Brett Bremser at Hy-Vee (bbremser@hy-vee.com) or Kathleen Mullen-Ley at FishWise (k.mullenley@fishwise.org).

Kind Regards,

A handwritten signature in cursive script that reads "Nate Stewart".

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.

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.

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.



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 sources¹; 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)²; 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 Convention³ 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:

¹ 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>).

² 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

³ 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

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

Key Data Elements Required from Suppliers:

The following information, or 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)
COOL Requirements <ul style="list-style-type: none"> ● Country of Origin ● Wild/Farmed 	COOL Requirements <ul style="list-style-type: none"> ● Ecuador ● Wild 	COOL Requirements <ul style="list-style-type: none"> ● China ● Farmed
Sustainability Information <ul style="list-style-type: none"> ● Common Name ● Scientific Species Name ● Country of Catch/Production ● Region of Catch/Production ● Method of Catch/Production ● Sustainability Certification 	Sustainability Information <ul style="list-style-type: none"> ● Mahi Mahi ● Coryphaena hippurus ● Ecuador ● FAO 87 ● Longline ● N/A 	Sustainability Information <ul style="list-style-type: none"> ● Tilapia ● Oreochromis spp. ● China ● Guangdong Province ● Pond-Infrequent Exchange ● BAP 2 Star

KEY TERMS AND DEFINITIONS

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

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

Table 2: Eligible Certifications.

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 Wild Fisheries
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](#) (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.

******* PLEASE SIGN AND RETURN VIA EMAIL OR FAX TO FISHWISE*******

Fax: (309) 213 4688 Email: k.mullenley@fishwise.org

Supplier Acknowledgement:

By signing this letter, I acknowledge receiving a copy of Hy-Vee's Responsible Seafood Program Supplier Expectations on behalf of _____.

Company Name

I further acknowledge that I have fully reviewed and understand the expectations Hy-Vee has for my Company and agree on behalf of _____ to comply with this Policy and the requirements.

Company Name

By signing this letter, I also affirm that I am authorized to bind _____ to this Policy.

Company Name

Employee/Owner Name & Title (Please Print):

Signature: _____