



Hy-Vee, Inc. Seafood Supplier Expectations and Code of Conduct Letter

Introduction

Hy-Vee, Inc. seeks to partner with seafood suppliers who share its commitment to quality products, environmental responsibility, and fair labor practices. Every supplier we work with receives a copy of the *Hy-Vee, Inc. Seafood Supplier Expectations and Code of Conduct Letter* (hereafter known as the “Expectations and Code of Conduct Letter”), which outlines the requirements we have for our suppliers around employment practices, workers' rights, working conditions, and environmental protection. Hy-Vee, Inc. expects every seafood supplier within our supply chains to meet these requirements. Within this document, the term “supplier(s)” refers to all direct and indirect suppliers to Hy-Vee, Inc. with direct suppliers being responsible for communicating our expectations with all indirect suppliers. Hy-Vee, Inc. monitors supplier compliance and reserves the right to undertake onsite inspections of suppliers' facilities and expects each product it sources to be in compliance with all applicable laws. If a supplier does not meet the requirements outlined in this Expectations and Code of Conduct letter, or refuses to cooperate in a time bound improvement process then Hy-Vee, Inc. may terminate its relationship.

Furthermore, 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 the 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.

Supplier Expectations and Code of Conduct

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. Comply with international human and labor rights norms and standards, including the [UN Guiding Principles on Business and Human Rights](#), [UN Universal Declaration of Human Rights](#), and [International Labor Organization Conventions](#); and

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: [Combined IUU Vessel List](#)).

5. Implement 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 Labor Organization (ILO)²; and
6. 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 eco-friendly 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 the 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
- 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, called key data elements (KDEs)⁴, needs to be reported to Hy-Vee/PDI for each shipment of a seafood product to Hy-Vee/PDI. Information should be included on a master case label in the following table format:

² More information on the ten fundamental Conventions of the ILO can be found here: <https://www.ilo.org/dyn/normlex/en/f?p=1000:12000::NO::>

³ Countries that have ratified the ILO Work in Fishing Convention can be found here: [Ratifications of C188 - Work in Fishing Convention, 2007 \(No. 188\)](#)

⁴ KDEs have been adjusted to meet the voluntary GDST 1.0 Standard guidelines ([GDST Standards and Materials - Global Dialogue on Seafood Traceability](#)). These standards were designed by industry to meet business needs and provide assurance that seafood products are legally harvested and transferred down the supply chain.

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 Labeling Production Method (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 Species Latin Name Catch Country/Production Catch Region/Production FAO Major Fishing Area Vessel Flag Gear Type (Harvest Method)/Production Harvest and Supplier Certification Types and Number(s) 	Sustainability Information <ul style="list-style-type: none"> Mahi Mahi <i>Coryphaena hippurus</i> Ecuador FAO 87 Longline N/A 	Sustainability Information <ul style="list-style-type: none"> Tilapia <i>Oreochromis spp.</i> China Guangdong Province Pond-Infrequent Exchange BAP 2 Star - P00000, F00000
Transshipment Information <ul style="list-style-type: none"> Transshipped (Yes/No) 	Transshipment Information <ul style="list-style-type: none"> No 	<i>Transshipment Information not applicable for farmed sources</i>

At-Sea Transshipment Information Required from Tuna Suppliers:

For tuna products (fresh & frozen and shelf-stable) only, suppliers must indicate if each source utilized at-sea transshipment. Additional information, such as the name of the transshipment vessel, may also be collected.

Legal Requirements:

Hy-Vee, Inc. expects its suppliers to comply with all applicable laws and regulations of the United States and those of the respective country of operations, processing, or exportation. All products must be accurately labeled and clearly identified as to their country of origin and content.

Child Labor:

Suppliers will not employ anyone under the minimum age as established by applicable law in country, or under the age of completing compulsory education, whichever is older. Suppliers must not employ anyone under the age of 18 in hazardous, unsafe, or unhealthy working conditions. Suppliers must also have established procedures for age verification as part of their hiring process and have a remediation policy and procedure in place to promote the protection of child workers.

Forced Labor:

Hy-Vee, Inc. will not conduct business with any supplier that uses involuntary labor of any kind, including prison labor, indentured labor, bonded labor (including debt bondage), or labor obtained through trafficking, coercion, or slavery. All work must be voluntary and workers must have the freedom to terminate their employment at any time without penalty. Workers at sea have the right to disembark and terminate employment at the next regularly scheduled port visit. Port visits must occur at least once a year or more frequently.

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.

Employment Contracts:

Suppliers must provide written employment contracts to workers in a language understood by workers (with additional provisions made for illiterate workers or workers with difficulties understanding written contracts). Contracts must clearly indicate workers' rights, responsibilities, and conditions of employment, and include information regarding wages and benefits, working hours, working conditions (including work-related hazards), living conditions and associated costs, and locations of work. Employment contracts must be signed by all responsible parties, including, but not limited to, employers, contractors and sub-contractors, recruitment agencies, and workers. Workers must be given a copy of their signed employment contract, with migrant workers receiving a copy of their signed employment contract at least five days prior to deployment. The use of supplemental agreements, amendments, or the substitution of original contracts with terms that are less favorable to workers is strictly prohibited.

The notice period for workers to terminate contracts must not exceed requirements of applicable law, or one month where there is no legal requirement. Workers must not receive penalties for the termination of their employment contract upon giving the required notice.

Freedom of Movement & Personal Freedom:

Workers must have unrestricted access to basic necessities such as clean drinking water and toilets during both work and non-work hours. Workers' freedom of movement must not be unreasonably restricted. Workers must not be physically confined to the workplace or in premises such as, but not limited to, employer- or recruiter-operated residences; nor will any other coercive means be used to restrict workers' freedom of movement or personal freedom. Mandatory residence in employer-provided or -arranged facilities must not be made a condition of employment, unless required by law. Vessel-based workers have a right to repatriation if their employment agreement expires or is terminated. Any costs associated with repatriation is the responsibility of the vessel or facility owner, unless stipulated by applicable law.

Documentation:

All workers, including migrant workers, must retain full and complete control over the original copies of all personal documents. Confiscating, destroying, withholding, or otherwise denying workers' access to their identity or immigration documents, including work permits and travel documentation (e.g. passports), is strictly prohibited. In cases where personal documents are given to boat captains for safekeeping during sea-based work, workers must receive their documents once docked, or at any time requested.

Recruitment:

Hy-Vee Inc., expects costs associated with worker recruitment to be borne by the employer and not by the worker. Workers should be hired directly whenever possible. When the subcontracting of recruitment and hiring is necessary, labor agencies engaged, must operate legally, be certified or licensed by an applicable authority in country, must not charge recruitment fees, use only trained employees, and must not engage in fraudulent recruitment practices that place workers at risk for human trafficking and sexual exploitation.

Workers must be trained upon arrival regarding the company's workplace rules and procedures, the grievance process, the housing arrangements (if provided or arranged by the company), and the conditions of work, including any health and safety hazards, and the precautions needed to ensure personal safety.

Harassment & Abuse:

Suppliers must treat each worker with dignity and respect. Workers must not be subject to physical, sexual, psychological or verbal harassment, or abuse. Suppliers must not use monetary fines, compulsory labor, or reductions in benefits as a disciplinary practice. Workers must also be free to voice concerns to directly to their employer or appointed third party, without fear of retaliation by management.

Nondiscrimination:

Suppliers must not discriminate in employment practices. This includes recruitment, hiring, remuneration, and the promotion of qualified people of all backgrounds, regardless of sex, ethnicity or national origin, race, religion, age, marital status, pregnancy, physical or mental disability, political opinion, personal characteristics and beliefs, sexual orientation, gender identity or any basis protected by applicable laws. Suppliers must ensure migrant workers are treated no less favorably than country nationals in all aspects of employment (including but not limited to wages, benefits, trainings, eligibility for promotions, and accommodations).

Freedom of Association:

Suppliers must respect workers' rights to freedom of association and collective bargaining and enable workers to exercise their rights in accordance with applicable law. Unless otherwise restricted by law, the employer must allow alternative means of independent and free association or bargaining for all workers, such as worker representatives and worker welfare committees.

Grievance Procedures:

Suppliers must have established, effective grievance mechanisms and procedures to ensure that any worker, including migrant workers, acting individually or with other workers, can submit a grievance without suffering prejudice or retaliation of any kind. Workers must also be able submit grievances anonymously. Grievance mechanisms and procedures must be available to each worker in a language that the worker understands. Suppliers must have a process in place to remediate issues if found and provide regular communication with complainants to inform them of the status of their grievance.

Hy-Vee also encourages its suppliers to incorporate other worker voice tools where possible, provided that suppliers have safeguards and procedures in place to protect workers from recrimination and remediate issues if found.

Wages & Benefits:

Wages, overtime, and legally mandated benefits must be paid regularly, on time, with documentation, and in accordance with applicable laws. Employers must pay at least the minimum wage, the industry wage, or the wage negotiated in a collective agreement, whichever is higher. Suppliers must not deduct, delay, or withhold wages unless authorized by applicable law and with the full consent and understanding of the worker. Workers must retain full and complete control of their wages and must not be held in debt bondage or forced to work in order to pay off a debt. Deception in wage commitments, payment, advances, and loans is prohibited. Suppliers are encouraged to pay workers a wage that meets basic needs and provides discretionary income.

Working Hours & Overtime:

For sea-based work - workers must not be required to work in excess of the number of hours permitted by applicable law and/or collective agreements, whichever provides the greater level of protection for workers.

For land-based work - workers should be allowed one day off in seven. Regular working hours must not exceed eight hours per day and 48 hours per week. Total working hours, including overtime, should not exceed 60 hours.

Overtime - No worker must be made to work overtime under the threat of penalty, dismissal, or denunciation to authorities. Overtime work must not be used as a disciplinary measure, or for failure to meet production quotas. All overtime work must be compensated in accordance with applicable law.

Health & Safety:

Suppliers must provide safe, hygienic, and healthy working and living conditions for all workers in accordance with applicable laws and prevailing industry standards. This includes standards related to vessel safety, building structure, electrical safety, fire safety, chemical safety, sanitation, noise, lighting, ventilation, emergency preparedness, first aid, personal protective equipment, clean drinking water, food preparation hygiene, and other safety policies. Employers must conduct regular workplace health and safety risk checks to identify possible hazards and corresponding controls. Vessel captains must maintain an accurate crew register that includes accurate contact information, position held, relevant identity document number, the birthdate of each crew members (to ensure compliance with child labor regulations), and emergency contact information.

Environment:

Suppliers must comply with all applicable environmental laws and regulations in their country of operation. Suppliers must have policies and procedures in place to mitigate environmental impacts, as well as safely store, prevent or mitigate releases of chemicals and hazardous materials.

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.

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 the Policy so long as the following criteria are met:

A FIP must:

- Be at “Stage 3 - FIP Implementation” or higher; and
- Maintain a progress rating score of “C - Some recent progress” or better; and
- Publicly report on progress every 6-12 months using:
 - [FisheryProgress.org](https://fisheryprogress.org) (preferred); or
 - Other credible and public industry reporting platform⁵

The Hy-Vee supplier sourcing from a FIP must:

- Provide the official FIP name and public reporting URL; and

⁵If FisheryProgress.org is not used as the preferred public reporting platform, a credible alternative platform must include all public reporting elements required by FisheryProgress.org to maintain an active profile, including any applicable social responsibility requirements.

- Demonstrate⁶ that their company is an official FIP Participant; or
- Provide documentation⁷ that one or more of their suppliers is an official FIP Participant
 - Additional information (e.g., specific fishery management zones included in the FIP) and verification measures may be required to confirm FIP sourcing and participation

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

⁶ Companies can demonstrate official FIP Participant status in several ways: 1) Provide official company listing on FisheryProgress.org or other recognized FIP profile; 2) Provide a signed copy of the FIP memorandum of understanding (MOU); 3) Provide a signed letter from the FIP Implementer stating the company is in good standing.

⁷ Acceptable documentation in preferential order: 1) Supplier to the vendor is listed as an official FIP participant on FisheryProgress.org; 2) FIP Implementer provides an official letter stating that the supplier to the vendor is an official FIP participant in good standing.