

Dear Ms. Lee,

May 18, 2018

Thank you for your letter dated May, 15th 2018.

The allegations that are being claimed by Green Peace are indeed serious and can have grave consequences for Taiwanese fishery industry as a whole. We can't answer for other fishing companies nor Taiwan Fishery Agency (TFA), but we at FCF take social accountability and corporate responsibility very seriously and feel the allegations are unjustified.

Sustainability and social accountability are all part of FCF's corporate responsibility program. As the report correctly notes FCF is one of the largest tuna companies in the world with its beginnings and roots in Taiwan. In the past 40 years FCF have continued to expand internationally to the point that Taiwanese fleet account for less than a quarter of the company's total tuna volume i.e. 520,000 tons in 2017.

As FCF continued to strengthen its sustainability and social standards, the total trading volume FCF has gradually decreased. This is by choice as FCF instituted stricter supplier selection standards in choosing the right customers and vessel companies. FCF does not operate nor manage any vessels, therefore, we are very selective of our suppliers. Our total tuna volume, as well as vessels, that we deal with have decreased. We are continually working with our customers to come up with acceptable codes of conducts and request fishing companies to abide by these standards. FCF has been an active member of the Seafood Task Force for the past two years. Its members are all very reputable global companies that take their responsibilities very seriously. The goal of the working group on social accountability is to come up with clearly defined standards suitable for the distant water fishing industry, that are auditable within a year and then work towards an audit process. FCF is already implementing some of these standards as a company and training our supply chain of these standards as well as due diligence on the fishing vessels. In short, FCF is placing our efforts and resources into finding a longer term and systematic solution.

The cases that are listed in the letter are all a few years old. We are baffled by how Green Peace made the link between FCF and these cases. In our records, FCF has not had any business activities with any of the alleged vessels or people, with one exception, per the article since 2015. We investigated this particular vessel and confirmed with the vessel owner that there are no formal claims or complaints from the crew. Our only conclusion is that this vessel's fault is guilt by association and FCF is consequently further linked by this association. Our policy is to ensure that vessels that are part of our supply chain are required to use government approved manning agents for their crew recruitment needs.

In a sense, it would seem that the TFA has been successful in dealing with these issues as we have not seen major new cases come up in the past few years. The Fishery Agency's work in this area is now starting to bear fruit. While Green Peace is now trying to link the whole Taiwanese industry as being "plagued by human rights and labour abuses and has been for many years". We also would like to recognize Green Peace in helping in this area, but is unfairly trying to link responsible companies into this mix to create further publicity.

In the case of Tunago 61 and the carrier Shin Ho Chun No.101 and 102, they are not our regular committed supplier. They deal directly with the reputable leading Thai cannery in greater quantities than FCF. Periodically our committed vessels do load their catches into these carriers and we end up having cargo on these carriers. We would think it is also unfair that this reputable cannery and the whole of Thai tuna industry be linked as well into these allegations. If we follow your line of reasoning they deal with these carriers and vessel more often and in greater volume than FCF so their supply chain is also at risk.

FCF's policy is very clear that we will not deal with any IUU vessels or companies that are found by their respective governments to be none compliant with the nation's social or sustainability laws. If the vessel or company are found to breach national or RFMO regulations then they are placed on FCF's blacklist of companies or vessels.

As to possibility of dealing with IUU fish, we have a very robust system in place to avoid any IUU fish making its way into our system. Before each business deal is finalized, a detailed systematic verification is performed. The vessel must be on the RFMO white list, all her fishing license and registrations are current and valid, and the fishing ground coincides with what is stated on the fishing licenses of the vessel. If there are any discrepancies, then FCF will not deal with these vessels. The TFA, audits our system periodically, while DG Mare have visited FCF and both have been satisfied with FCF's systematic verifications process.

In conclusion, FCF places high priority on social responsibilities. While there is always room for improvement, we believe our company is on the right track in meeting our social responsibilities and will strive to set the benchmark for our industry. We will continue to work with all stakeholders to help improve the working environment within the tuna supply chain.

Lastly, we would like to request that you provide a copy of this letter to relevant parties should GP feel compelled to publish what FCF views as spurious allegations. Thank you for your attention.

Sincerely,

A handwritten signature in black ink, appearing to read 'Fong', with a long horizontal line extending to the right.

Fong Lee
Sustainability Officer
FCF Fishery