

30 May 2011

Dr James Findlay
Chief Executive Officer
Australian Fisheries Management Authority
Box 7051
Canberra Business Centre
ACT 2610

Dear Dr Findlay

Thank you for your letter to our Managing Director, Ian McLeod, regarding our recently announced sustainable seafood program with WWF.

We fully support AFMA's role in managing Australia's fisheries and value the work you do to ensure our fisheries are managed for their long term sustainability.

We acknowledge your feedback regarding the delisting of Yellowfin Tuna in our canned tuna products and Orange Roughy from Coles, which were decisions taken some time ago based on consumer feedback and the expert advice provided at the time.

Moving forward, we will adopt the 'Ecological Sustainability Evaluation of Seafood' (ESES) criteria developed by WWF to assess the sustainability of our seafood range and take WWF's advice as well as consider broader feedback from our customers. To ensure a consistent approach, we will also use this assessment for all imported wild-caught and aquaculture products sold by Coles.

There are four guiding principles for the ESES which allow an assessment of the ecological sustainability of a particular species from a particular fishery, and encompasses not just target stock information, but greater information concerning the fishery more holistically such as information regarding bycatch, threatened, endangered, protected species interaction, ecosystem functionality, effects of fishing on habitats, and governance and management structures.

The four guiding principles are:

Principle 1 (Species) assesses the level of understanding of a species life history (biology, population dynamics etc), its role in the ecosystem and its vulnerability to fishing pressure.

Principle 2 (Population/Stock status) assesses the stock structure and abundance, and whether the stock status is sufficient to maintain or enhance long-term fishery productivity, ecosystem functionality and changes in trophic level.

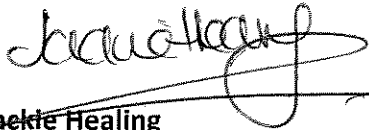
Principle 3 (Fishery interactions) assesses (a) the nature and extent of bycatch and interaction with threatened, endangered or protected species; and (b) the effects of fishing practices on habitats and the ecosystem.

Principle 4 (Management) assesses the overall effectiveness of the current management process and mechanisms in accordance with Ecosystem Based Management Principles.

With respect to future decisions about Coles' seafood range, we will be working closely with our seafood suppliers to ensure the future availability of sustainable seafood. We will also work with the Marine Stewardship Council to provide our customers with more Coles Brand seafood from certified sustainable fisheries.

If I can be of further assistance to you, please do not hesitate to contact me on (03) 9829 3836.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Jackie Healing', with a large, stylized flourish extending from the end of the signature.

Jackie Healing
Head of Quality, Policy and Governance
Coles Supermarkets

Dr James Findlay
CEO
Australian Fisheries Management Authority
Box 7051 Canberra Business Centre
ACT 2601

20 April 2011

Dear Dr Findlay

Re: Woolworths' sustainable fish sourcing strategy

Thank you for your letter of 30 March to our CEO, Mr Luscombe with regard to our sustainable fish sourcing strategy announced on 17th of March. Mr Luscombe has asked that I reply to your letter.

Woolworths' sustainable sourcing strategies are developed based on careful review of scientific research; our customers' concerns and preferences as well as global consumer retail trends. Our customers have expressed strong concerns about their supermarket selling species such as Orange Roughy and Yellowfin Tuna.

Woolworths agrees that most Australian fisheries are sustainable and we source many wild-caught fish species from Australian fisheries. Like the Australian Fisheries Management Authority, we also consulted with the World Wildlife Fund (WWF) in making our decision to delist these species.

Currently our range is being reviewed by the Sustainable Fisheries Partnership (SFP) and we hope to have the finding by the end of June at which time we will be able to work directly with fisheries to develop improvement plans where necessary. Our sustainable fish sourcing strategy includes an industry capacity building element which we would detail after the first stage review of our range has been completed.

Our decision to delist Orange Roughy was not based on a single factor but a combination of factors as follows:

- Orange Roughy is listed as "Conservation Dependant" on the Australian Environment Protection and Biodiversity Conservation (EPBC) Act species list.
- Most stocks of Orange Roughy in Australia are closed to fishing due to previous overfishing or other management arrangements (e.g. no trawling below 700m depth).
- The 2009 Fisheries Status report classifies Orange Roughy stocks "overfished" in the Southern and Eastern Scalefish and Shark Fishery (Commonwealth Trawl Sector) eastern zone, southern zone and western zone fisheries.
- For the Cascade Plateau Orange Roughy we acknowledge efforts under the Orange Roughy Conservation Program to fish this in a sustainable way. However, given the history of orange stocks, the uncertainties in the stock assessment and a TAC higher than recommended by the scientific assessment, we believe that some more time will be needed to ensure that this stock is indeed being used sustainably.
- A great deal of Orange Roughy can be taken as bycatch and for research purposes. This can enter the supply chain and our customers have stated clearly their concerns about buying fish from overfished stocks. Once the fish have been landed the level of traceability is inadequate for customers concerns to be allayed.

Whilst we acknowledge the efforts of the authorities to manage Orange Roughy in a sustainable way the uncertainties associated with the factors mentioned above mean that selling Orange Roughy remains a concern to our customers and a reputation risk for Woolworths. This does not mean that Orange Roughy will always be delisted. When stock status has improved we may consider ranging this species of fish again.

The factors considered in delisting Yellowfin Tuna were:

- Indian Ocean Yellowfin Tuna was re listed in the BRS Status reports as being overfished and we are aware that the Australian fleet fishes this stock.
- For the eastern Australian fleet, the main concern is about bycatch (bigeye tuna, swordfish, marlin and sharks). There is uncertainty about the status and future of some of these species and more information and assurances are required.

We are aware that overfishing affects not just Australian fisheries and we recently announced a range of MSC certified Alaska salmon and albacore products to begin the process of offering our customers with certified sustainable fish and we are working on increasing our MSC certified range.

I hope this information helps explain the factors we took into account in formulating our sustainable fish sourcing strategy.

Yours sincerely

Armineh Mardirossian



Group Manager, Corporate Responsibility
Sustainability and Community