

March 12, 2014



Mr. George Holm
President and Chief Executive Officer
PEG Customized Distribution
245 North Castle Heights Avenue
Lebanon, TN 37087

Re: Icelandic whaling

Dear Mr. Holm:

On behalf of the undersigned members of the Whales Need US Coalition, including national and international animal protection and conservation organizations representing over 30 million citizens worldwide, I am writing to express our collective concern that your company has purchased seafood from the Friosur company, which is partially owned by HB Grandi, a company directly involved in Iceland's whaling industry.

Iceland has increased its self-allocated whaling quotas in recent years. In 2013, 134 endangered fin whales and 35 minke whales were killed. Since Iceland resumed commercial whaling in 2006, a total of 414 fin and 330 minke whales have been killed. In addition, thousands of tons of meat and blubber from the fin and minke whale hunts have been exported to Japan for human consumption, to be manufactured into pet treats, and for other non-essential products.

In July 2011, the Department of Commerce certified Iceland for undermining the International Whaling Commission's (IWC) commercial whaling moratorium. This certification, pursuant to the Pelly Amendment of the Fishermen's Protective Act, led to President Obama issuing Presidential directives in September 2011, imposing a series of diplomatic measures against Iceland which remain in force.

On February 6, 2014, the US Department of Interior certified Iceland under the Pelly Amendment for undermining the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) by trading in the products of protected whales. The President has sixty days to respond to this certification, but his decision could impose additional measures against Iceland, including economic sanctions against companies such as HB Grandi.

There are strong and long-standing links between major Icelandic fisheries companies and Iceland's whaling industry. HB Grandi, one of Iceland's largest seafood companies, has played an active role in Iceland's whaling industry by promoting whaling by Hvalur hf, Iceland's principal whaling company, and by providing its facilities for the processing of endangered fin

whale meat for the export market. Moreover, as you may be aware, HB Grandi's Chair of the Board, Kristján Loftsson, is both the CEO and leading owner of Hvalur.

By engaging in trade with Icelandic companies with known links to whaling like Friosur, your company is offering an economic incentive to buttress the Icelandic whaling industry. This undermines the efforts of those who are trying to encourage Iceland to fully abide by both the IWC ban on commercial whaling and the CITES ban on international commercial trade in whale products.

It is also inconsistent with the views of a majority of American citizens and consumers. A 2012 poll by the Benenson Strategy Group determined that 86% of the American public believes that America has a moral obligation to protect endangered or threatened species, and that 77% oppose commercial whaling. A further 66% of respondents said that they would be willing to stop buying products from companies engaged in commercial whaling.

We are currently contacting U.S. retailers that are inadvertently supporting Iceland's commercial whaling industry to inform them of their company's potential link to whaling. To do this, we respectfully ask your company to publicly attest that:

- (1) PEG Customized Distribution opposes Iceland's commercial whaling and trade in whale products;
- (2) PEG Customized Distribution will conduct a full and transparent audit of its seafood supply chain upon receipt of this letter so that it can guarantee to the U.S public that no Icelandic seafood sourced from individuals, vessels or companies linked to whaling is purchased by your company or sold to your customers, including fish from third party agents and/or processors. Attached please find information on these whaling-linked companies;
- (3) PEG Customized Distribution will not seek to enter into any new contracts with HB Grandi and its associated companies, including the Friosur company, until they have fully divested their involvement and interest in whaling.

In hope of stopping the launch of Iceland's whaling fleet in 2014, we would be grateful if you could respond to this inquiry by March 19, 2014. We would also welcome the opportunity to meet with you at your earliest convenience. Should you have any questions, please do not hesitate to contact DJ Schubert of the Animal Welfare Institute at dj@awionline.org or, by telephone at (609) 601-2875.

Thank you for considering this request and for the courtesy of providing a reply. I can be contacted at the address or telephone number provided below or, by electronic mail, at susan@awionline.org.

We look forward to hearing from you. And please let us know if we have misstated anything with respect to your company so that we can correct our records.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan Millward". The signature is fluid and cursive, with the first name "Susan" being more prominent than the last name "Millward".

Susan Millward
Executive Director
Animal Welfare Institute
900 Pennsylvania Avenue, SE
Washington, DC 20003
T: 202-337-2332
F: 202-446-2131

On behalf of:

Animal Welfare Institute
Cetacean Society International
Dolphin Connection
Environmental Investigation Agency
Great Whale Conservancy
Greenpeace USA
Humane Society International
The Humane Society of the United States
International Marine Mammal Project of Earth Island Institute
Nantucket Marine Mammal Conservation Program
Natural Resources Defense Council
Pacific Whale Foundation
Peninsula Citizens for the Protection of Whales
Origami Whales Project
Whale and Dolphin Conservation
The Whaleman Foundation
World Society for the Protection of Animals