

## **OCEANA GROUP LIMITED**

### **ENVIRONMENTAL POLICY AND ITS APPLICATION IN GROUP OPERATIONS**

#### **PREAMBLE**

Companies globally are challenged to balance competing demands such as creating shareholder value with sustainable business practices. As such, Oceana recognises that practices introduced today have a long-term impact, and that its operations have the potential to significantly impact on the environment. Oceana recognises that in pursuing its strategic objectives it will continue to integrate sustainability practices into all aspects of its business operations.

This Environmental Policy is therefore applicable to all activities, products and services over which Oceana Group (land-based facilities and vessels) have operational control.

#### **1. POLICY**

The Oceana Group's environmental policy for all activity is underpinned by an approach that seeks to:

- utilise, harvest and procure natural resources in a sustainable, efficient and environmentally responsible manner to assist the company's strategic move towards sustainability
- achieve compliance with the applicable environmental law, best practice and generally accepted industry standards in the operation of all businesses (in South Africa and other countries where it operates ) and, wherever possible, make a positive contribution to the formulation of such environmental legislation
- reflect national or international policies, regulations and targets
- recognise the environmental risks arising out of the uncertainty of modification of gene structures and the possible impacts on biodiversity as well as minimising the use of GMO in the supply chain.
- conform to modern corporate operating standards and strive towards obtaining (globally applicable?) product certification.
- setting of quantitative objectives and targets for all key areas (comment- onerous)
- contribute to research to improve and disseminate knowledge of natural resources utilised or affected by corporate activity relevant broadly to the fishing industry and promote

awareness of the nature and effect of global warming and respect for the environment amongst stakeholders and the public

- promote environmental awareness amongst our employees
- train educate and inform our employees about environmental issues
- integrate the consideration of environmental concerns and impacts into our decision making
- recognise that its activities have a potential climate change impact and hence keeps abreast of and implements, where appropriate, national and international strategies and initiatives
- engage in appropriate initiatives to improve or upgrade the physical environment within which corporate activity is undertaken.
- encourage the development and diffusion of environmental friendly technologies.

The Group is mindful of its obligations under the relevant environmental legislation and particularly in regard to its statutory duty to take reasonable measures to prevent significant pollution or environmental degradation from occurring, continuing or recurring within the countries within which it operates.

## 2. **RISKS**

Oceana's operations are affected by and have an impact upon the natural environment in many ways. Fishing and processing as well as our cold storage facilities in general potentially impact on species biomass, the physical and chemical condition of the ocean, the atmosphere, use of renewable and non-renewable resources and land. Trading in fish and its products potentially exposes one to risks arising from the conduct of third parties. Cold storage operations require use of ammonia and other agents in the cooling systems, and systems to manage solid waste. Bunker trading includes engagement with parties supplying and taking on fuels and oils, whose safety and accident prevention systems ought to be of the highest standard. Carbon Tax and mining exploration in the fishing grounds will impact our business.

The risks to the business from this exposure and impact are of a strategic, operational, financial, ethical and reputational nature.

## 3. **IMPLEMENTATION AND MANAGEMENT OF POLICY**

In implementing the Group's environmental policy and managing the risks and opportunities associated with environmental issues, executive management will:

- Communicate this policy to all employees.
- Establish a Sustainability Forum that will assist with the institution of procedures to keep abreast of and implement applicable environmental laws and best practices and ensure continuing compliance therewith.
- Develop skills and awareness concerning environmental issues and responsibility amongst employees and applicable suppliers in key areas of activities and operations, including most efficient usage of non renewable resources, green house gas emissions, water use, energy use, emissions to water and waste, water and air pollution.
- Engage with suppliers around the environmental management practices relating to key areas of activities and operations, including most efficient usage of non-renewable resources, greenhouse gas emissions, water use, energy use, emissions to water and waste, water and air pollution.
- Engage and collaborate with, where Oceana has control or is reasonably able to do so, joint venture partners, suppliers and business associates into this policy and its implementation.
- Endeavour to engage with other stakeholders or local communities - for dialogue to foster knowledge and commitment to the common good.
- Set annual and long term quantitative objectives and targets for the management of the Group's direct environmental impact.
- Establish national and international benchmarks and achieve compliance with appropriate indices, and continuous improvement with regard to environmental impact and practices.
- Integrate the group's environmental corporate governance principles with the financial components (including consideration of and clearing environmental impacts in capital and major maintenance expenditure requisitions, acquisition, due diligence investigations, in making loans and in incentive bonuses) and other aspects of the business.
- Identify, measure and prioritise risks faced or posed by each operating division, including its individual strategic business units (sbu's), arising from Group activity as it impacts on the environment.
- Maintain Environmental Risk Registers, in a format which identifies key risks, specific risk exposure, the control mechanisms and risk treatment action plans.

- Establish strategies, procedures and practices for the management of these risks, and impacts, across divisions and sbu's, with specific persons having responsibility.
- Include the environmental monitoring and reporting requirements as stipulated by this policy in the agendas of divisional management meetings.

The Chief Executive Officer (CEO) of Oceana Group Limited shall be responsible at board level for the implementation of this policy and shall ensure that the requisite resources are allocated to support this responsibility. The Sustainability Forum will assist the CEO in fulfilling this duty.

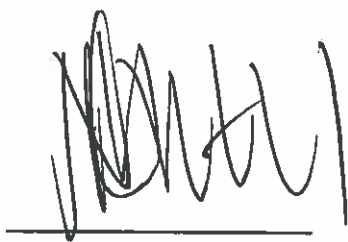
#### 4. **MONITORING, REVIEW AND REPORTING**

- Divisional managing directors shall be responsible for compliance by all sbu's with this policy, and implementation of management and monitoring procedures.
- Sbu managers shall report monthly at divisional management meetings on their sbu's environmental performance and which may include
  - Identification of environmental risks and management of them and their impacts, including emergency response plans.
  - Compliance with environmental laws and best practice.
  - Resource usage against targets and benchmarks.
  - Environmental incidents caused by or affecting that strategic unit.
  - Monitoring of customers, suppliers and business associates for their commitment to environmental integrity in business.(comment- very wide and may be difficult to comply)
  - Develop systems to monitor and report on global supply chain sustainability marine resource practise
- The divisional MD shall without delay inform the CEO and chairpersons of the Risk and Social and Ethics Committees of the nature and effect of any significant environmental incident caused by or affecting that division or any of its sbu's and steps taken to address the consequences and issues arising there from.
- Divisional MD's shall submit at least bi-annually to the Risk Committee that division's environmental risk register, with appropriate commentary and explanations.
- The Risk Committee shall report to the board on any significant environmental incidents and on management and governance issues in regard thereof to enable the board to be

apprised of and review and enquire into direct and indirect environmental impacts and liabilities.

- The Social, Ethics and Transformation Committee shall review this policy and its application on an annual basis and recommend any modifications to the board as and when considered appropriate.
- The internal audit process shall include a review of environmental impacts, with particular regard to those which may have a material impact on the company's financial statements.

This document is reviewable annually and shall be publicly available on the Oceana website.

A handwritten signature in black ink, appearing to read 'FP KUTTEL', is written over a horizontal line.

**FP KUTTEL**

**Chief Executive Officer**

**February 2017**