

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 for future generations, and that its operations impact significantly 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.

Policy

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

- Utilise natural resources in a sustainable, efficient and environmentally responsible manner to assist the company's strategic move towards sustainability
- Achieve compliance with environmental law, best practice and generally accepted industry standards in the operation of all businesses 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
- Reflect globally applicable and modern corporate operating standards
- Setting of quantitative objectives and targets for all key areas
- 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
- Recognise that its activities have a potentially high 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.

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.

Risks

Oceana's operations are affected by and have an impact upon the natural environment in many ways. Fishing and processing in general 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 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.

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

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 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 and draw in, where Oceana has control or is reasonably able to do so, joint venture partners and business associates into this policy and its implementation
- Draw in 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

Environmental policy and its application in group operations continued

- 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 (SBUs), 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 SBUs, 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.

Monitoring, review and reporting

- Divisional managing directors shall be responsible for compliance by all SBUs with this policy, and implementation of management and monitoring procedures.
- SBU managers shall report monthly at divisional management meetings on their SBUs 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 SBU
 - monitoring of customers and business associates for their commitment to environmental integrity in business.
- The divisional managing director (MD) shall without delay inform the CEO and chairperson of the Risk Committee of the nature and effect of any significant environmental incident caused by or affecting that division or any of its SBUs and steps taken to address the consequences and issues arising therefrom.
- Divisional MDs shall submit at least 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 Risk 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.
- Contravention of the policy may expose an employee, including managers and directors, to disciplinary action in accordance with the company rules and disciplinary code as amended from time to time.
- Reporting and disclosure to shareholders and stakeholders shall in principle be open and transparent, particularly concerning key issues.

This document is reviewable annually and shall be publicly available on request from the company secretary.