

# Discover Financial Services

## Paper and Forest Products Procurement Commitment

### *Overview and Framework*

Discover Financial Services (“Discover”) has developed a paper procurement policy because we are committed to ensuring that all the paper and forest products used by our company in our day-to-day business operations are sourced from forests that are managed in a manner that is responsible in its production and that protects or enhances the environmental and social values associated with forests.

We are committed to working with our suppliers to continually improve our procurement process to reduce negative impacts and increase positive impacts on natural resources. We are confident that by taking an active role in how we procure our paper, we can help advance industry standards that promote greater environmental responsibility and practices.

Responsible management of natural resources is also consistent with our business values and objectives. Too much of the world’s timber still comes from extraction that results in environmental damage or degradation, including illegal logging, and the destruction of the world’s remaining valuable and threatened forests, including old-growth forests. Discover is committed to doing our part by improving how we integrate environmental principles into core business practices, placing an emphasis on responsible forest management and efficient paper use.

Discover’s procurement policy addresses the paper lifecycle in full. It supports principles that are not only sound for the environment, but make long-term economic sense. As we help play a small role in minimizing the loss of biodiversity, the risks associated with climate change, and the amount of waste generated, Discover is pursuing programs and policies that are sustainable both economically and environmentally.

### *Core Elements (as detailed below)*

- **Responsible Forest Management:** Discover will ensure that fiber is sourced from well-managed forests and will endeavor to give preference to suppliers that maintain or improve areas of High Conservation Value.
- **Supplier Practices:** Discover will encourage suppliers to develop responsible forest management plans and will give preference to suppliers certified to the standards of the Forest Stewardship Council (FSC). Discover will require that

suppliers demonstrate compliance with all relevant legislative and regulatory standards.

- **Sourcing Restrictions:** Discover will not knowingly source from countries determined to have been engaged in systemic illegal logging or widespread human rights abuses, unless that material is certified to the standards of the FSC.
- **More Efficient Paper Use:** Discover promotes advances in paper weight reduction while also working to reduce inefficiencies in its distribution systems.
- **Reduced Paper Use:** Discover will endeavor to replace paper statements and product offerings with online versions where feasible and appropriate.
- **Transparency and Reporting:** Discover is committed to openness and transparency and, to that end, will engage with an independent third-party organization concerning regular reporting on the status of its efforts as set out in this document.

## ***1. Responsible Forest Management***

- Discover supports environmentally responsible practices to ensure that fiber is sourced from well-managed forests consistent with the conservation of natural resources and a focus on environmental protection.
- Discover will give preference to suppliers that work toward the protection of biodiversity and areas of High Conservation Value.
- Discover encourages its suppliers to develop forest management plans, which provide a framework for monitoring and documenting their environmental impact.

## ***2. Supplier Practices and Sourcing Restrictions***

- Discover will not knowingly do business with any suppliers that engage in illegal logging and will require that suppliers demonstrate compliance by requesting them to report on fiber origins
- Discover will not knowingly source paper from countries to have been engaged in systemic illegal logging or widespread human rights abuses, unless the material is certified to the standards of the Forest Stewardship Council (FSC).
- To verify that suppliers engage in best practices for responsible forest management, Discover will encourage independent third-party verification of their practices.
- Discover will give preference to suppliers certified to the standards of the Forest Stewardship Council (FSC), or other certified standards that achieve the same level of environmental and social performance.
- Discover will give preference to use of recycled fiber verified to be sourced from post consumer waste (PCW) when applicable economic and quality standards can be met.

### ***3. More Efficient and Reduced Paper Use***

- Discover will promote advances in paper weight reduction when economically viable and will regularly test lower basis weight paper to determine if quality standards can be met.
- Discover will act to implement business process digitalization in order to better target customer mailings and reduce duplication.
- Discover will continue to evaluate the digital delivery of statements and promotional materials, as well as online bill payment methods, as an alternative to paper statements.
- Discover will continue to work to reduce its own internal paper use, including the expansion of its waste reduction programs and participation in recycling initiatives.
- Discover will work with interested stakeholders to identify additional means to use paper and print more responsibly.

### ***4. Transparency and Reporting***

- Discover is committed to transparency in the implementation of this paper procurement policy and, to that end, will make reports on its progress available to the public and relevant stakeholders via its website.
- Discover will engage with an independent third-party organization in connection with regular reporting on the status of its implementation of this policy.
- Discover will also review this policy on a regular basis in order to compare it with developing industry practices and standards.