

Althelia Sustainable Ocean Fund

Impact Report 2021



An affiliate of:



NATIXIS
INVESTMENT MANAGERS



About this report

The Althelia Sustainable Ocean Fund Impact Report, produced during 2021, is based on project submission data from 2020 as well as projected data.

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Tipping point

2020 was set to be a banner year for biodiversity. We had hoped that a series of international events spread over several months would bring significant progress in the form of hard commitments from public authorities and private actors. But with the COVID crisis and its attendant lockdowns, restrictions and disruptions of various kinds, none of these much-anticipated events has yet taken place. Nonetheless, the pandemic has accelerated a growing awareness, both in civil society and amongst companies, of our shared reliance on natural resources—and the impact we have on them.

This year was an opportunity to reassess. We have brushed up against the limits of certain economic models and been forced to ask ourselves hard questions about value—how it is shared and what role companies and finance should play in our ecosystems.

Of course, such considerations are hardly new. Some companies have made environmental and social impact a central tenet of their business models. Here, naturally, I am thinking of B-Corp entities, and more broadly, of contributors to an inclusive economy or green finance. However, the current crisis has shaken the economic world, and its tremors reach far beyond existing converts. It is hastening the transformation of companies that had already begun exploring the topic and pushed those who had never questioned their models to reflect. Never before has debate over environmental, social and governance topics—or the impact of business on nature—reached such a pitch.

2020 has by no means been a loss. It is poised to become a tipping point.

At Mirova, we have taken advantage of this time to continue building, collaborating and creating impact. We became an “entreprise à mission” (mission-led company)¹ and received our B-Corp² status in December. We have taken time to consider our theoretical and practical vision for the impact an investment company can aspire to. We have also created an endowment fund in order to support development of the impact finance ecosystem.

In each of these endeavours, nature and biodiversity have remained our key concerns now and for the future. We have pushed forward with our commitments—whether developing biodiversity impact indicators for our portfolios or directly investing in sustainable agriculture projects, forest conservation and ocean protection.

The year 2021 began with the latest edition of the One Planet Summit in Paris focused on protecting biodiversity. Major events, such as the IUCN World Conservation Congress, the COP26 climate change conference and the biodiversity COP will likely take place in 2021. One year behind schedule is but little in terms of the transformations underway—but it is a great deal given the urgent need for action. It is our belief that the collective engagement will be all the stronger and our shared determination all the greater for the wait. The key is to continue our efforts, so that the first encouraging signs may now grow into a transformation of our models of production and consumption and redefine the relationship between business and nature.

Philippe Zaouati

Chief Executive Officer, Mirova

References to a ranking, award or label have no bearing on the future performance of any fund or manager.

1. Mirova is a mission-driven company since 2020. For more information : <https://www.entreprisesamission.com/>
2. The B Corp's objective is to certify companies that integrate social, societal and environmental objectives into their business models and operations. For more information: www.bcorporation.net/about-b-corps. Mirova is B-corp certified since 2020.

Blue resilience

Welcome to the 2021 edition of the Sustainable Ocean Fund Impact Report.

The Althelia Sustainable Ocean Fund (SOF) reached its final close in May 2020 securing over US\$ 130m of public and private investor commitments to support sustainable blue economy investments in emerging markets globally. This was achieved in the middle of the coronavirus pandemic and the team has been working hard through this period of disruption to manage and deploy capital in a rapidly changing world.

At the time of writing SOF has now completed eight investments across our target themes of sustainable seafood, the circular blue economy and ocean conservation. These represent nearly \$45m of initial commitments of which four were executed during 2020: Recycled Technologies, Plastic for Change, nextProtein and Clean Marine Group.

As with all businesses globally we have had to adapt to the realities of the ongoing global COVID pandemic. Whilst in early Q1 2020 the team made trips to Belize and the Caribbean, they spent the remaining part of the year marooned, working from home in the UK, France and the USA. Despite this, the team has worked well under the new arrangements and has been busy on new projects, as well working with the existing portfolio to manage the economic and environmental effects of COVID-19.

The pandemic has in many cases increased ocean issues, triggering a huge increase in the global use of personal protective equipment. Some estimates placing associated disposals at some 129 billion face masks and 65 billion gloves every month,¹ likely to contribute further to the 80% of ocean plastics coming from land. In the developing world, this plastic often ends up mismanaged in open dumps, eventually leaking into the environment,

ultimately making its way into rivers and then into the oceans where it is mistaken, for example, as jelly fish or creates an entanglement risk for a variety of fish and animals. The SOF is working on solutions for the safe disposal and recycling of single use plastics through its pipeline in India, Indonesia, Fiji and the Dominican Republic.

The ocean is critical to life on earth and we can only address global sustainability and climate change through protecting a healthy and vibrant ocean. Whilst the current environment has made it more difficult to complete investments, the pandemic underlines that investing into nature is now even more critical in order to address the significant environmental issues the world faces.

We continue to place environmental, social and governance (ESG) risk management and impact at the heart of our investment selection and management process and we are pleased to present our progress over 2020 to addressing ocean environmental issues.

Mirova thanks you for your support and more importantly your interest in the ocean.

Yours sincerely,

Simon Dent
David Barley

Investment Directors, Sustainable Ocean Fund

1. “COVID-19 Pandemic Repercussions on the Use and Management of Plastics”, Environmental Science & Technology (2020).

Fund profile

Althelia Sustainable Ocean Fund

The challenge

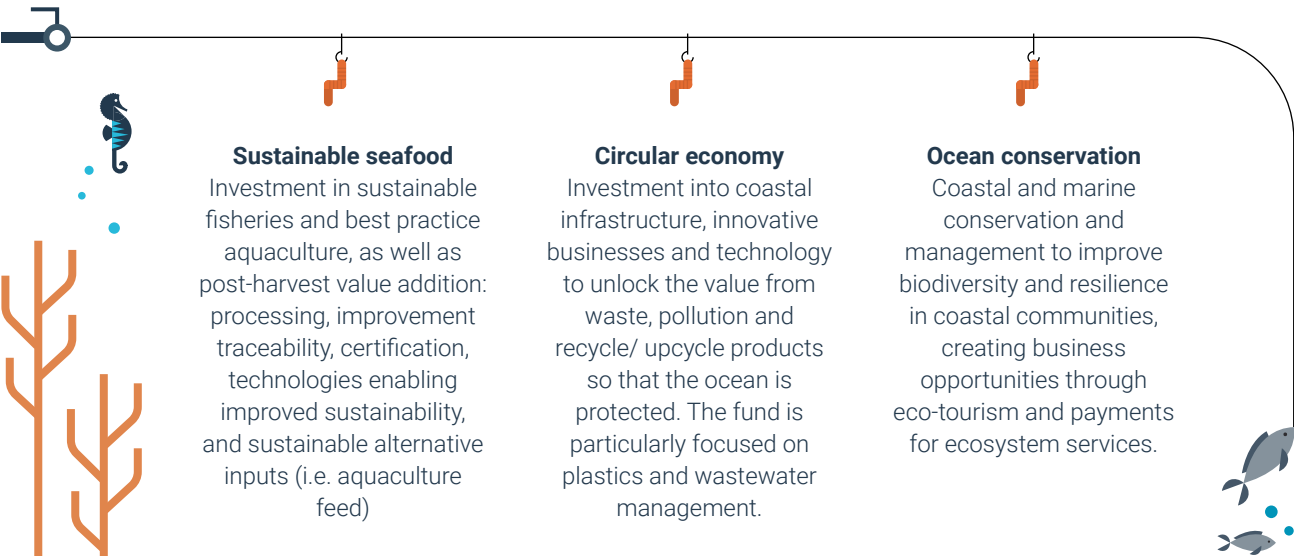
Oceans play a crucial environmental and socio-economic role for the planet; regulating climates, providing natural resources, enabling international trade and ensuring livelihoods and food security for a large portion of the world's population. According to the World Wildlife Fund, our oceans' combined assets can be valued at over \$24 trillion when including their direct financial outputs, such as fisheries' products, with indirect services like carbon sequestration and enabling international transport or tourism.

Uncontrolled human activities are putting the oceans' health under threat, adversely affecting their biodiversity, their capacity to mitigate climate change, and putting at risk many communities' source of incomes and food. This is especially the case in small island developing states and in the global south.

Investment solution

The Sustainable Ocean Fund (SOF) is addressing these challenges by investing in scalable, impact-aligned companies and projects whose models offer a sustainable alternative to business-as-usual, making a positive impact on the environment and society, and delivering economic returns. By investing in initiatives that harness the ocean's natural capital, the fund aims to build resilience in coastal ecosystems and create sustainable economic growth and livelihoods in the blue economy.

Scope



The fund

- Fund Size**
\$132M
- Fund Life**
9 years from June 2018, 3.5 years investment period
- Geographies**
40% Latin America & Caribbean, 30% Africa, and 30% Asia and Pacific

Sustainable Development Goals (SDGs)



93.8%
of global fish stocks are either fully exploited or overfished¹



8,000,000
tonnes of plastic enter the oceans every year²



59,500,000
millions people are directly employed in sustainable capture fisheries and aquaculture production¹

1. "The State of World Fisheries and Aquaculture", FAO (2020)
2. "Plastic waste inputs from land into the ocean", Science (2015)

The Team

SIMON DENT *BLUE INVESTMENTS DIRECTOR*

Simon is the Founder and Principal of the Althelia Sustainable Ocean Fund (SOF) and leads the investment committee for the fund. He has more than 20 years of transactional and senior management experience in commodity and conservation finance. Simon is a recognised leader in the blue economy space where he is focused on developing investable project models that provide clear impact and economic returns for ocean stakeholders. He was previously a Managing Director at BNP Paribas where he was instrumental in setting up the bank's environmental trading desk and led the bank's carbon emissions business.



DAVID BARLEY *INVESTMENT DIRECTOR*

David is Investment Director at MNC, Fund Manager for SOF and sits on its investment committee. He has extensive career experience working in the sustainable resources sector and particular expertise in sustainable agriculture, clean energy and ocean sectors. David was previously a Senior Advisor to HRH The Prince of Wales' International Sustainability Unit, where he managed the organisation's programme on global food, energy and water security, and to the natural capital advisor, Beetle Capital Partners. Prior to that, he worked in investment in Climate Change Capital and was a strategy consultant at Accenture.



TRIP O'SHEA *LATIN AMERICA INVESTMENT DIRECTOR*

Trip joined MNC from Encourage Capital where he originated transactions and managed investments in the food and agriculture space, with a focus on sustainable seafood and aquaculture. Before Encourage, he was an investment banker in the Global Power & Utilities coverage group at Barclays in New York, working primarily in the renewable energy sector. Earlier in his career, Trip spent five years in Central America where he launched a social enterprise consulting practice and worked as a conservation finance analyst with The Nature Conservancy. Trip is based in the USA and is covering Latin America for SOF.



ANTOINE ROUGIER *TECHNICAL DIRECTOR*

Antoine is SOF's Technical Director. He is responsible for providing technical expertise to assist in identifying and evaluating ocean projects and investments as well as supporting due diligence, data analysis and environmental and biodiversity impact assessment. Prior to joining MNC, Antoine worked for almost ten years at the frontier between international development and the fisheries and aquaculture sectors with social enterprises, NGOs (Blue Ventures, EJP) and a specialist consultancy, including over seven years based in the field in Madagascar and Ghana, and working with partners such as the EU, the IFC and the FAO.



LISA HUBERT *INVESTMENT MANAGER*

Lisa joined the SOF team in January 2020 as an Investment Officer after three years working on deal sourcing, due diligence and structuring of new deals as well as portfolio management for the other MNC funds. Lisa is covering Latin America and Africa for SOF. Lisa has 10 years of field experience working with rural communities, cooperatives and value chain actors in developing countries. Her sector focus is natural resources, value chains, climate change, infrastructure and finance. She worked for six years as economist and investment officer for development partners including IFAD, World Bank, IFC and FAO Investment Centre.



VANESSA CARVALHO *INVESTMENT MANAGER*

Vanessa joined the MNC team in April 2021 as an Investment and Portfolio Manager. Vanessa covers Africa and Asia for SOF. Vanessa has 13 years of investment experience across infrastructure, real estate, agriculture and consumer in different geographies. Prior to joining MNC, Vanessa spent five years at CDC Group working on investment strategy, deal origination, execution and structuring of equity investments in the Food and Agriculture group in Africa and Asia. She worked in BNDES (Brazil) for six years where she was in charge of a credit portfolio in water, sanitation and waste management sectors.



Selected highlights 2020

January

Execution of the contract with SafetyNet Technologies to take the next important steps in commercialising its pioneering light-emitting bycatch-reduction technology, Pisces.

March

Mirova's Natural Capital Platform becomes a signatory of the Operating Principles for Impact Management, a framework for investors to ensure that impact considerations are purposefully integrated throughout their funds' investment life cycles.

May

For the fourth year in a row, Mirova Natural Capital is honoured to be among the Impact Assets 50 ('IA 50') list for its natural capital activities.

May

Execution of the contract with nextProtein (Tunisia) which produces feed raw materials and insect-based fertilizers.

June

Mirova's Sustainable Ocean Fund reaches a final close of \$132m of commitments, exceeding its target.

September

The Sustainable Ocean strategy wins the award of "Impact project / investment of the year – Oceans and coastal zone" at the Environmental Finance's 2020 Impact Awards.

December

Mirova is awarded B Corp status and announces has signed up to become a 'Mission-led Company', a French accreditation whereby signatories must define their "raison d'être" and one or more social, societal or environmental objectives beyond profit.

March

Execution of the contract with Recycling Technologies (UK) to accelerate transition to circular economy for plastic.

March

The World Health Organisation officially declares the outbreak of COVID-19 a global pandemic.

May

Execution of the contract with Plastics for Change (India) which developed the world's first Fairtrade verified recycled plastic supply chain.

May

Vincent Gradt joins the team as CEO of Mirova Natural Capital Ltd, acting as a SOF Investment Committee member.

September

Mirova Natural Capital platform is awarded "Investment team of the year – Asset manager" during Environmental Finance's 2020 Impact Awards, for its comprehensive product range within the natural capital investing space.

October

Mirova is one of the two French management companies to join the Principles for Responsible Investment (PRI) Leaders group, a group of 36 companies at the forefront of this year's theme, climate reporting.

October

Execution of the contract with Clean Marine Group, for the construction of a MARPOL port reception facility in Freeport, in The Bahamas.

Impact approach

At every stage of the investment process, starting at the identification of investment opportunities, the priorities of the Sustainable Ocean Fund are a positive impact on the marine environment and on society, and an alignment with the SDGs.

The fund, by virtue of its broad approach, is built around sustainable seafood, the circular economy and marine conservation. Its investments contribute to the targets of SDG14: ‘To conserve and sustainably use oceans, seas and marine resources’. This ranges from reducing marine pollution and protecting coastal ecosystems to ending illegal fishing and addressing the impacts of climate change on the oceans.

With a strict ESG policy and ambitious goals in other social impact areas, SOF investments plan to have further positive impacts beyond the targets covered by SDG14 that are specifically related to the marine environment. The aim is to contribute to the SDGs that cover climate, conservation, sustainable industry and innovation, as well as supporting the fight against poverty, inequality and gender discrimination.

The impact strategy and metrics that SOF is monitoring are presented here and detailed at project level in the following pages of this report.



Key impact themes targeted by SOF¹



	2018	2019	2020
Number of enterprises/ organisations created or strengthened by SOF	1	2	6
Percentage of enterprises meeting sustainable certification standards	0%	50%	50%
Number of jobs created or supported by SOF investments	47	76	303
Percentage of jobs created/ supported held by women	15%	17%	34%

Source: Mirova

1. Please refer to page 36 for detailed ESG impact indicators

Investments



Kampachi Worldwide Holdings

 Mexico
Caribbean & Latam

-  Investment status
Executed
-  Type
Sustainable Seafood
-  Start up/Post Revenue
Post Revenue
-  Activity
Marine aquaculture



Clean Marine Group

 Bahamas
Caribbean & Latam

-  Investment status
Executed
-  Type
Circular Economy
-  Start up/Post Revenue
Start up
-  Activity
Port reception facility



Biomega

 Norway (Global)
Europe & North America

-  Investment status
Executed
-  Type
Circular Economy
-  Start up/Post Revenue
Post Revenue
-  Activity
Seafood waste biorefinery



SafetyNet Technologies

 UK (Global)
Europe & North America


-  Investment status
Executed
-  Type
Circular Economy
-  Start up/Post Revenue
Post Revenue
-  Activity
Sustainable seafood



Recycling Technologies


 UK (Global)
Europe & North America


-  Investment status
Executed
-  Type
Circular Economy
-  Start up/Post Revenue
Post Revenue
-  Activity
Chemical plastic recycling




Martec Industries





 Costa Rica
Caribbean & Latam


-  Investment status
In contracting
-  Type
Sustainable Seafood
-  Start up/Post Revenue
Start up
-  Activity
Marine aquaculture and seafood processing




TASA





 Belize
Caribbean & Latam


-  Investment status
Executed
-  Type
Marine Conservation
-  Start up/Post Revenue
Post Revenue
-  Activity
Marine Protected Area management




nextProtein





 Tunisia
Middle East and North Africa

-  Investment status
Executed
-  Type
Sustainable Seafood
-  Start up/Post Revenue
Start up
-  Activity
Insect protein

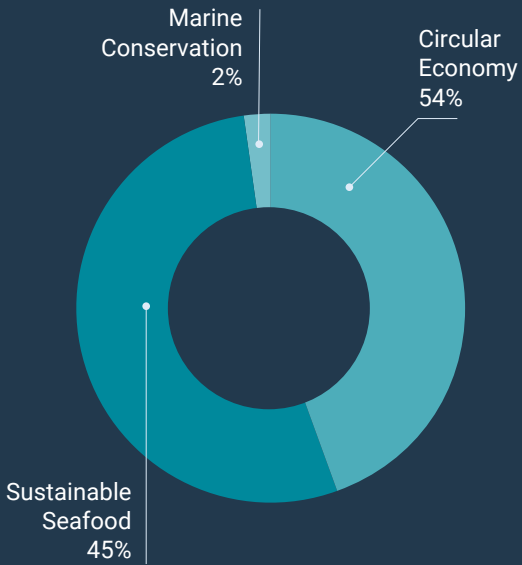


Plastics for Change

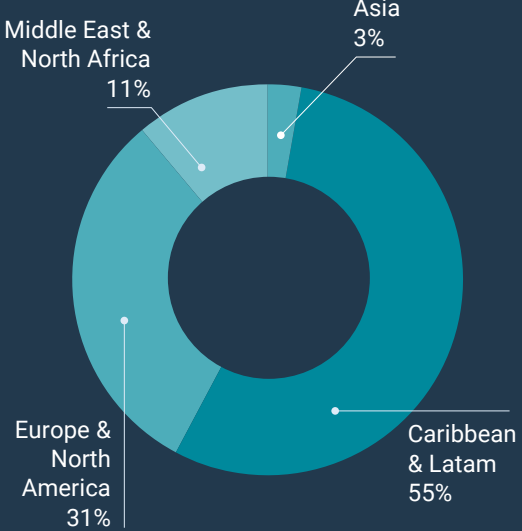
 India
Asia

-  Investment status
Executed
-  Type
Circular Economy
-  Start up/Post Revenue
Post Revenue
-  Activity
Fair Trade recycled plastic

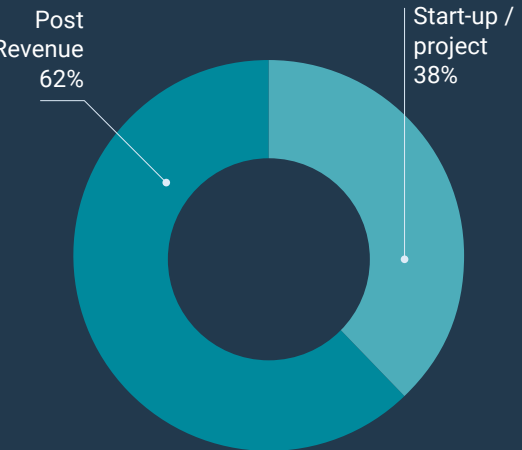
By SOF investment pillar



By region



By business type



The reported data reflect the situation as of the date of this document and are subject to change without notice.
Source: Mirova

% per invested amount. For the nine investments executed at date of release of the report.

Kampachi Worldwide Holdings

Mexico



SDGs



Impacts



Date of investment
Nov 2018

Kampachi Worldwide Holdings operates an ASC certified¹ integrated marine aquaculture operation in La Paz, Mexico. It manages the whole production cycle of longfin yellowtail from producing eggs to marketing fresh and frozen fish.

Kampachi's operations have been designed to be best-in-class, growing a native species (*Seriola rivoliana*) in a sustainable manner, mitigating potential negative impacts and offering a sustainable alternative to wild caught fish species. It is being sold to the export and domestic markets as "King Kampachi".

Kampachi's focus for 2020 was almost exclusively on exporting fresh fish to the food service and gastronomy sectors in the USA. COVID-19 therefore created a challenging environment for the company, closing down the vast majority of its market channels over the first half of the year. This pushed the company to reinforce efforts to develop and expand domestic markets and develop frozen and packaged products suitable for retail customers.

Despite this, the company managed to double its annual production to 580 tonnes with much of this being directed to frozen inventory and around half supplying retained food service clients.

A new harvest boat has been designed and is now registered with the Mexican health authorities and able to export product internationally, including to Europe. This innovative vessel "Kampachito" is equipped with an "ikijime" machine, allowing for a quick and humane fish harvest while preserving quality.

The existing Aquaculture Stewardship Council (ASC) certification is subject to an annual review and has been renewed for 2020, confirming the sustainability best-in-class status of the company.

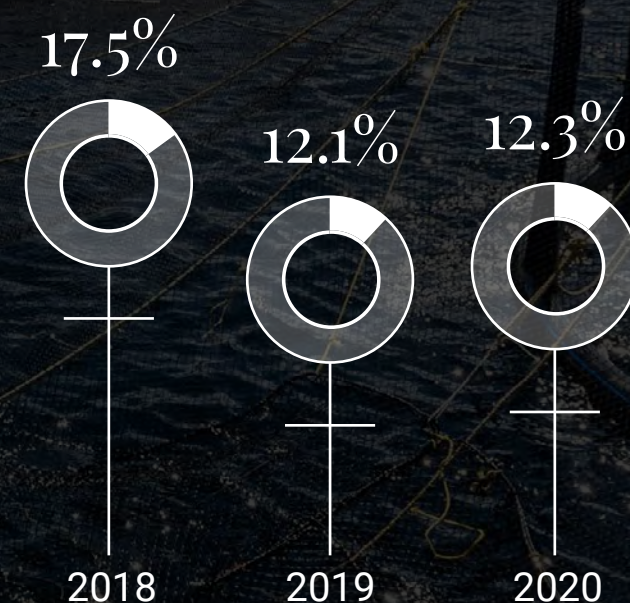
“We strive to continually improve the processes that express our commitment to fish welfare and environmental stewardship, consciously raising King Kampachi and Kampachito.”

Jorge Schmidt
Director General, Kampachi Mexico

Reported impacts

Obtained
ASC
certification
in June 2019

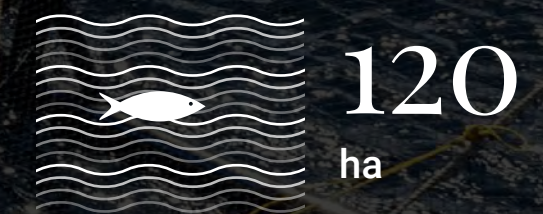
Gender (women employed)



Jobs created or supported



Surface of the farming offshore concession



Production of sustainable fish



1. For more information, please refer to: <https://www.asc-aqua.org/fr/>

SafetyNet Technologies



SafetyNet Technologies (SNTech) is designing and building devices that increase the selection of commercial fishing operations, reduce bycatch (endangered, juvenile, low-market-value non-target species) and make the industry more sustainable by supporting precision fishing. The company is developing a range of devices to do this with the most advanced being “Pisces”, a collection of LED lights attached to fishing gear. The lights have a range of colours, brightness and flashing rate which are adjusted to repel the target specie and by-catch that needs to be avoided.

After a seed funding round was finalised at the end of 2019, SNTech accelerated the development of its Pisces devices, shifting from prototyping to mass production. A set of additional accessories has been developed to support effective deployment on fishing vessels and an experienced sales lead has been hired.

The COVID-19 pandemic disrupted the expected roll-out of the devices, limiting ability to reach out to prospective clients and implement new trials. However, SNTech managed to agree key commercial trials involving international NGOs and major seafood companies.

R&D was accelerated this year with the recruitment of a PhD student in partnership with the University of Exeter who is focusing on the perception of lights by a range of marine species. This will fine-tune Pisces' effectiveness. SNTech has been developing additional technologies that further promote “precision fishing”. One of these is focusing on advancing Enki, a sensor designed to fit onto fishing gear that collects ocean data in-situ. This informs decision-making for fishers and other ocean stakeholders and thus allows better ocean management. Success in grant applications has enabled access to more resources for accelerating R&D and increasing product quality.



KEY TRIALS

SNTech is partnering with Associated Seafood Ltd, Marks & Spencer and Young's Seafood in a one-year trial to test the Pisces devices onboard the bottom trawler Virtuous FR253. This fishing vessel operates off north-east Scotland in a mixed demersal fishery with nephrops, or “scampi” being the key target species and a bycatch of whitefish (cod and haddock). The fishery is currently undergoing improvement to achieve an MSC certification. The trial will aim at improving the selectivity of the fishing fleet using different configurations of the Pisces device on the pilot fishing vessel between April 2021 and April 2022.

Reported impacts

84 devices deployed in 2019

116 devices deployed in 2020

2019
12 ongoing trials

2020
14 ongoing trials

6 commercial
8 scientific

France

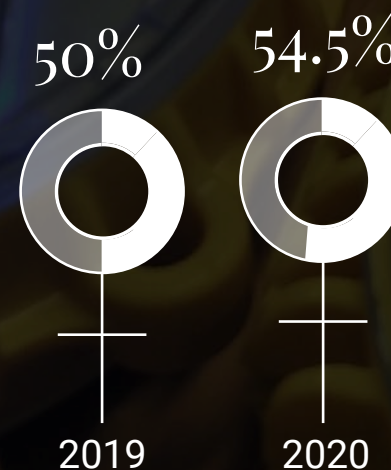
Indonesia

Peru

Spain

UK

Gender
(women employed)



Recycling Technologies



Recycling Technologies Ltd (RT) is meeting the growing global demand to make plastic a more circular material by using its patented technology to recycle plastic waste back into oil.

RT's flagship product is the RT7000 which has the capacity to process 7,000 tonnes of waste per year and turns hard-to-recycle plastic waste into a valuable chemical feedstock called Plaxx®. This can be used to make virgin-quality plastic products. The RT7000 will be sold to existing waste operators to enable them to turn waste plastic, which would otherwise be burned or sent to landfill, into a profitable revenue stream by selling the recycled plastic feedstock back to the petrochemical industry, promoting a circular economy approach.

A successful Series A investment round was completed with Mirova and Neste becoming strategic investors, enabling the company to move forward to commercial scale.

Supported by a team of over 120 (27% women, 47% at management level), the company is working on several key projects:

Scotland: Binn Eco Park, Perth

RT is installing the first RT7000 to help Scotland realise their 2030 target of making all plastic packaging economically recyclable.

Indonesia: East Java, Mojokerto

RT is working with local waste management companies and the Alliance to End Plastic Waste to evaluate the feasibility of using chemical recycling technologies to complement a new general waste recycling facility in Mojokerto.

France: Project Fuscia

RT is working with Total, Mars, Nestle and the compliance body CITEO, as part of a cross-sector consortium to integrate chemical recycling into existing waste management infrastructure.

UK: INEOS Styrolution and Trinseo

RT is working with INEOS Styrolution and Trinseo to develop the first polystyrene recycling plants in Europe, [aiming to make polystyrene a more circular material](#). A pilot plant will be built in the UK in 2022.

Additionally, Recycling Technologies implemented their Environmental Management System at two sites, achieving ISO14001 certification with zero non-conformances.

Projected impacts

Potential to save up to around
117,000 tonnes
 of CO₂e /year (through the diversion
 of plastic away from incineration)

At full operation, the first 12 RT7000 machines
 will have a combined processing capacity of

84,000
 tonnes of plastic



Source: Mirova

Plastics for Change



Plastics for Change (PFC) is a Fair Trade plastic recycling company that enables brands and manufacturers to source quality recycled plastic from ethical supply chains. PFC has created solutions that connect waste picking communities across India -and in particular in coastal cities- with global companies establishing a more formal and dignified system that help to manage the social issues associated with the informal waste sector in India.

The SOF investment in May 2020 initiated the scale-up of PFC's model, expanding their network in the informal plastic recycling sector of India and connecting them with international brands. PFC secured partnerships and sales with international brands such as The Body Shop, Cosnova, Garnier and Bunzl.

Despite the disruption of logistics and operations by the COVID-19 crisis, PFC managed to grow its team to 68 people and develop three aggregation centres. These serve 249 local plastic collection facilities, supporting these informal enterprises in their transition to become established plastic small businesses, while generating revenues for over 3,750 marginalised waste-pickers.

Beyond the logistical challenges, the pandemic triggered a humanitarian crisis amongst the marginalised communities PFC is working with. Social actions by PFC Foundations were accelerated and 9,190 waste-pickers were reached with COVID-relief aid, supporting the communities with access to social services, health and sanitation.

“With support from SOF, we’ve been expanding our Fair Trade supply chains across the coastlines of India, helping thousands of informal waste collectors earn a decent living wage through this plastic resource.”

Andrew Almack
CEO, Plastics for Change

Projected impacts

CO₂ footprint
CO₂/tonne



1,824.3kg

At full operation (2024)

Over 25,900

waste pickers and informal waste workers in PFC supply chain will be benefiting from improved and stable prices (ratio is approximately 1,440 beneficiaries per PFC center)



1,104.4kg

Recycled plastic

Virgin plastic



Over 28,800

tonnes of plastic recycled a year (1,800 tonnes/aggregation center/year)



900
jobs supported in
aggregation centers
at full operation



18
PFC aggregation
centers by 2024



50%
franchises to be
onboarded in coastal
cities

nextProtein

Tunisia



SDGs



Impacts



Date of investment
May 2020

Founded in 2015, nextProtein is a start-up specialising in black soldier fly (BSF) larvae production and processing with operations based in Tunisia and R&D and sales based in France.

The model is based on a circular economy approach, using agricultural and food processing waste as feedstock to grow BSF larvae. NextProtein is producing insect meal and insect oil for the aquaculture feed sector as an alternative to fishmeal, and for the animal feed and petfood sectors, as well as insect frass that can be used as a fertilizer in agriculture.

The investment into nextProtein by SOF and other impact-driven investors in the first half of 2020 was intended to bring the company's insect protein pilot in Tunisia up to industrial scale.

nextProtein began the scale-up at the end of the year, using four years of experience in BSF production and an established sourcing network of agricultural waste. An upgraded pilot production facility and the establishment of a new industrial scale plant will be operational in 2022.

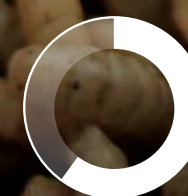
To support this growth, the company has established a multidisciplinary team with 39 employees (51% of whom are women). The team is focused on production optimisation, industrial scale-up, commercial development and additional R&D.

nextProtein's products were approved under the EU Trade Control and Expert System (TRACES), allowing it to export aquaculture and animal feed ingredients to all the member countries of the EU along with a prerequisite to accelerate commercial development in the aquaculture and animal feed markets.

“Insect protein provides solutions to major societal problems: a growing population with a higher demand for fish and meat, and a degrading environment.”

Syrine Chaalala
Co-Founder and Managing Director

Projected impacts



60%
of the jobs created in Tunisia are expected to be held by women

2,500 tonnes



of insect meal per year (*at full operation*).
Its fishmeal equivalent would require:

7,400 tonnes
of whole fish (*source: IFFO*)



Organic fertiliser
produced as by-product sold to the local agricultural sector

40,000 tonnes

of local biowaste recycled into BSF production at full operation, diverting this waste from landfill and illegal dumping



CO₂ emissions reductions from:

Agricultural waste degradation
(direct impact)

Soy substitution in aquafeed
(indirect impact)



Clean Marine Group

Bahamas



SDGs



Impacts

Date of investment
October 2020

The Clean Marine Group (CMG) project will establish a waste facility initially focusing on oily wastes in Freeport Harbour, Grand Bahama, a major commercial and cruise ship port in the region. This will support small island developing states throughout the wider- Caribbean towards compliance with the UN International Maritime Organisation's Convention on the Prevention of Pollution from Ships (MARPOL) Port Reception Facility (PRF) requirements. The process will split oily waste into water and recovered oil that can be sold as fuel, promoting a circular economy approach.

Merchant vessels produce a variety of potentially harmful waste streams during their normal operations at sea. The UN MARPOL convention defines the roles, responsibilities and requirements for managing and processing these waste streams. Port States that subscribe to MARPOL have an obligation to provide adequate PRFs to take waste from ships. However, it is a challenge for many developing countries to deal with waste from visiting ships and the wider Caribbean region has no adequate facility for receiving and processing most shipping waste, increasing the risks of illegal waste dumping at sea and threatening the region's sensitive marine habitats.

The SOF investment, alongside a loan and technical co-operation grant from the Inter-American Development Bank, was finalised during the second half of the year, allowing the company to begin the deployment phase of their project in Grand Bahama. CMG expanded its team and is finalising the agreement with local stakeholders and engineering partners for the construction of their MARPOL PRF in the port of Freeport.

At the same time, the company set-up a pilot plant in partnership with the Grand Bahama Shipyard, using similar technologies as the future plant at a smaller scale. This pilot project will allow CMG to start receiving and processing waste and producing recycled fuel, fine tuning the process to ensure that the full-scale plant adopts all the best practices.

In addition to the technical progress, CMG is securing commercial agreements with international shipping and cruising companies for the treatment of their oily and liquid wastes, as well as identifying relevant clients for the reprocessed oil.

“We are delighted to have received such overwhelming support from SOF. Not only have we been able to complete the pilot development despite the COVID-19 Pandemic, but it has allowed us to carry out all of the scoping and design of the PRF, with a view to commencing construction in Q4 of 2021.”

Michael Fitton,
CEO of CMG Ltd.

Projected impacts

175,000m³

of oily waste from ships and port oil storage facilities will be processed annually at Free Port harbour by CMG. This would otherwise potentially be dumped at sea.

45

direct jobs created at full operation

Converting polluted water to clean water

89,000m³

per year estimated recovery of oil/fuel from waste treated, reducing extraction of fossil fuel and import of fuel to The Bahamas

Recovered oil used for local energy production

Biomega



Biomega is a Norwegian company that produces high-value food-grade marine ingredients using a patented continuous enzymatic hydrolysis process. This upcycles fresh salmon undervalued raw material into hydrolysed salmon protein, salmon meals and salmon oils.

Biomega has been a best-in-class player in the marine hydrolysed peptides sector since 2001. Majority acquired by Amerra in 2017, the company is now investing in international expansion with the support of SOF. Biomega is also developing human-focused health and nutrition products to increase further the value created from salmon unused parts.

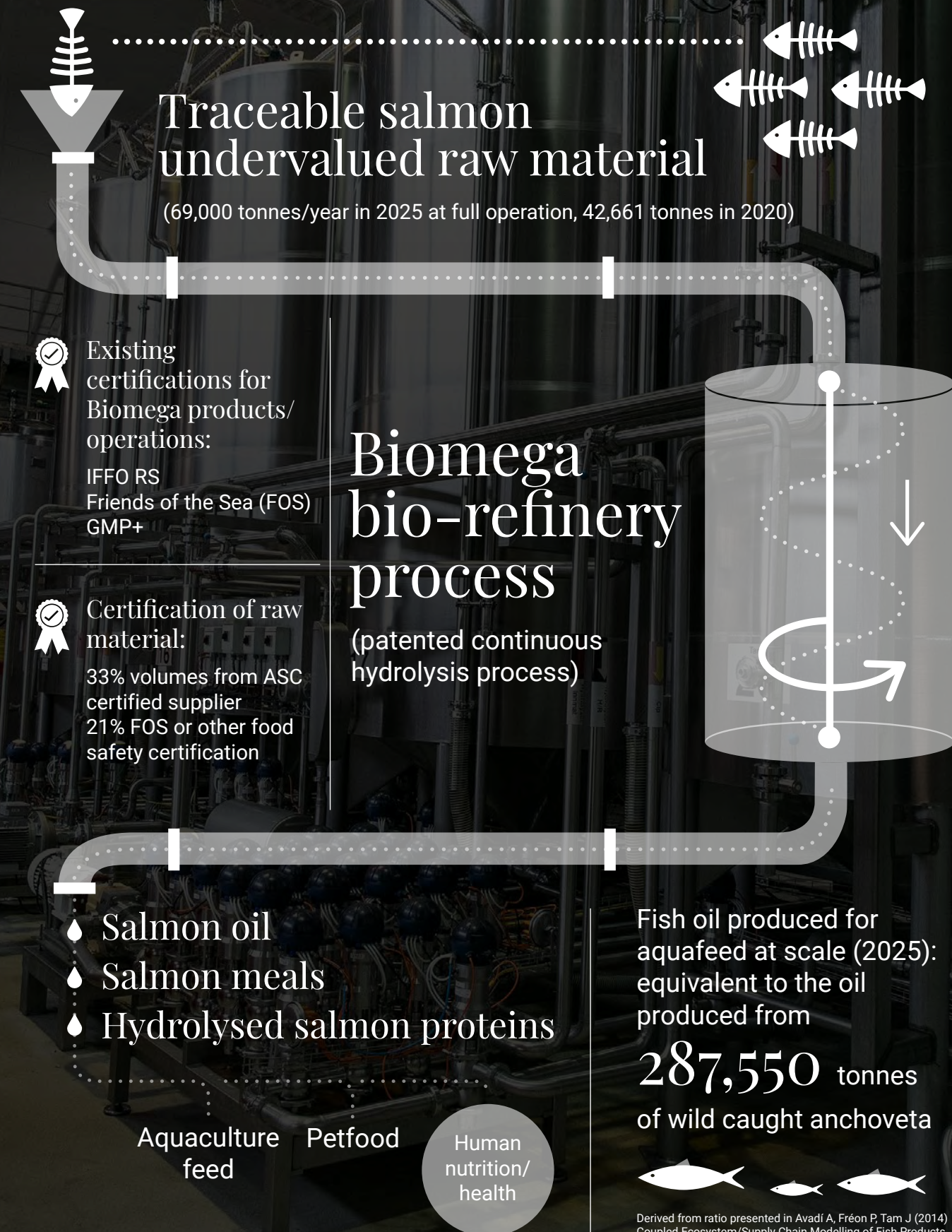
An impressive leap in the recovery of salmon undervalued raw material occurred in the last decade of the 20th century, from 17% of the waste being used in 1988 to more than 98% in 1999. However, the potential for optimal value-creation from salmon unused food grade parts has not been fully realised by the aquaculture industry, with often only basic treatment applied to the waste.

Biomega optimises the addition of undervalued raw materials into a range of high-value products. These include improved oils for the aquafeed sector, protein meal for petfood and high value nutraceutical products for human health and nutrition.

Biomega's approach aligns with the SOF impact strategy in several ways. It is based on a circular economy model, promoting a zero-waste approach and optimising resource utilisation by using traceable fresh salmon parts as raw material to produce a range of high-value products. Oil produced from salmon waste and used in feed for aquaculture is a sustainable alternative to fish oil derived from wild-capture fisheries and creates a positive impact on the ocean.

The SOF investment will increase processing capacity starting with a new bio-refinery plant in Hirtshals Denmark. It will also support the development of human health and nutrition products that will unlock additional value from salmon by-products.

Projected impacts



Derived from ratio presented in Avadí A, Fréon P, Tam J (2014) Coupled Ecosystem/Supply Chain Modelling of Fish Products from Sea to Shelf: The Peruvian Anchoveta Case" Source: Mirova

Turneffe Atoll Sustainability Association – TASA

Belize



SDGs



Impacts



Date of investment
June 2021

TASA was founded in 2013 as an NGO for the purpose of managing the Turneffe Atoll Marine Reserve (TAMR) in Belize, established in 2012. TASA was appointed by the Belize Fisheries department and represents the various key stakeholders and users of TAMR, overseeing its day-to-day management and administration.

TASA also handles the enforcement of the marine reserve management plan, the research efforts that inform this plan, the education and outreach for TAMR stakeholders, and the collection of visitor fees and other reserve activity.

TAMR is the largest Marine Protected Area in Belize, covering 131,690 hectares of important natural habitats. It is part of the wider Meso-American Reef System that stretches over 1,126 km along the coasts of Mexico, Belize, Guatemala, and Honduras.

TAMR is a multi-use marine reserve, combining responsible economic activities such as small-scale fisheries and eco-tourism with research and core conservation, and a fully protected area of 15,400 hectares.

The reserve’s biodiversity includes several endangered and iconic species of fish, marine mammals, reptiles, invertebrates and birds. Commercially important species also thrive on the reserve such as spiny lobsters, key resource for the Belizean artisanal fishers who rely on TAMR for a substantial share of their catch. This fishery is currently working towards the Marine Stewardship Council (MSC) certification with the support of TASA and other partners. Tourism also depends on healthy ecosystems, with the majority of visitors coming to scuba dive or for catch and release fly-fishing.

SOF structured a blended finance approach for the investment into TASA. The fund’s loan investment is being leveraged by a grant from the IUCN Blue Natural Capital Financing Facility. The combined funding of more than \$1 million will support TASA’s capacity to generate its own sources of sustainable revenue to support and fund the surveillance, management and conservation missions in TAMR.

TASA has entered a technical partnership with Blue Finance to design and implement nature-based tourism and blue carbon strategies. TASA will collect users’ fees from tourism in TAMR to create eco-tourism solutions and develop “payment for ecosystem services” such as blue carbon credits from mangrove conservation.

Reported impacts

Turneffe Atoll Marine reserve

131,690
hectares

15,408^{ha}
(12%)
under full protection

11,000^{ha}
mangroves with blue carbon
credit potential

Biodiversity protection:

>260
fish species

48
coral species

10
mammal species

16
reptile species

Multi-uses reserves

Artisanal fisheries
756
individual fishers
for 296 boats

Ecotourism
10,600
stay-over tourists in
2019

Surveillance of the reserve



334
patrol days
in 2019

3,088
controls of
fishing vessels

Martec Industries

In Contracting

Costa Rica



SDGs



Impacts



Date of investment
July 2021

Martec Industries was established in Quepos in 1982 and is now one of Costa Rica's largest marine seafood exporters. Initially focused on wild capture fish sourcing and trading, Martec has diversified its activity to include tropical finfish aquaculture and over the last decade has been a pioneer and leading producer of farm-raised snapper.

With a change in leadership in early-2019, Martec has made a strategic shift towards sustainable seafood production, creating a platform for developing sustainable snapper aquaculture, responsible fisheries and processing, value-addition and trading.

Martec is uniquely positioned within the Latin American sustainable seafood sector. The company includes a vertically integrated native rose snapper aquaculture business and a wild-caught seafood sourcing, processing, distribution, and retail operation run at a commercial scale.

Its snapper farm is the largest in Latin America and promotes best practice aquaculture (certified BAP and pending ASC) using low-impact practices. The fishmeal fish oil used in the feed is derived from by-products resulting in a very low Fish in-Fish Out ratio and the offshore cages are in deep waters ensuring proper exposure to current and good water circulation. The rose snapper produced are therefore a sustainable and traceable alternative to wild caught snapper, a family of fish prone to fraudulent labelling, poor fisheries management, and illegal fishing in Latin America.

As part of its wild capture business, Martec is actively supporting the responsible management of the fisheries it sources from. It is working with artisanal Costa Rican longliners to achieve Marine Stewardship Council (MSC) certification for a [Fishery Improvement Project](#) (FIP) focused on small-scale longline caught yellowfin tuna and mahi-mahi. Under this FIP, Martec will implement and monitor the progress of an ambitious workplan to improve governance, data collection and management of ecosystem impacts.

Beyond the positive environmental impacts, Martec's local social impact is substantial, as its operations directly support the livelihoods of over 340 people and indirectly benefit hundreds of local fishermen, while diversifying the country's rural coastal economy.

SOF is lending the working capital required to finance purchases of sustainable aquaculture feed that support its farming operations. This will allow Martec to free up resources for scaling up its production strategy, enabling it to achieve its vision of becoming the market leader in sustainable seafood across Latin America.

Reported impacts

Overall impacts

Aquaculture

Certification:¹



27 cages (baseline) → 48 cages by 2025



Concession of:

1,500 ha

Production:

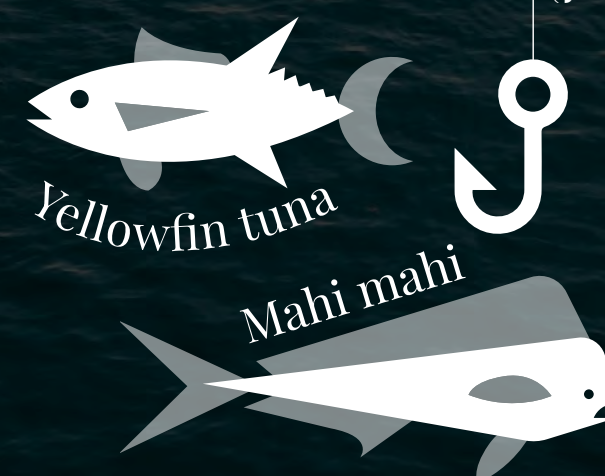
680 tonnes in 2020, rising to 5,800 tonnes in 2025

Fisheries

Improvement project involving:

150 artisanal longliners

Key target species:



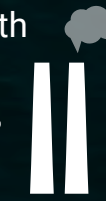
Fishing gear: long-line

340 employees



Processing plant with

40 tonnes capacity per day



Plant

BRC certified



1. For more information, please refer to: <https://www.bapcertification.org/>

ESG risk management

The Sustainable Ocean Fund's investments are driven by positive social and environmental impacts. Excellence in the management of environmental, social and governance (ESG) risks in the companies the fund supports is also a crucial component of the investment journey. These aspects are taken into consideration throughout the life of the investment, from the initial screening of an opportunity to the end of Mirova's engagement.

The Fund's ESG risk management approach in the investment process ensures that productive activities are established on robust and systematic assessment and management of environmental and social risks, underpinned by sound, accountable governance.

ESG standards

SOF assesses each potential investment project against applicable exclusion lists, ESG risk and minimum performance criteria. These ESG assessments of projects are based on the Mirova Natural Capital (MNC) ESG Policy as well as on the SOF ESG Annex that state the Platform's and Fund's commitments and expectations in terms of ESG performance. An exclusion list also clarifies the activities that should not be supported by SOF, reflecting company's vision and investor requirements.

At the core of these ESG policies is a commitment to ensure that all projects in which SOF invests achieve material compliance with the IFC Performance Standards (and associated sector-specific EHS guidelines) and that they achieve E&S certifications where relevant. Considering SOF's scope, Aquaculture Stewardship Council (ASC) certification for aquaculture operations or Marine Stewardship Council (MSC) certification for fisheries related projects are typically applicable.

A project's ESG journey

Every project considered for investment is analysed according to a three step process:

- a preliminary ESG analysis of its potential eligibility in the Fund's mandate,

- a desktop review complemented by communications with the project developer (E&S questionnaire and discussions) to understand likely key ESG risk areas and, at a high level, how they are currently being managed,
- full ESG due diligence process including site-visits and detailed document review. This step may involve the recruitment of external experts or local support.

Both the pre-investment assessment and the post-investment monitoring of projects involves collaboration between the SOF Marine Technical Director and Senior ESG Specialists in the MNC ESG team, supported by technical or local external experts whenever relevant.

The outcomes of this process are:


- a final opinion on the ESG performance (impacts and risks) of the project, assessing whether the project meets the fund's requirements on ESG risk management and on impacts targeted per environmental and social themes;
- an Environmental and Social Action Plan (ESAP) designed to bridge the identified ESG performance gaps or enhance the project's ESG risk management. The ESAP is always agreed with the project developers and included in the investment contract; and
- an agreement on a project-specific monitoring plan to keep track of Impact and ESG performance of the project over the duration of the investment.

Post-investment, we work closely with all projects as they implement their ESAP. Alongside quarterly reporting requirements, we ensure more comprehensive annual reviews of the performance of individual project with a focus on its key ESG topics. Field visits may be included in the Fund's monitoring to complement the assessment on an ad-hoc basis.



Detailed positive impact indicators

KPI #	Target outcome	Key Performance Indicators	SDG targets
Climate: Climate Change Mitigation and Circular Economy			
KPI-1	Climate change mitigation	Tonnes of CO ₂ saved through SOF investments	13.1
KPI-2	Pollution prevention	Volume of waste treated or valued by the projects	9.4; 12.5; 14.1
Sustainable Productive Land and Seascapes			
KPI-3	Sustainable landscape/seascape management	# hectares of land and seascape under sustainable management	14.2; 14.7; 15.1; 15.2; 15.9
KPI-4	Sustainable production	% enterprises meeting/achieving internationally recognised certifications	12.2; 12.6; 14.4
Natural Ecosystems			
KPI-5	Biodiversity conservation: Habitat	# hectares of land/seascape under strengthened conservation	4.2; 14.5; 15.5
Socio-Economic Development, Livelihoods and Decent Work			
KPI-6	Economic empowerment	# of jobs created or directly supported in coastal communities	1.1; 8.5; 14.7, 14.B
KPI-7	Economic empowerment	# of indirect beneficiaries of the projects supported by SOF(# of non-job livelihoods created/and or supported by project)	1.1; 10.1; 14.7, 14.B

KPI #	Target outcome	Key Performance Indicators	SDG targets
KPI-8	Sustainable enterprise creation	# of new enterprises/organisations created or strengthened by the project	9.3
KPI-9	Long-term enterprise viability	% of enterprises within the project operating on commercially viable basis (all five enterprise viability indicators met)	9.3
KPI-10	Increased access to capital	\$ of additional finance invested into the project as a result of SOF investments	9.3
Inclusion			
KPI-11	Gender equality	% of direct/non-job livelihoods created that are held by women	5.1

The reported data reflect the situation as of the date of this document and are subject to change without notice.
Source: Mirova

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Regulated by AMF under n°GP 02-014

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