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INVESTMENT MANAGERS



Table of contents

Letter from the manager	5
Fund profile	6
The team.....	9
Selected highlights 2022	10
Impact approach	12
Investments	14
Investment map	16
Detailed profiles	
Kampachi Worldwide Holdings.....	18
SafetyNet Technologies	20
Plastics for Change	22
nextProtein	24
Clean Marine Group	26
Biomega.....	28
Turneffe Atoll Sustainability Association - TASA	30
Martec Industries.....	32
JALA.....	34
Chen Woo Fishery	36
Carbon wave	38
Seacorp	40
Marativa.....	42
Bureo Inc	44
Recycling Technologies	46
Impact and ESG engagement	48
Impact investor actions.....	51
ESG excellence and continuous improvement	52
Assessing ESG performance in practice: on-site work	53
Supporting projects over the long term	54
Engagement in practice	55
Knowledge: Supporting internal and collective expertise	56
Engagement in practice: Mirova joins the 1000 Ocean Startups coalition ...	57
Advocacy: Supporting the development of sustainable finance	58
Detailed positive impact indicators	60
About this report	
The Sustainable Ocean Fund Impact Report, produced during 2023, is based on project submission data from 2022 as well as projected data.	



SIMON DENT
Blue Investments
Director

Letter from the manager

Welcome to the 2023 edition of the Sustainable Ocean Fund⁽¹⁾ (SOF) Impact Report. This report covers the impacts achieved by the fund's portfolio companies during the calendar year 2022. SOF was launched in 2018 and was one of the first ocean-focused funds, marking a significant achievement in highlighting the opportunities for blue economy investment both financially, but crucially also environmentally.

In 2022 the team made four new investments - Carbonwave, Aquaproducts, Seacorp and Marativa. These investments focus on new and important areas of ocean impact. For example, Carbonwave collects and provides valuable end-user solutions for Sargassum seaweed which is a significant waste problem for beach communities in the Caribbean and Central America. In Peru, Seacorp is farming sustainable ASC certified scallops. Scallop farming is "zero input" as they do not require any feed or chemicals to grow. In addition, bivalves have significant positive impacts on the ocean, improving water quality, biodiversity and providing carbon and nitrogen sequestration.

Oceans are highly dynamic, interconnected and cover 70% of our planet; around two-thirds of the world's oceans⁽²⁾ – the high seas – are areas beyond national jurisdiction. This brings a shared global responsibility and the need to cooperate

and coordinate across borders to take meaningful action. In March of this year, policymakers at the U.N. finally agreed on a treaty to protect the high seas which will provide a legal framework for establishing marine protected areas (MPAs) and reinforce ocean governance. After 20 years of negotiations, this is a significant international agreement which will protect and reduce the exploitation of the ocean. MPAs are a crucial ocean tool and through TASA in Belize, SOF has provided finance to the Turneffe Atoll Marine Reserve allowing TASA to expand the scientific and enforcement work their rangers undertake, as well as to establish a sustainable fee revenue business model which will ensure that the atoll is managed sustainably on an ongoing basis.

The end of 2022 also marks the end of SOF's formal investment period. The fund has now deployed more than \$100m of impact capital into 16 projects ranging from Indonesia to Latin America and across all three of our target verticals - sustainable seafood, circular blue economy and marine conservation.

We believe that the portfolio highlighted in this report now represents a unique set of impactful deals with commercially viable business models in the blue economy and we are pleased to present our progress over 2022.

SIMON DENT

⁽¹⁾ The Sustainable Ocean Fund is a Luxembourg SICAV-SIF (the Fund) authorised by the Commission de Surveillance du Secteur Financier ("CSSF"), closed to new subscription. Mirova is the Alternative Investment Fund Manager (AIFM) of the Fund and as delegated the portfolio management to Mirova UK.

⁽²⁾ Source: «The 7 principles of ocean literacy», UNESCO.

Fund profile

Sustainable Ocean Fund

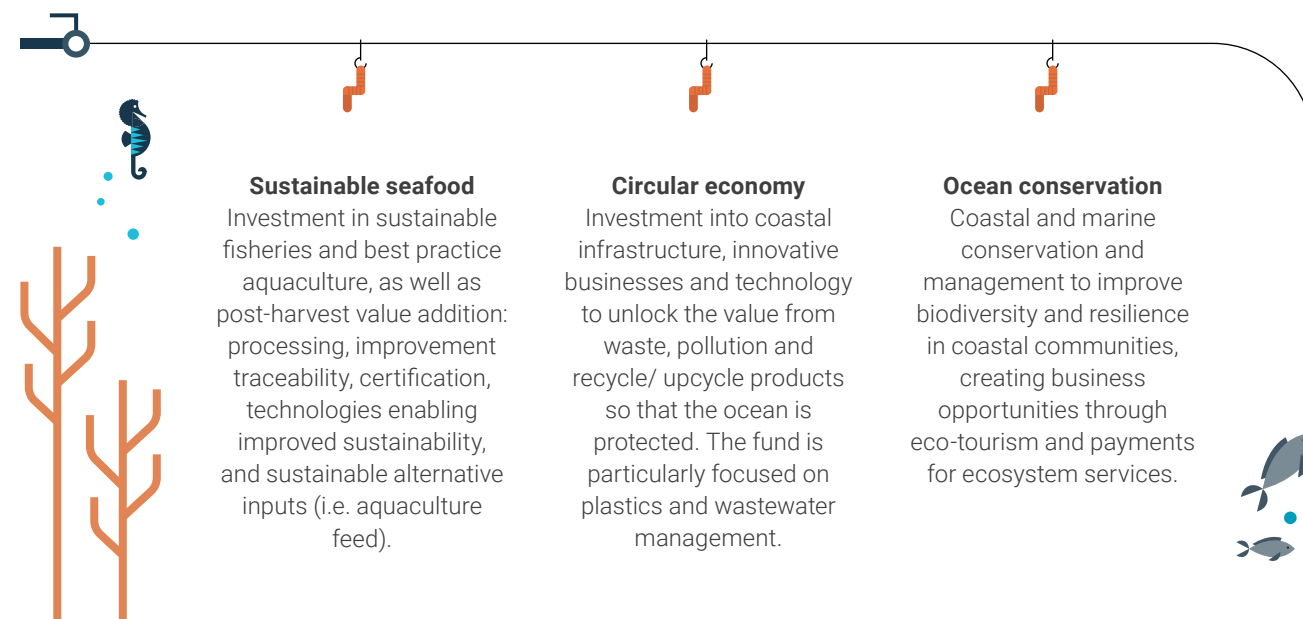
The challenge

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 substantial 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' sources of income and food. This is especially the case in small island developing states and in the global south.

Scope



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The fund⁽¹⁾

	Fund size \$132M
	Fund life 9 years from June 2018, 3.5 years investment period
	Geographies 40% Latin America and Caribbean, 30% Africa, and 30% Asia and Pacific

Sustainable Development Goals (SDGs)



49.2%
of the global production of aquatic animals comes from aquaculture⁽²⁾



492 million
people whose livelihoods depend at least partially on small-scale fisheries⁽³⁾



11 million
tonnes of plastic enter the oceans every year⁽⁴⁾

⁽²⁾ The State of World Fisheries and Aquaculture, FAO (2022)

⁽³⁾ FAO, Duke University & WorldFish. 2023. Illuminating Hidden Harvests – The contributions of small-scale fisheries to sustainable development

⁽⁴⁾ From pollution to solution: a global assessment of marine litter and plastic pollution, UNEP (2021)



The team

SIMON DENT
BLUE INVESTMENTS
DIRECTOR



Simon is the Founder and Principal of the 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.

MAGALI ROUSSELOT
INVESTMENT DIRECTOR



Magali joined Mirova in November 2022 from PWC, with extensive experience in creating financing solutions for corporations operating in challenging business environments, addressing their needs in a sustainable manner and driving positive impacts. In 2007, she joined Agence Française de Développement, the French bilateral development finance institution in charge of financing projects in emerging markets, gaining further experience in structuring debt and equity transactions in emerging markets. As Magali is mostly sector agnostic, she has had the opportunity to execute and monitor transactions in agribusiness, agroforestry and fisheries. Over the last four years she has executed equity transactions in Africa, developing a strong network there. Magali holds a master's degree in corporate finance.

LISA HUBERT
INVESTMENT MANAGER



Lisa joined the SOF team in January 2020 after three years working on deal sourcing, due diligence and structuring of new deals as well as portfolio management for the other Mirova funds.

Lisa covers Latin America and Africa for SOF. She 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.

TRIP O'SHEA
LATIN AMERICA
INVESTMENT DIRECTOR



Trip joined Mirova 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 covers 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 while acting as a liaison with the Mirova ESG team.

Prior to joining Mirova, Antoine worked for almost ten years at the frontier between international development and the fisheries and aquaculture sectors with social enterprises, NGOs (Blue Ventures, Environmental Justice Foundation) and a specialist consultancy, with over seven years based in the field in Madagascar and Ghana working with partners such as the EU, the IFC and the FAO.

BAUDOUIN GOSSELIN
FUND ANALYST



Baudouin has been the fund analyst since September 2022. He participates in portfolio management, sourcing and structuring of new deals including due diligence. His double degree in Corporate Finance and Marine Environment Economics provides him with valuable analytical skills on issues related to the Blue Economy.

Before joining Mirova, he was part of the Global Environment Facility of the World Bank in Southeast Asia, participating in the economic analysis of a Marine Conservation project in eastern Indonesia.

He also volunteers as part of the research team of the Sustainable Development Solutions Network (SDSN) of the Mediterranean area.

Selected highlights 2022

February 2022

The initial investment pre-series A into Carbonwave closed.

May 2022

The investment into Seacorp in Peru closed, promoting sustainable production of scallops.

June 2022

The investment into Marativa closed, supporting sustainable seafood value chain development in Mexico.

June 2022

Mirova announced the acquisition of SunFunder, a specialist in emerging market clean energy and climate investment, accelerating our ambition to become a global leader in impact investing.

September 2022

Mirova became a member of the 2X Collaborative initiative. Launched at the UN Generation Equality Forum 2021 in partnership with GenderSmart and the Investor Leadership Network (ILN), the 2X Collaborative is a leading industry body for gender-lens investing. Its mission is to convene and equip investors to increase the volume and impact of capital flowing towards women's economic empowerment.

October 2022

SOF joined the 1000 Ocean Startups coalition.

December 2022

Mirova participated in the 15th Conference of the Parties (COP) to the Convention for Biological Diversity.

May 2022

A confidential investment to develop a marine ingredient project in Vietnam closed.

June 2022

Mirova released its first Mission Report following the decision to become a mission-driven company in 2020. It describes the translation of the five social and environmental objectives of Mirova's mission into concrete achievements.

September 2022

For the second consecutive year, Mirova was named B Corp Best For The World™. This recognition is awarded by B Lab to certified B Corporations (B Corp) that rank in the top 5% of their category in at least one of the five impact areas assessed.

November 2022

The first edition of the Impact Investors Day brought together clients, speakers and partners to present Mirova's unique approach to impact investing through energy transition infrastructure, natural capital and private equity. This event provided the opportunity to present the innovative investment solutions we have built up over the past ten years and to share our vision for the future.

References to a ranking, prize or label do not anticipate the future results of the latter, or of the fund, or of the manager.

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Impact approach

SOF's priorities from the identification of the investment opportunities through every stage of the investment process and life have a positive impact on the marine environment, a positive impact on society, and 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, supporting sustainable fishing and aquaculture 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 the metrics SOF is monitoring are presented here and will be detailed at project level in the following pages of this report.

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Key indicators consolidated at portfolio level⁽²⁾

	2018	2019	2020	2021	2022
Number of enterprises/ organisations created or strengthened by SOF	1	2	6	11	15
Percentage of enterprises meeting sustainable certification standards	0%	50%	50%	64%	64%
Number of jobs created or supported	47	76	303	1,194	2,499
Percentage of jobs created/ supported that are held by women	15%	17%	34%	41%	37%
Number of hectares of seascape under sustainable management	120 ha	120 ha	120 ha	117,902 ha	134,075 ha
Indirect beneficiaries supported by SOF project	0	0	3,735	11,187	13,133

Source: Mirova

Key impact themes targeted by SOF⁽¹⁾



⁽¹⁾ Please refer to the detailed ESG impact indicators at the end of the report.
⁽²⁾ These figures represent the sum of indicators of all companies in the portfolio, without considering the level of investment of Mirova in each of them. Mirova's investment in projects within the SOF's portfolio is typically between ~18% and ~100% of the total investment raise in individual projects

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Investments

Investments



Kampachi Worldwide Holdings

Mexico
Caribbean & Latam

- Investment status Executed
- Type Sustainable seafood
- Start up/Post revenue Start up
- Activity Marine aquaculture



TASA

Belize
Caribbean & Latam

- Investment status Executed
- Type Marine conservation
- Start up/Post revenue Start up
- Activity Marine Protected Area management



Clean Marine Group

Bahamas
Caribbean & Latam

- Investment status Executed
- Type Circular economy
- Start up/Post revenue Start up
- Activity Port reception facility



Martec Industries

Costa Rica
Caribbean & Latam

- Investment status Executed
- Type Sustainable seafood
- Start up/Post revenue Post revenue
- Activity Marine aquaculture and seafood processing



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 Start up
- Activity Sustainable seafood



Plastics for Change

India
Asia

- Investment status Executed
- Type Circular economy
- Start up/Post revenue Start up
- Activity Fair Trade recycled plastic



nextProtein

Tunisia - Middle East
and North Africa

- Investment status Executed
- Type Sustainable seafood
- Start up/Post revenue Start up
- Activity Insect protein



Carbonwave

Mexico, Puerto Rico
Latam

- Investment status Executed
- Type Circular economy
- Start up/Post revenue Start up
- Activity Seaweed collection and upcycling



Marativa

Mexico
Latam

- Investment status Executed
- Type Sustainable seafood
- Start up/Post revenue Start up
- Activity Seafood sourcing and processing



Seacorp

Peru
Latam

- Investment status Executed
- Type Sustainable seafood
- Start up/Post revenue Post revenue
- Activity Scallops aquaculture and processing



Bureo

Chile
Latam

- Investment status In contracting
- Type Circular economy
- Start up/Post revenue Post revenue
- Activity Fishing net recycling



Confidential

Vietnam
Asia

- Investment status Executed
- Type Circular economy
- Activity Sustainable marine ingredients



JALA Tech

Indonesia
Asia

- Investment status Executed
- Type Sustainable seafood
- Start up/Post revenue Start up
- Activity Aqua-tech

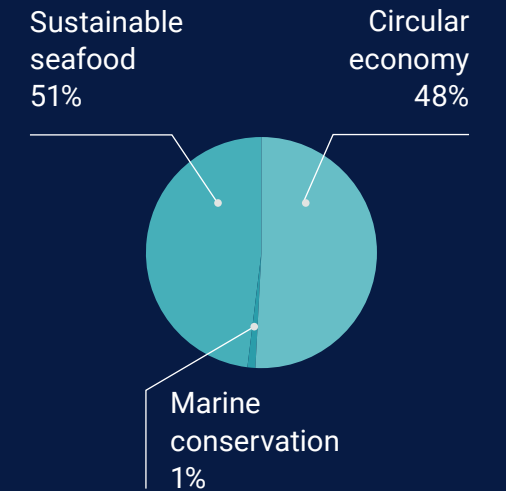


Chen Woo Fishery

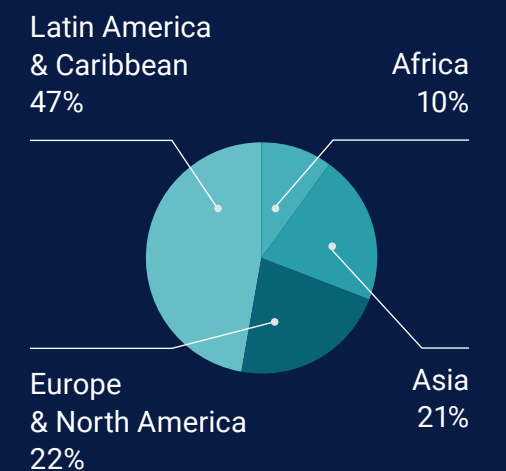
Indonesia
Asia

- Investment status Executed
- Type Sustainable seafood
- Start up/Post revenue Post revenue
- Activity Seafood processing

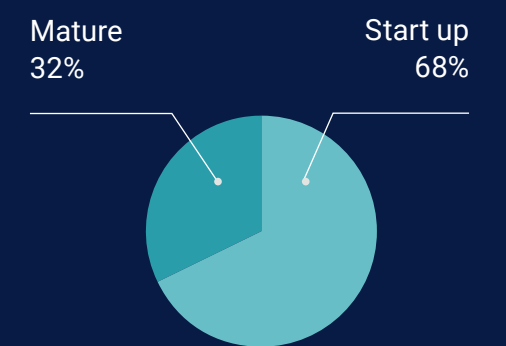
By SOF investment pillar



By region



By business type



Source: Mirova, as of end December 2022.

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Kampachi Worldwide Holdings

Kampachi Worldwide Holdings (KWH) operates an ASC certified 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".

The challenges of the Covid crisis led KWH to adjust its business model to be more resilient to external shocks by mixing export and domestic market sales, and fresh and frozen products.

To further support the post-Covid recovery, improve efficiency and reduce operational risks, the strategic step of merging KWH and Omega Azul, another ASC certified *Seriola* farm located in the same area of La Paz, Mexico, was taken in 2022.

The goal of this merger is for two like-minded *Seriola* farms to combine assets, team and knowledge allowing the merged entity to spread risks and increase efficiency by having access to several farming concessions, two hatchery sites and a common processing plant.

The merged entity will be working with similar attention to social and environmental impact, and an extension of their ASC certification to this new group has been already approved by ASC auditors in Q4 2022.



Impacts

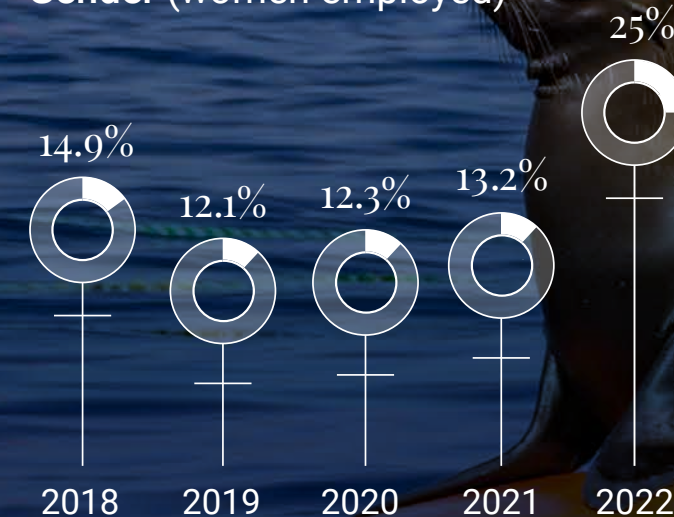


Obtained
ASC
certification
in June 2019

Jobs created or supported



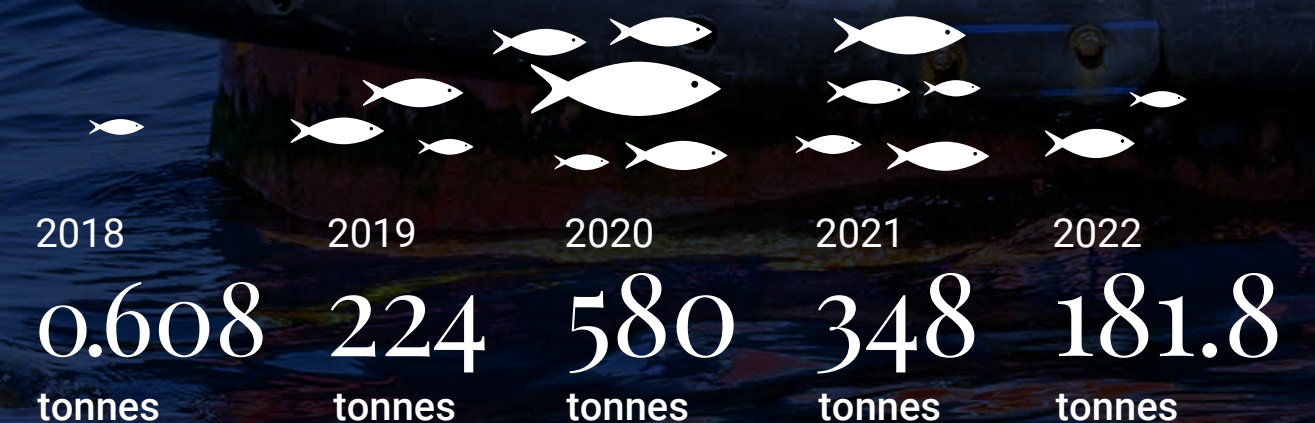
Gender (women employed)



Surface of the farming offshore concession



Production of sustainable fish



SafetyNet Technologies

SafetyNet Technologies (SNTech) is designing technologies and building devices that are aimed at creating a Precision Fishing approach to increase the selectivity of commercial fishing operations, reduce bycatch (including endangered, juvenile, low-market value non-target species) and to help the fishing industry become sustainable.

The company is developing a range of devices to do this with the most commercially advanced being “Pisces”, a collection of LED lights attached to fishing gear. The lights have a range of colours, brightness and illumination patterns which are adjusted to repel the target species or by-catch that needs to be avoided.

SNTech has been busy developing its strategy based on a set of technological solutions around the concept of “Precision Fishing” aimed at improving the efficiency and sustainability of commercial fishing. The approach is built around complementary technologies that would allow the fishermen to understand what is happening underwater, either through direct observation or environmental data collection and to respond to these observations.

A key focus of 2022 was the development and the commercial deployment of CatchCam, a robust, easy to operate underwater camera allowing fishermen to observe fishing gear in operation, including the efficiency of by-catch avoidance solutions, how they interact with the marine habitat and the behaviour of their target species.

Nine commercial and research trials were ongoing in 2022 at a range of fisheries including scallop fishing on the East Coast of the US, trawler vessels in Scotland and a gillnet fishery in Ecuador.



Impacts

309
233
116
84

devices
deployed
in 2022

devices
deployed
in 2021

devices
deployed
in 2020

devices
deployed
in 2019

2022 **9** ongoing trials

2021 **11** ongoing trials

2020 **14** ongoing trials
(6 commercial, 8 scientific)

2019 **12** ongoing trials

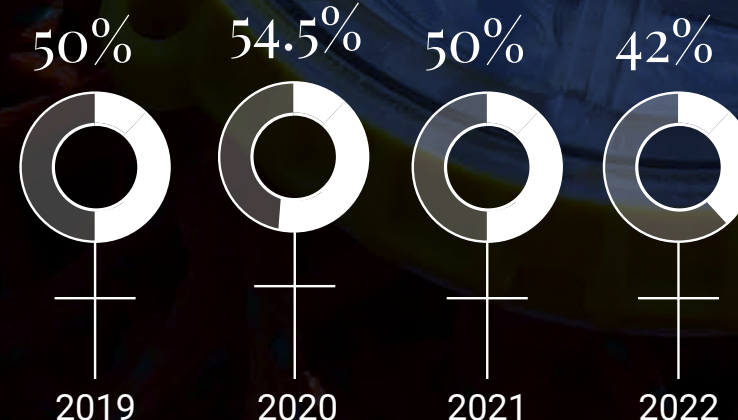
Impact on 83 species studied

Key species

in recent years and ongoing trials on:

cod, haddock,
nephrops (scampi/
langoustine),
scallops, turtles

Gender (women employed)



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, in particular coastal cities, with global companies establishing a more formal and dignified system that helps to manage the social issues associated with the informal waste sector in India.

Plastics for Change continued to expand in 2022, despite turbulent plastic markets related to the rise in fossil fuel prices and the slowdown in the global economy. The volumes of plastic collected nearly doubled from 2021 to 2022, reaching the collection of 4,495 tonnes across seven aggregation centres, mostly located in Indian coastal cities.

PFC also developed partnerships with brands to support their expansion, developing an “adopt a centre” programme where international customers support individual waste aggregation centre development. For example, a centre in Chennai supported by L’Oréal and their “Garnier” brand was inaugurated, highlighting the commitment of international brands to the PFC approach.

PFC plastic has expanded its certification credentials from Fair Trade (World Fair Trade Organisation) and Ocean Bound Plastic (OBP) certification to include Global Recycled Standards (GRS) providing third party verification on recycled content and on social and environmental practices for textile uses of plastics (i.e. recycled polyester).

While the collection of post-consumer plastics for recycling has been increasing, PFC also expanded their “social additionality” programmes. The programme supports waste picking communities and stakeholders with a range of services from financial inclusion to training and skill developments and from health and nutrition to housing.



Impacts

4,495 tonnes

of plastic waste collected for recycling in 2022
Target 2025: 24,000 tonnes - 2020: 882 tonnes -
2021: 2,412 tonnes



7

Waste aggregation centres in 2022
(86% in coastal cities)
2020: 3 - 2021: 6



189

Direct jobs in 2022
(43% women)
24 jobs in 2020
(50% women) - 45 jobs in 2021 (28% women)



4,931

Indirect beneficiaries in 2022 (waste pickers and informal waste workers)
Target 2025: 30,000
2020: 3,735 - 2021: 4,931



>30%

women in leadership, meets 2X criteria
2X Challenge



2,518

direct beneficiaries (education, healthcare, nutrition, training, shelters): from PFC foundation in 2022

Certification



Fair Trade Certified
(World Fair Trade Organisation)



Ocean Bound Plastic (OBP)



Global Recycled Standard (GRS)
NEW

nextProtein

Founded in 2015, nextProtein is a start-up that specialises 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.

Despite the delays associated with the Covid crisis that slowed the Tunisian economy and the roll-out of nextProtein plans, the company progressed in 2022. nextProtein successfully deployed its first pilot production facility in Tunisia and is currently finalising a larger-scale second facility in the same region. Additionally, the company is in the process of setting up its next insect farm in Mexico with plans to break ground by the end of 2023. This will assist with tapping into new geographies and markets, expanding nextProtein model based on relatively low investment level and price competitiveness.

nextProtein mastered all aspects of insect raising and insect protein production at scale in their pilot plant while the industrial scale facility was being built.

The key focus was developing a rigorous Environmental and Social Management System at the company level to formalize best manufacturing practices and set a robust foundation for the ongoing expansion of production.

The company has maintained key certification such as GMP+ Feed for their animal feed products and organic certification for the insect frass sold as fertilizer.



Impacts



83 jobs / 38% women
in 2022

2020: 39 jobs / 49% women

2021: 64 jobs / 41% women



>30%
women in leadership,
meets 2X criteria
2X Challenge



2,500 tonnes
of insect meal (eq. to ~11,000
tonnes of whole fish¹)



40,000 tonnes
of local biowaste recycled

¹ <https://www.iffco.com/evolution-sustainability-metrics-marine-ingredients-0>
Source: Mirova

Clean Marine Group

The Clean Marine Group (CMG) project is establishing a Port Reception Facility (PRF) to collect and treat oily wastes from commercial vessels 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 requirements of the UN International Maritime Organisation's Convention on the Prevention of Pollution from Ships (MARPOL). The process will split oily waste into water and recovered oil that can be sold as fuel, promoting a circular economy approach.

In 2022, CMG's Environmental and Social Impact Assessment was reviewed and finalised, and the extension to the new site in the Grand Bahama industrial port was validated by the Department of Environmental Planning and Protection of the Ministry of the Environment. With these steps in place, the company commenced the final steps of the project.

CMG also finalised the engineering design of their commercial Port Reception Facility (PRF), integrating the latest inputs from the Environmental and Social Management Plan.

Following this long preparation process, which was due to multiple delays that the company experienced due to Covid 19 related disruptions, the construction of the facility commenced in 2022 with the import and installation of the necessary equipment, combining well-established oily wastewater treatment technologies and innovative solutions such as the Mitton Cavitation Reactor.

Construction will be completed by mid-2023. CMG is now expecting to start the operation of their first commercial PRF in Freeport in the third quarter of 2023, serving merchant ships, tankers and cruise ships and recovering oil that would be used for domestic use, promoting a circular economy model.



Impacts

51,930 m³/year

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

29,934 m³/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 unused salmon parts into hydrolysed salmon protein, salmon meals and salmon oils that are used in a range of markets worldwide.

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. The company is also developing human-focused health and nutrition products to increase the value of salmon waste.

2022 was a busy year for Biomega with the building and the commissioning of the new processing plant in Hirsthalls, Denmark, in August. This new facility, in addition to the plant in Norway, allows Biomega to source and value unused salmon parts in Denmark and in Northern Europe - where a substantial portion of the salmon farmed and harvested in Norway is processed.

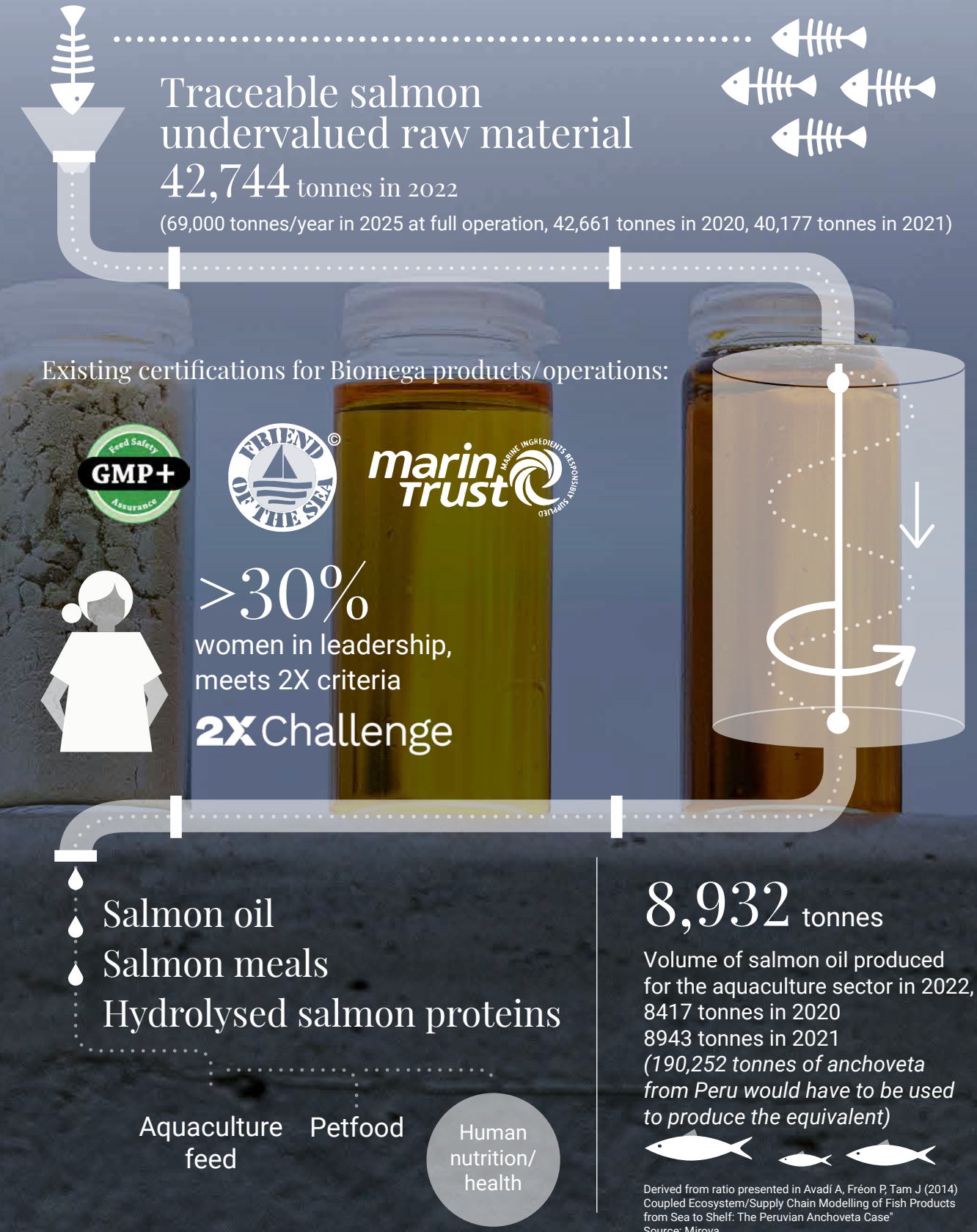
Processing only food-grade salmon-offcuts, the Hirsthalls plant will support the expansion of their human nutrition products line SalMe Peptides. SalMe Peptides is dedicated to human nutraceutical and adding further value to unused salmon parts.

The volumes are still driven by the Skaganeset plant in Norway as the new plant was commissioned recently, but it is expected to see an increase in volumes of unvalued salmon parts processed in the coming months.



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Impacts



Turneffe Atoll Sustainability Association – TASA

TASA was founded in 2013 as an NGO for the purpose of managing the Turneffe Atoll Marine Reserve (TAMR) in Belize, the largest MPA in the country that was 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.

As the official co-manager, TASA implements the marine reserve management plan. This includes the research efforts that inform the plan, the enforcement of the fishery regulations, the education and outreach for TAMR stakeholders and the collection of visitor fees and other reserve activities.



Following SOF and IUCN Blue Natural Capital Financing Facility investment in 2021 and counting on the technical support of the NGO Blue Finance, a range of interventions in the Turneffe Atoll Marine Reserve (TAMR) were deployed to improve the experience of the reserve visitors and better value the natural capital of Turneffe atoll. The interventions were designed to limit the negative impact of tourism and other economic activities on the ecosystem. Following these interventions, TASA was able to roll-out its ecotourism user fee collection program.

TASA managed to double the user fees collected in 2022 compared to 2021 as more of the reserve's resorts came onboard with the program and day tour visitor numbers increased due to an overall

effort to raise awareness of the atoll's natural beauty, including through a new website. This is a very promising result that supports this investment's design to work towards financial autonomy for TASA.

Despite the reserve being hit by hurricane Lisa in November 2022, the TASA team have been able to sustain and expand several conservation activities including conducting over 700 patrols, now supported by a radar, to detect illegal activities, monitor fish spawning aggregations, artisanal fisheries management and terrestrial conservation. Finally, TASA's advocacy efforts led to an increase in the size of TAMR by 12% - the reserve now covers 147,056 ha.

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Impacts

Turneffe Atoll Marine reserve

147,056 ha
(+15366 ha extension in 2022)

15,408 ha
(12%)
under full protection

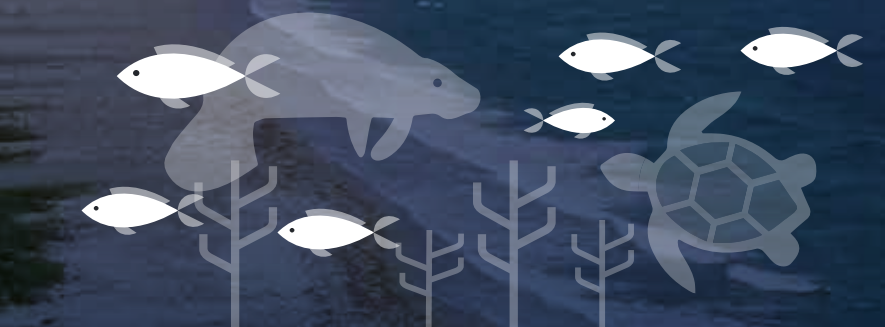
11,000 ha
mangroves with blue carbon credits potential

\$150,373
Users fees collected to fund conservation efforts in 2022
\$75,000 in 2021

>30%
women in leadership,
meets 2X criteria
2X Challenge

Biodiversity protection:

> 260 fish species including endangered Nassau and Goliath groupers and hammerhead sharks



30 species in the IUCN red list

48 coral species including critically endangered staghorn and elkhorn coral

10 mammal species including American manatee

16 reptile species including 4 species of marine turtles and nesting ground for American crocodiles

Multi-uses reserves

Artisanal fisheries
1,285
licensed artisanal fishers

Ecotourism: Scuba diving and sport fly-fishing (bonefish, permit, tarpon)
3,200
stay-over tourists
300 tour guides
16 tour operators in 2022

Surveillance of the reserve

1,298
patrols in 2022, controls of fishing vessels, fishing camps, hotels and tourists
2020: 867 - 2021: 982

Source: Mirova

Martec Industries / Aquafoods group

Martec Industries was established in Quepos in 1982 and is now Costa Rica's largest marine seafood exporter. 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.

Following the change of leadership in 2019, momentum gathered to turn Martec into a key player in the sustainable seafood segment in Central America. 2022 saw further development with the acquisition of Grupo ACI, a leader in sustainable tilapia production in Costa Rica, in addition to the creation of a new holding company: Aquafoods group.

Martec's scope increased substantially in 2022 with the acquisition of Grupo ACI now with three main activities operating under the Aquafoods group: marine aquaculture of rosy snapper, wild capture fisheries sourcing and processing and tilapia integrated production.

► **Marine aquaculture:** the rose snapper farm in Quepos continued to increase in 2022 reaching the production of 1,050 tonnes of fish while maintaining their Best Aquaculture Practices certification for farming operations (and aiming at ASC certification in July 2023).

► **Wild capture fisheries:** efforts in sourcing sustainably caught large pelagic fish (yellowfin tuna, mahi mahi and swordfish) from artisanal longline fishers to implement improvements on water were maintained. The Fishery Improvement Project expanded from Costa Rica to Eastern Pacific, to include Panama and Ecuador where Martec is sourcing fish. Several key

improvements were made including the deployment of electronic monitoring systems onboard a selection of vessels providing key updates on the impact of fisheries on by-catch species. Improvements are supported by the Pesca+ program set up by Martec that rewards vessels engaging in sustainable practices.

► **Tilapia Aquaculture:** The acquisition of Grupo ACI incorporated a key player in sustainable tilapia production into the group. The entity includes a hatchery, nursery, grow-out farm and processing plant, and feed production producing over 13,500 tonnes of BAP and ASC certified tilapia for both export and domestic markets.

The shift from Martec to Aquafoods and the major expansion of the activities of the group last year offer a wonderful opportunity to build upon the experiences of the different entities of the group. The creation of this unique structure promotes best practices across a wide range of facets of the sustainable seafood sector in Central America.



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Impacts

Martec Industries / Aquafoods group

Fisheries

Expansion of the Fishery Improvement Project led by Martec and aiming for MSC certification, now including Panama and Ecuador

Sourcing fish from :

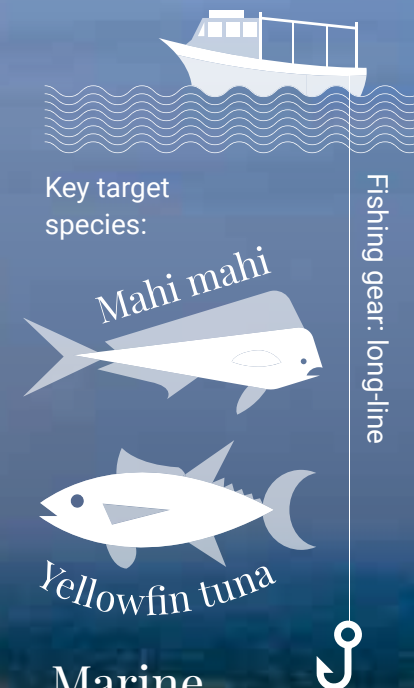
500
artisanal vessels/
benefiting to
2,250 fishers



Marine concession of
1,050 tonnes
2020: 680 tonnes
2021: 900 tonnes
Target 2025: 5,800 tonnes

Processing plant with
40 tonnes/
capacity/day

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



Marine
aquaculture
Species: Rosy Snapper

504 employees
/ 25% women in 2022
350 employees
/ 25% women in 2021

Certifications¹



ACI Group (new acquisition)

Overall impact:



619
employees /
24% women in 2022



Continental
aquaculture:
Species: tilapia

13,564
tonnes in 2022



Farm surface (ponds):
560 ha

Certifications¹



JALA

JALA is an aquatech company founded by a team of Indonesian entrepreneurs, with headquarters and operations in Indonesia. JALA offers a set of data-driven solutions to shrimp farmers. Its technologies contribute to the sustainability of the shrimp aquaculture sector, preventing disease, reducing mortalities and improving farming practices, efficient use of inputs, access to market and traceability.

JALA targets all the segments of shrimp aquaculture in Indonesia and broadly in SE Asia, with a particular focus on small and medium scale farmers where efficient uses of farms and traceability are not optimal.

Over the past year, JALA made substantial progress in the deployment of their solutions across Indonesia's extensive and highly fragmented shrimp farming industry. JALA increased the volumes of shrimp traded on the JALA marketplace by nearly five times in addition to increasing the onboarding of new farmers and new ponds. This reflects the efficiency of the JALA solutions in connecting shrimp producers and markets and allowing these transactions to be documented and traceable thereby supporting a shift in the industry towards a more transparent and formal way of operating.

JALA also tested their farm management services with a selection of pilot users in 2022. Useful lessons were learnt on how to improve their approach moving forward that looks at implementing a contract farming model better suited for the Indonesian context.

Finally, JALA developed a range of impact-oriented activities directed at small scale shrimp farmers. These included the development of three community hubs dedicated to shrimp stakeholders, the set-up of training and improvement programs for farmers and the development and integration of a sustainable shrimp farming curriculum into fisheries' vocational schools.



Impacts

Marketplace: 4,418 tonnes

shrimp traded in 2022

2021: 900 tonnes of shrimp traded - launched end 2020



151

direct jobs in 2022

(39% women)

2021: 40 (34% women)

2020: 32 (28% women)

Target for 2025: 287

(40% women)

15,809

active users in 2022, registered related to JALA apps - 2021: 11,224 active users - 2020 : 415 active users



29,708 ponds
in 9,630 farms in 2022,

2021: 7,047 farms / 22,417 ponds registered

2020: 4,582 farms / 14,799 ponds registered



>30%

women in leadership,
meets 2X criteria

2X Challenge

Source: Mirova

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Chen Woo Fishery

Chen Woo Fishery started its operations in 2001 in Indonesia focusing on sourcing and trading fish from local fishers. Over time, CWF has specialized in yellow-fin tuna sourced from the handline artisanal fishery in central and western Indonesia.

The company processes the tuna into value added products in-country and then exports to the USA and Japan where it sells to the retail and food service sectors. The investment from SOF supports company development, in particular the setup of a new processing facility closer to the fishing grounds they are sourcing from resulting in reduced costs and increased value for the fishers.

CWF has reinforced its position as a key player in sustainable tuna in Indonesia, securing its supply of MSC certified yellowfin tuna for the Manado plant. As a member of AP2HI, CWF supports this Indonesia tuna producer association progress towards the expansion of the MSC certification for the artisanal tuna fisheries to additional Fishery Management Areas in Indonesia.

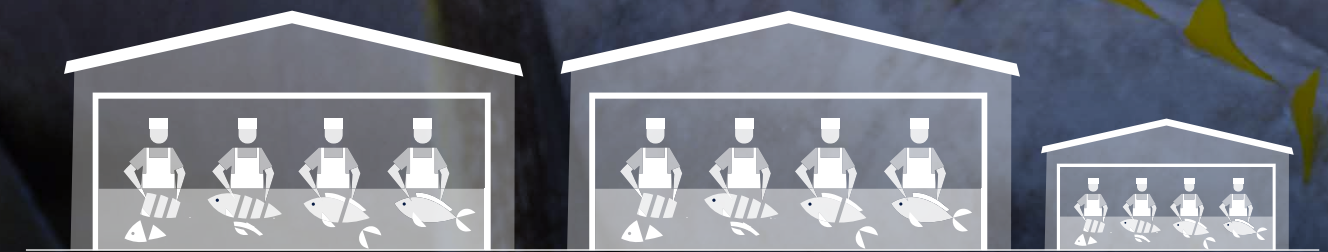
With its current processing capacity, CWF sources from over 4,500 local artisanal handline fishers, allowing them to access high-value markets in the US, Japan and Europe. Beyond the revenues created for fishers, CWF is also creating over 500 direct jobs in their plants, capturing value locally from tuna landed in Indonesia by processing them into retail ready/ value-added products for export markets. With the new plant in Jayapura built in 2022 and expected to enter full production in 2023, benefits to fishers and the creation of jobs will increase further in the coming years.

Finally, to ensure optimal use of the fisheries resources, CWF, with the support of SOF, is entering into a program to value its processing by-products in each of its plants, ensuring a near-to-zero-waste approach to tuna processing.

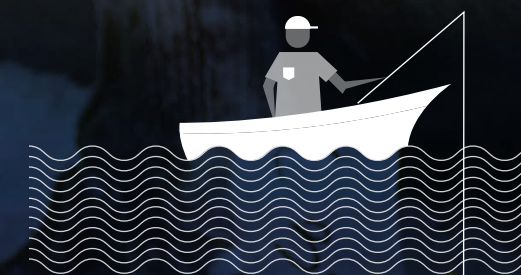


Impacts

2 active factories
+ 1 being finalised
(operational in 2023)



520
jobs created/
supported in
2022
412 in 2021



Handline caught
yellowfin tuna Fishery
MSC certified or in
active FIP



4,534
artisanal fishermen
benefit from the
company in 2022 -
2021: 2,700 fishers



AP2HI
Indonesian Pole & Line
and Handline Fisheries Association



BRCS | Food
Safety



yellowfin tuna



677
local fishing
vessels
in 2022 - 2021: 332

Carbonwave

Carbonwave is a business dedicated to upcycling the Sargassum seaweed that is increasingly being washed out off the coast of the Caribbean region. The company is operating in Mexico and Puerto Rico in the collection and the processing of fresh sargassum seaweed into a range of biobased products including bio-stimulant for agriculture and emulsifier for green beauty markets.

The company is also currently in the last stages of issuing carbon credits with Gold Standard to reward the CO₂ avoided from valuing Sargassum seaweed instead of letting it degrade on the shore or in landfill.



Sargassum seaweed includes several species of pelagic brown seaweed that occurs naturally in the Caribbean and Tropical Atlantic Ocean regions and have grown in the Sargasso Sea for centuries. However, since 2011 mass blooms of Sargassum started to occur washing out considerable biomass off the Caribbean coasts with volumes and frequencies increasing. Sargassum events have adverse impacts on ecosystems, human health and local economies, contaminating beaches and emitting toxic gases as the seaweed decomposes.

Carbonwave is a start-up registered as a public benefit corporation, headquartered in the USA and operating currently in Mexico and Puerto Rico. The business model is based on the recovery of wild sargassum seaweed and processing it into value-added products ranging from biostimulant for agriculture to seaweed-derived products for cosmetic sectors and from bioplastics to leather alternatives and other biomaterials.

The company is taking a circular economy approach, creating high value products from Sargassum seaweed. C-Combinator has a primary processing unit in Quintana Roo State, Mexico, close to the source of raw material, processing fresh wet seaweed into the bio-stimulant and a pre-processed stable pulp phase. The pulp produced from the primary treatment will then be processed further in the C-Combinator Puerto Rico facility, to produce higher-value products, such as emulsifiers for cosmetics, vegan leather, bioplastics and other more refined products.

The company is also working with [Gold Standard](#) on the development of a carbon credit methodology, where the GHG emissions avoided by diverting Sargassum from decomposing to being processed by Carbonwave will be valued as carbon credits.

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Impacts



100,000 tonnes
seaweed to be collected

5,800 tonnes seaweed
to be processed
(forecast amount between 2022 and 2025)



45 jobs / 29% women
in 2022

Certifications



Seabalance (emulsifier for cosmetic): approved by COSMOS



Sarga AgriScience: 2 products OMRI certified (OMRI: Organic Materials Review Institute)

Source: Mirova



CO₂
avoided by
recycling
Sargasso
seaweed
instead of leaving
it to degrade on the
coast or in landfill
sites

Seacorp

Seacorp Peru S.A.C. is a Peruvian family run company dedicated to the farming, sourcing, processing and distribution of the Peruvian Calico scallop (*Argopecten purpuratus*).

The company manages the whole production cycle of the Peruvian scallops – producing spats in their land-based operations before growing them at sea in their own maritime concessions or in concessions leased to fisherman associations, in the Sechura Bay, Northern Peru. The company also sources from local fisherman associations. After harvest, scallops are shucked and cleaned and packed before being frozen to be exported to the US and Europe.

Seacorp allows SOF to enter the shellfish aquaculture sector, one of the most sustainable aquaculture systems currently in existence. This investment provides enormous potential for the creation of jobs and benefits to the local communities. The scallop cluster in Sechura is the driving force for the local economy, creating exports of over \$120m per year and providing income for over 40,000 families.

From an environmental standpoint, Peruvian scallop aquaculture require low inputs (no feed is required), it generates no water pollution unlike finfish cage farming and can be seen as having a positive impact by filtering water and promoting biodiversity on the farms. Seacorp is also producing its own spat in its hatchery powered using wind energy and is planning not to rely on wild-harvested juveniles for their farms and the cooperatives they support.

In terms of social impact, the company is creating local jobs with their current operation and building a factory with SOF investment will increase this number over the project's life. Seacorp's model also benefits communities with the production partly outsourced to local fishers' associations that are provided with spats from Seacorp hatchery and technical assistance.

In 2022 Seacorp obtained the ASC certification for a portion of their farms, reflecting best practices throughout their operations and setting up a basis for further certifications.



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Impacts

635 ha of marine concessions
(owned or in partnerships with cooperatives)

1,766 tonnes of scallops produced or locally sourced in 2022



ASC certification obtained
(for 2 concessions with suspended culture model)

Source: Mirova

Marativa

Marativa is a seafood company based in Mazatlan, Mexico, sourcing, processing and marketing seafood products for domestic and export markets from artisanal fisheries.

The company is adding value locally to the seafood sourced, processing them into ready-to-cook, ready-to-eat products and is promoting sustainable practices, with a particular emphasis on the Fair Trade approach.

The company currently focuses on two flagship species, the Mexican Blue Shrimp (Sinaloa) and the Red Octopus (Yucatan).

Marativa is a new company, building on the experience of its founding team in the sustainable seafood sector. The company operates a processing plant in the port of Mazatlan where seafood sourced directly from artisanal fishers is processed into value-added products.

The model promoted by Marativa is built around direct sourcing from small-scale fisher cooperatives, developing long-term relationships with them and eventually reaching Fair Trade certification. Five artisanal shrimp fishers' cooperatives in Sinaloa were certified in 2022 involving 713 fishers.

Marativa is focused on value addition and retail-ready packaging, capturing more value in Mexico and increasing direct job creation in their factory.

The company is young but growing fast and is rolling out sustainability initiatives. Starting with Fair Trade they will then include a company-led Fishery Improvement Project (FIP) on the Yucatan artisanal octopus' fishery to promote good management of the resource.



Impacts



164 employees /

39% women in 2022



>30% women in leadership, meets 2X criteria

2X Challenge



Certification:
Fair Trade

Bureo Inc.

Bureo upcycles end-of-life fishing nets into high-quality raw materials (rHDPE, rNylon fabrics) to be used in the outdoors and apparels industry.

The company is operating in Chile and expanding across the Pacific coast of Latin America. Bureo is developing partnerships with artisanal and commercial fishers offering safe end-of-life disposal for disused fishing nets creating new revenues and community projects for coastal communities.

Bureo is a B Corp Certified company founded in 2013 with the objective to recycle discarded polymer-based fishing nets to avoid marine pollution that often results from mishandling of end of life gear. While the company is headquartered in the US, operations are mostly based in the Latam region, with an historical focus on Chile before expanding to Argentina, Peru, Ecuador and Mexico.

The company's business model was initially based on the direct sales of branded end products but following work with their strategic partner, Patagonia, and supply-chain players they developed 100% traceable recycled fishing net raw materials. These materials are used in the outdoor and apparel industry with a focus on hard plastics (rHDPE) and recycled nylon fabrics. These raw materials are branded by Bureo as "NetPlus" with a licensing fee model for brands to use the NetPlus logo and story.

Bureo is working with over 70 fisheries across six countries and is planning to use the investment round supported by SOF to expand its net sourcing capacity. Bureo is aiming to exceed 5,000 tonnes of net collected by 2027. In addition to offering a compliant and virtuous solution to end-of-life fishing nets, Bureo is developing community projects in partnership with the fishing companies it is sourcing from focusing on sanitation, renewable energy, and environmental conservation and restoration. Bureo's model also creates an additional source of income for artisanal fishers by buying their nets.



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Recycling Technologies

Sadly, as a result of insurmountable financial challenges Recycling Technologies fell into administration in early Q3 2022 and Interpath Advisory (KPMG) was appointed as Administrators for the business.

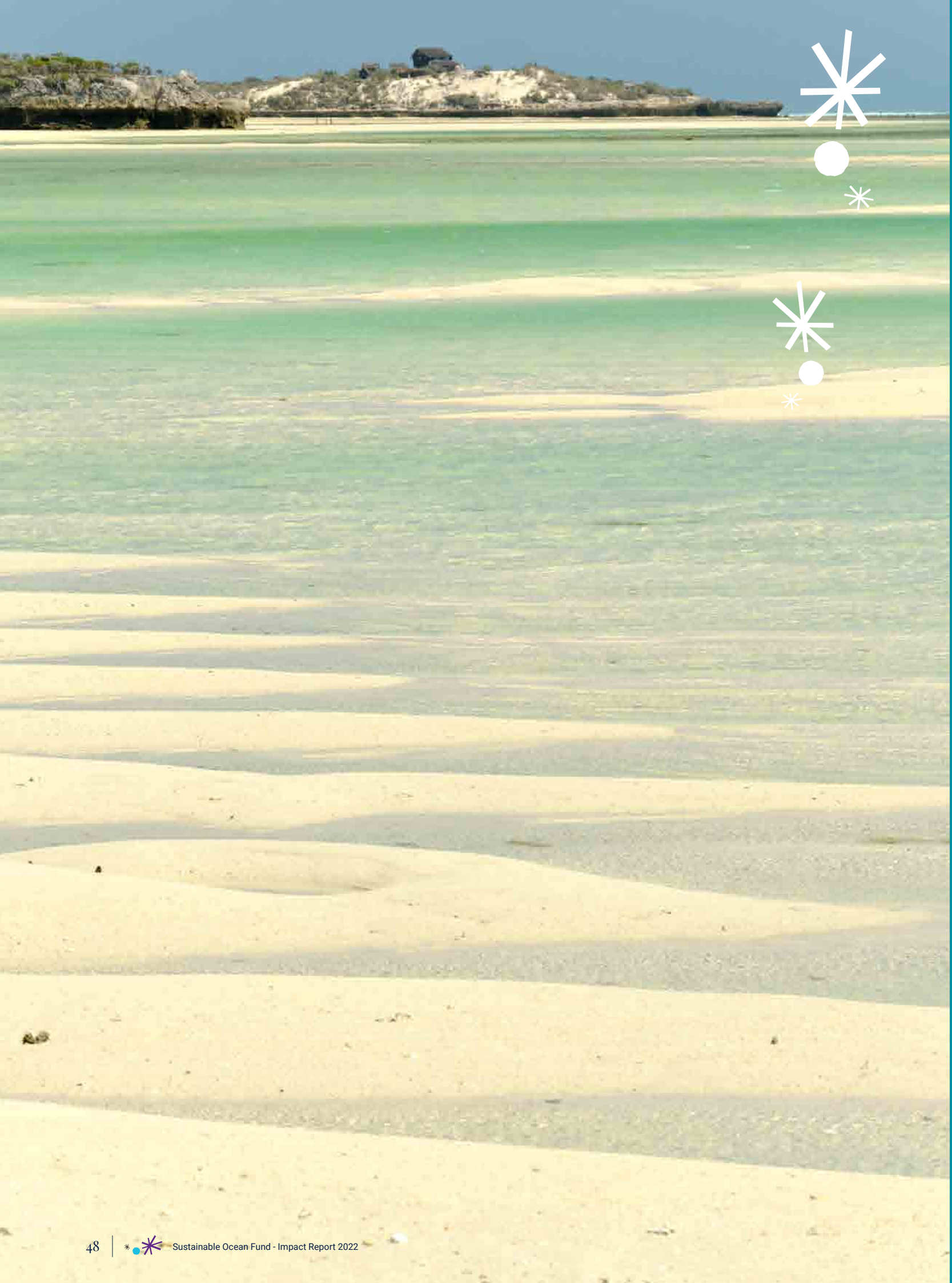
RT was SOF's 3rd investment, made in early 2020, with a plastic recycling technology still under development, but alongside a strategic player Neste.

Due notably to the covid pandemic, the initial investments did not allow the project to be carried out within the indicated budget. The company's investors supported the business through the pandemic but the failure of additional fund raising and the eventual withdrawal of a private equity investor in late September 2022 put RT in a cash constrained position.

Some selected assets and IP were eventually sold by the Administrators at the end of 2022.



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Impact and ESG engagement

Impact investor actions

Acting as a responsible impact investor implies directing investments towards companies and projects that contribute to sustainable development goals, but also demonstrate an advanced understanding and management of environmental, social and governance (ESG) risks.

Beyond that, Mirova works in multiple ways to strengthen its impact and contribute to the transition to a more sustainable economy.

- 1 Maintaining regular individual engagement with each project or company we support, in order to **support the continuous improvement of practices**
- 2 **Advancing knowledge and expertise on sustainable development issues**, both internally and collectively, notably through support for academic and applied research
- 3 **Promoting the development of sustainable finance**, through participation in market forums and advocacy actions
- 4 **Supporting impact initiatives on issues that are not accessible through our current investment strategies**, through philanthropic actions

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ESG excellence and continuous improvement

The Sustainable Ocean Fund's (SOF) investments are driven by positive social and environmental impacts, but 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 investment 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.

SOF ESG Standards

SOF assesses each potential investment project against applicable exclusion lists and ESG risk and minimum performance criteria. These ESG assessments of projects are based on the [Mirova Natural Capital \(Mirova\) ESG Policy](#) as well as on the SOF ESG Annex that state the platforms and fund's commitments and expectations in terms of ESG performance.

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 when 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 3-step process:

- 1 **Both the pre-investment assessment and the post-investment monitoring of projects involves collaboration between SOF Marine Technical Director and Senior ESG Specialists in the Mirova ESG team, supported often by technical or local external experts whenever relevant, in order to deliver a preliminary ESG analysis of its potential eligibility in the Fund's mandate.**
- 2 **A desktop review complemented by exchanges 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.**
- 3 **Full ESG Due Diligence including site-visits and detailed document review. This step may involve the recruitment of external experts or local support.**

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Assessing ESG performance in practice: on-site work

To assess the level of ESG risks of an investment opportunity during the due diligence phase, and to monitor performance and effective implementation of an ESAP, site visits by the ESG team have a key role.

Site visits are essential for the team to review the risks on the ground and how they are managed by the companies SOF is investing in. They also reinforce the relationships with management and ESG-dedicated team members on site.

During the past year, the ESG team managed to visit a number of project sites:

- ▶ To follow the ESAP progress and visit Martec (a recent acquisition) ahead of a follow-on investment from the fund, the team travelled to Costa Rica to review the marine aquaculture and seafood processing operations and the continental aquaculture operations.
- ▶ As part of the ESG and technical due diligence ahead of the investment in Marativa, Antoine Rougier travelled to Mexico to meet with management, visit the factory and targeted fisheries. This informed the due diligence and the ESAP included in the contract.
- ▶ On the monitoring side of the ESG risks management, Kevin Whittington Jones travelled to Indonesia to spend some time on the ground with the Chen Woo Fishery and the JALA tech teams to review the ESAP implementation as well as progress in the constructions and expansion of the projects.

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Supporting projects over the long term

Our ambition is to support the improvement of ESG practices in the projects and companies we support.

This involves active monitoring, regular engagement and a presence with developers.

Following pre-investment due diligence, an Environmental and Social Action Plan (ESAP) is designed to identify ESG performance gaps or improve the project's ESG risk management. The ESAP is always agreed with the project sponsors and included in the investment contract.

In addition, a project-specific monitoring plan is defined to track the project's ESG impact and performance throughout the life of the investment.

Defining the implementation of the action plans prior to the investment is an important part of the work. This ensures effective environmental and social risk management reinforcement. A quarterly follow-up of the progress of these action plans is systematically set up to monitor progress.

Alongside these quarterly reporting requirements, we carry out a comprehensive annual review of individual project performance 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, and to ensure we remain in close contact with local operations.

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Engagement in practice:

Case of JALA Tech, Indonesia

JALA Tech (JALA) is an Aquatech company providing data-driven solutions to shrimp farmers in Indonesia in order to improve the traceability, efficiency and sustainability of the value chain. The company started as a software and hardware start-up with a focus on water quality monitoring and farm management.

Today, JALA's activities include (i) farm management solutions with IoT connected hardware and a farm management software (mainly using a data collection and client acquisition tool), (ii) a trading platform with fintech solutions, and (iii) a farm financing solution with direct farm management intervention.

As for every investment of the Sustainable Ocean Fund (SOF), a detailed ESG due diligence was undertaken prior to the investment into JALA and this resulted in the development of an Environmental and Social Action Plan (ESAP) to address the ESG performance gaps that were identified. Typically, the IFC Performance Standards and associated sector-specific E&S guidelines are applied as the best practice benchmark. The ESAP, which specified interventions to enhance impact and ESG performance and target timelines for each, was then included as an obligation in the investment agreement.

Prior to investment by Mirova's SOF and as a relatively young company, JALA's exposure to the requirements of ESG international best practice was relatively limited.

Consequently, the ESAP was ambitious and key areas of focus included building internal ESG management capacity, implementing the Environmental and Social Management System (ESMS) and enhancing the management of E&S risks associated with the shrimp aquaculture farms being managed by JALA. Certification of their farms against sustainable aquaculture standards over time was also included.

Since the investment, the SOF team, Mirova's ESG specialist in charge of the project and an ESG Specialist from a co-investor and the Meloy Fund for Sustainable Community Fisheries (the Meloy Fund), have been in regular contact with JALA's team to provide guidance and monitor progress related to the ESAP. Over 2022, JALA demonstrated a deep commitment to enhancing its ESG practices and has made particularly good progress across a range of ESAP items. Noteworthy achievements include the appointment of a full-time ESG Manager in May 2022, the development of a range of ESG policies and procedures and the development of an effluent quality monitoring program for the aquaculture farms. In addition, through the Meloy Fund Technical Assistance Facility, JALA scaled the roll-out of a Gender Action Learning System (GALS) with smallholder farmers and their wives – a community-led empowerment methodology that uses principles of inclusion to improve income, food, and nutrition security of vulnerable people in a gender-equitable way.

Our Gender Approach: 2X Challenge initiative

The 2X Challenge was founded by the Development Finance Institutions (DFIs) from the G7. The 2X Challenge is a call to action to channel more capital towards investments that empower women in developing countries and enable them to access entrepreneurship and leadership opportunities, quality jobs, and products and services that enhance their economic participation.

The 2X Criteria developed by the 2X Challenge provides a powerful framework for investors globally to identify business opportunities along an entire value chain.

Six projects in the SOF Fund portfolio (nextProtein, JALA Tech, Plastics for Change, Biomega, Turneffe Atoll Sustainability Association, Marativa), meet the 2X criteria on leadership, qualifying the SOF Fund for the initiative's 5th criterion.

2XChallenge

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Knowledge: Supporting internal and collective expertise

Internally, maintaining and deepening our expertise

Mirova's Sustainability Research team is one of the most developed in the industry, with over 15 dedicated sector analysts.

Three senior Impact & ESG analysts are dedicated to natural capital strategies, including SOF, in addition to a technical director dedicated to the SOF strategy and also contributing to I&ESG issues.

Externally, contribute to the development of knowledge and best practices

Because the financial sector is still in the process of taking environmental and social issues into account, and because ecosystem issues have not yet been mastered, particularly those relating to marine ecosystems, it is essential to contribute to the development of scientific knowledge and to help advance the practices of the impact finance sector.

This is achieved through participation in a variety of initiatives and partnerships. These include sector working groups, where impact finance actors can exchange best practices and innovate to better integrate conservation and restoration of nature into their strategies and operations.

As an example, Mirova has developed a partnership with Wetland International, in order to deepen the understanding of key risks and opportunities of environmental benefits behind mangrove protection and restoration activities and develop an operational guide to help developers identify the parameters that need to be considered in order to implement projects that maximize their chances of success.



SARAH MAILLARD
Head of sustainability
research, private markets



KEVIN WHITTINGTON-JONES
Sustainable ocean use and
forestry



ANTOINE ROUGIER*
Technical director,
Sustainable Ocean Fund



XAVIER COLLET
Sustainable land use and
Agriculture



AMANDINE CARRAGE
Environmental assets
creation and conservation

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Engagement in practice: Mirova joins the 1000 Ocean Startups coalition

Ocean-focused impact investment is a growing trend, and the sector is now composed of numerous impact funds, VCs and incubators sharing similar visions and objectives. 1000 Ocean Startups was designed as a coalition to bring together key players in the Ocean investment sector to accelerate Ocean impact and innovation.

The coalition was launched in May 2021 and brings together the global ecosystem of incubators, accelerators, competitions, matching platforms and VCs supporting startups for ocean impact, with Mirova joining in October 2022. The 1000 Ocean Startups' objective is to scale 1000 transformative startups during the 'ocean decade' to restore ocean health and achieve SDG14.

To achieve its objectives, the coalition is aiming to build synergies in the ocean startup ecosystems and to improve and harmonise approaches in the sector. A key achievement of the coalition is the launch of the Ocean Impact Navigator, aiming to set up a common framework for impact investors to assess and report the positive impacts of investments.



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Advocacy:

Supporting the development of sustainable finance

Climate and biodiversity

Mirova is actively engaged through its research and advocacy activities in contributing to the development of sustainable finance.

Our advocacy activity consists of exchanging views with regulators and stakeholders based on our daily experience as a committed investor, and taking a position to promote regulatory and market provisions that are favorable to the financing of the ecological and social transition.

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Over the past five years, Mirova has been particularly active at the European and French government level, supporting European regulators in the development and deployment of a sustainable finance action plan.

In connection with its natural capital activities, particularly on the subjects of carbon sinks and agro-ecological transition, Mirova is involved



in several initiatives such as the Taskforce on Nature-related Financial Disclosure (TNFD) and the Finance for Biodiversity Pledge (the Pledge). The TNFD publishes recommendations on biodiversity reporting for both companies and investors. The Pledge is intended to be the voice of an ambitious financial sector for biodiversity initiative and a call to set specific targets for mobilising investments in the post-2020 CBD framework was issued in September 2021. Mirova has also joined the Natural Capital Investment Alliance, created created by King Charles III when he was the Prince of Wales, which aims to unite ambitious fund managers to promote natural capital as a leading investment theme in portfolio allocations.



All of our advocacy efforts are reported in [Mirova's engagement report](#), and all of our responses to regulators' questions are public.



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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

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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, as of end December 2022.

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