

Bonafide and the Sustainable Blue Economy Finance Principles

What are the Sustainable Blue Economy Finance Principles?

“The Sustainable Blue Economy Finance Principles are the foundational keystone to invest in the ocean economy. Launched in 2018, they are the world’s first global guiding framework for banks, insurers and investors to finance a sustainable blue economy. They promote the implementation of SDG 14 (Life Below Water), and set out ocean-specific standards, allowing the financial industry to mainstream sustainability of ocean-based sectors.

The principles were developed by the European Commission, WWF, the World Resources Institute (WRI) and the European Investment Bank (EIB) and are hosted by UNEP FI as part of the Sustainable Blue Economy Finance Initiative.”

Source: UNEP Finance Initiative

How is Bonafide contributing to the Sustainable Blue Economy Finance Principles?

Bonafide is a founding member of the United Nations' Sustainable Blue Finance Initiative. Its contribution to each of the principles can be briefly summarized as follows:

1. Protective

We will support investments, activities and projects that take all possible measures to restore, protect or maintain the diversity, productivity, resilience, core functions, value and the overall health of marine ecosystems, as well as the livelihoods and communities dependent upon them.

- As an asset manager exclusively focused on the fish & seafood value chain, healthy oceans are essential to Bonafide’s long-term success. Of the three major threats facing our oceans (climate change, pollution and overexploitation), we target with our funds primarily the issue of overfishing. By supporting the development of an increasingly sustainable aquaculture industry, we hope to relieve global fishing pressures, establish seafood as a sustainable source of protein and contribute to a more sustainable food system in general, as stated in **Bonafide’s investment philosophy**.

2. Compliant

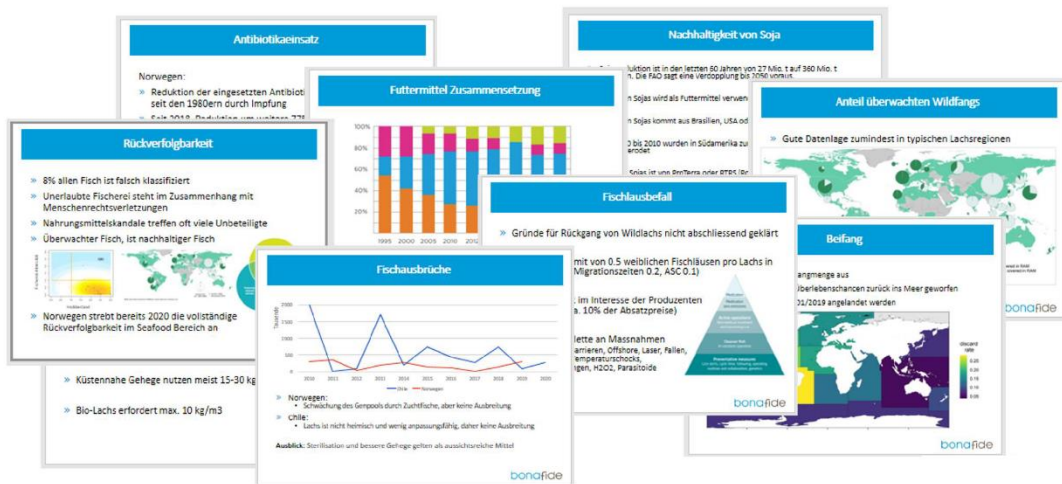
We will support investments, activities and projects that are compliant with international, regional, national legal and other relevant frameworks which underpin sustainable development and ocean health.

- Our investment focus on publicly-traded food companies ensures that investee companies adhere to high regulatory standards, as confirmed by regular audits of their operations.
- The industry’s aspiration to go beyond the legally required minimum and meet sustainability best practices, as indicated by the growing adoption of voluntary certificates such as ASC, MSC, GAP, BAP, ProTerra and RTRS in the seafood sector, is viewed positively by us.

3. Risk-aware

We will endeavour to base our investment decisions on holistic and long-term assessments that account for economic, social and environmental values, quantified risks and systemic impacts and will adapt our decision-making processes and activities to reflect new knowledge of the potential risks, cumulative impacts and opportunities associated with our business activities.

- As an asset manager focused exclusively on the fish & seafood sector, we conduct in-depth analyses of industry-specific risks, such as the use of antibiotics in salmon farming, deforestation risk in soy protein, measures against sea lice, aquafeed composition, and traceability of wild fish.



4. Systemic

We will endeavour to identify the systemic and cumulative impacts of our investments, activities and projects across value chains.

5. Inclusive

We will support investments, activities and projects that include, support and enhance local livelihoods, and engage effectively with relevant stakeholders, identifying, responding to, and mitigating any issues arising from affected parties.

6. Cooperative

We will cooperate with other financial institutions and relevant stakeholders to promote and implement these principles through sharing of knowledge about the ocean, best practices for a sustainable Blue Economy, lessons learned, perspectives and ideas.

- Bonafide partners with an increasing number of cooperative **organisations**, such as UNEP FI, UN PRI and FAIRR, to facilitate the development of a sustainable seafood industry and a sustainable food system in general. Recent collaborative engagements we participated in can be found in our latest **Active Ownership report**.

7. Transparent

We will make information available on our investment / banking / insurance activities and projects and their social, environmental and economic impacts (positive and negative), with due respect to confidentiality. We will endeavour to report on progress in terms of implementation of these Principles.

- Bonafide reports through an increasing number of frameworks an increasing number of sustainability KPIs.
- Current sustainability reporting includes:
 - FNG label
 - Eurosif Transparency Code
 - ESG ratings
 - SDG impact assessment
 - Climate KPIs
 - Active Ownership report

8. Purposeful

We will endeavour to direct investment / banking / insurance to projects and activities that contribute directly to the achievement of Sustainable Development Goal 14 ("Conserve and sustainably use the oceans, seas and marine resources for sustainable development") and other Sustainable Development Goals especially those which contribute to good governance of the ocean.

- Bonafide **reports** on its funds' contribution to the Sustainable Development Goals, with roughly 2/3s of companies claiming to contribute specifically to SDG 14.

9. Impactful

We will support investments, projects and activities that go beyond the avoidance of harm to provide social, environmental and economic benefits from our ocean for both current and future generations.

- Bonafide supports the long-term development of the aquaculture industry, which includes pioneering investments in companies trialling new fish species, such as yellowtail kingfish, novel feed ingredients, such as micro algae, and uncommon food products, such as algae snacks.

10. Precautionary

We will support investments, activities and projects in our ocean that have assessed the environmental and social risks and impacts of their activities based on sound scientific evidence. The precautionary principle will prevail, especially when scientific data is not available.

11. Diversified

Recognising the importance of small to medium enterprises in the Blue Economy, we will endeavour to diversify our investment / banking / insurance instruments to reach a wider range of sustainable development projects, for example in traditional and non-traditional maritime sectors, and in small and large-scale projects.

- Bonafide invests globally along the entire seafood supply chain. As such our portfolios are generally quite diversified in terms of geography, investee market cap and investee business model.

12. Solution-driven

We will endeavour to direct investment / banking / insurance to innovative commercial solutions to maritime issues (both land- and ocean-based), that have a positive impact on marine ecosystems and ocean-dependent livelihoods. We will work to identify and to foster the business case for such projects, and to encourage the spread of best practice thus developed.

- Bonafide supports the long-term development of the aquaculture industry, which includes pioneering investments in companies trialling new fish species, such as yellowtail kingfish, novel feed ingredients, such as micro algae, and uncommon food products, such as algae snacks.

13. Partnering

We will partner with public, private and nongovernment sector entities to accelerate progress towards a sustainable Blue Economy, including in the establishment and implementation of coastal and maritime spatial planning approaches.

- Bonafide partners with an increasing number of cooperative **organisations**, such as UNEP FI, UN PRI and FAIRR, to facilitate the development of a sustainable seafood industry and a sustainable food system in general.

14. Science-led

We will actively seek to develop knowledge and data on the potential risks and impacts associated with our investment / banking / insurance activities, as well as encouraging sustainable finance opportunities in the Blue Economy. More broadly, we will endeavour to share scientific information and data on the marine environment.

- As an asset manager focused exclusively on the fish & seafood sector, we conduct in-depth analyses of industry-specific risks, such as the use of antibiotics in salmon farming, deforestation risk in soy protein, measures against sea lice, aquafeed composition, and traceability of wild fish.
- Such information is occasionally shared as part of our quarterly webinar series.