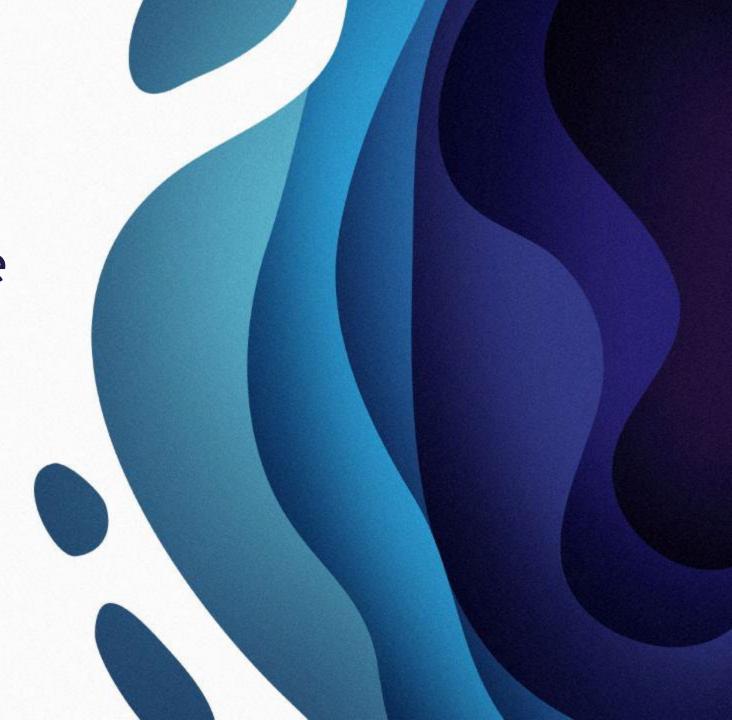
5 key drivers to adopt a sustainable approach to our oceans

31 January 2022





Agenda

Today we'll explore 5 key drivers to consider for a more sustainable approach to the ocean. We will look at:

- Consumer
- Retailer
- International intergovernmental frameworks
- Policy-makers
- Financial markets



Our oceans play a critical role...

- Oceans cover close to three quarters of the Earth's surface (UN)
- 3 billion+ people depend on marine and coastal biodiversity for their livelihoods (UN)

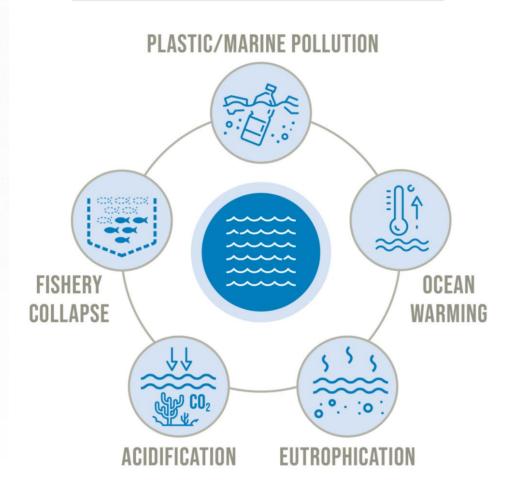




...but are under threat

- 40% of the ocean is heavily affected by pollution, depleted fisheries, loss of coastal habitats and other human activities (UNDP)
- By 2050 there may be more plastic in the sea than fish (EMF)
- 1/3 commercial fish stocks are being caught at unsustainable levels (FAO)
- Climate emergency is threatening the collapse of the world's fisheries - fisheries could decline up to 24% this century (IPCC)

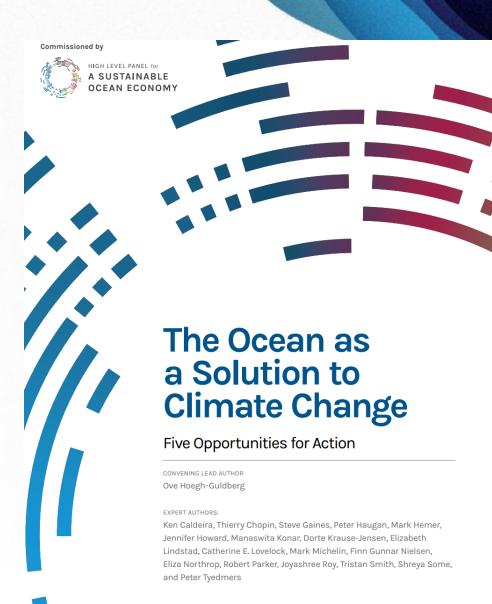
THE SUSTAINABILITY OF OUR OCEANS IS UNDER SEVERE THREAT





We have an opportunity...

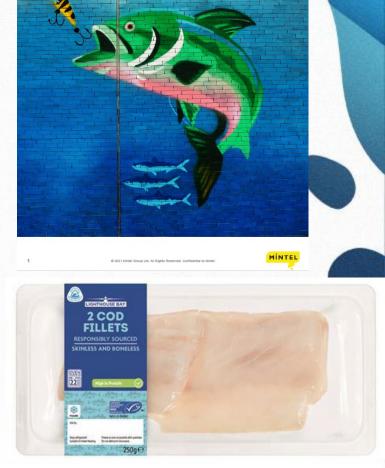
- 70% more protein needed by 2050 to feed the world's rising population (UN FAO)
- Although more than 70% of the earth's surface is made up of ocean, less than 10% is explored (91% of species unclassified - UN)
- Protein is the most impactful nutrient to produce:
 CO2, water, land-use, biodiversity (SF)
- Sustainable fisheries and aquaculture could deliver 36-74% higher yields by 2050 (SFP)
- Increasing protein production from the sea will translate to far fewer climate change and biodiversity impacts





How are consumers responding?

- Sustainability dominated Mintel 2020 Innovation in meat and poultry report (including provenance, packaging, ethical claims)
- Sustainability remains a significant issue in the fish category expectation among consumers for more transparency (Mintel 2020)
- Fish producers are going beyond MSC and ASC certifications to elevate their sustainability credentials - more detailed explanations of catching methods, and environmental and ethical credentials are featuring on pack (Mintel 2021)
- 76% of UK fish consumers feel it's the responsibility of brands/ retailers to ensure that the fish they offer is sustainable (Mintel 2021)





How are retailers responding?

- More than 90% of U.S. retailers have a sustainable seafood sourcing policy
- Increase in supplier requirements across a range of issues
- Retailers running targeted sustainable seafood campaigns

Walmart links sustainability initiative to higher seafood sales

By Christine Blank October 27, 2020



 Retailers are increasing sourcing and marketing of plant based proteins Lidl GB
Sustainable Fish
and Seafood Policy

July 2019



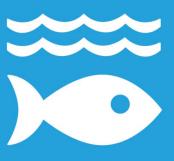




How are international bodies responding?

LIFE BELOW WATER

Conserve and sustainably use the oceans, seas and marine resources for sustainable development





How are international bodies responding?

UN SUSTAINABLE OCEAN PRINCIPLES

- Take action to prevent pollution GHG emissions, circular economy
- Plan and manage their use of and impact on marine resources
- Follow and support the development of standards



Sustainable Ocean Principles

The ocean is vital to the wellbeing and prosperity of humanishot. To achieve the world community's ambitions as taid out in the Sustainable Development Goals, there is a need to expand our use of the ocean to produce food, energy, raw materials and transportation. Carrying out these activities in a sustainable manner will contribute to reducing global warming and environmental degradation. Ensuring a healthy ocean provides significant opportunities for business and goldal economic growth.

As described in Sustainable Development Goal 14 on Life Below Water, there is an urgent need to protect and restore the health of the ocean, which is rapidly deteriorating due to increasing temperatures, acidification, depletion of natural resources and pollution from land and sea. Businesses have a shared responsibility, alongside Government and civil society, to take necessary actions to secure a healthy ocean.

These Sustainable Ocean Principles provide a framework for responsible business practices across sectors and geographies. They build upon and supplement the Ten Principles of the United Nations Global Compact on human rights, Libbour, environment and anti-corruption. We, as signatories of these principles, recognize the urgency and global importance of a healthy ocean, and will take action to promote the well-being of the ocean for current and future generations. As relevant to their business, we believe that companies should:

OCEAN HEALTH AND PRODUCTIVIT

Principle 1: Assess the short and long-term impact of their activities on ocean health and incorporate such impacts into their strategy and policies.

Principle 2: Consider sustainable business opportunities that promote or contribute to restoring, protecting or maintaining ocean health and productivity and livelihoods dependent on the ocean.

Principle 3: Take action to prevent pollution affecting the ocean, reduce greenhouse gas emissions in their operations to prevent ocean warming and acidification, and work towards a circular economy.

Principle 4: Plan and manage their use of and impact on marine resources and space in a manner that ensures long-term sustainability and take precautionary measures where their activities may impact vulnerable marine and coastal areas and the communities that are dependent upon them.

GOVERNANCE AND ENGAGEMENT

Principle 5: Engage responsibly with relevant regulatory or enforcement bodies on ocean-related laws, regulations and other frameworks.

Principle 6: Follow and support the development of standards and best practices that are recognized in the relevant sector or market contributing to a healthy and productive ocean and secure livelihoods.

Principle 7: Respect human-, labour- and indigenous peoples' rights in the company's ocean related activities, including exercise appropriate due diligence in their supply-chain, consult and engage with relevant stakeholders and communities in a timely, transparent and inclusive manner, and address identified impacts.

DATA AND TRANSPARENCY

Principle 8: Where appropriate, share relevant scientific data to support research on and mapping of relevance to the ocean.

Principle 9: Be transparent about their ocean-related activities, impacts and dependencies in line with relevant reporting frameworks.

How are policy-makers responding?

- EU Green Deal Net Zero and Circular Economy Action Plan
- EU Taxonomy
- EU Corporate Sustainability Reporting Directive (CSRD)
- EU Product Environmental Footprint Marine fish Product Environmental Footprint Category Rules (PEFCRs)





How are financial markets responding?

- UN Principles for Responsible Investment
- Sustainable investments \$35.3 trillion at the start of 2020 -15% up 2018-2020
- Listed companies subject to detailed ESG rating from investors (120+ questions)
- Growing focus on supply chains: GHG emissions, environmental management, biodiversity, human rights



How does this affect us?

Risks...

- Losing market share if fall behind
- National reputation
- Higher costs from delayed response to the green transition

Opportunities...

- Resilience by going beyond compliance
- Maintaining or gaining market share through sustainable certification and leadership in green transition
- Maintaining or growing national brand value
- Taking a coordinated approach

Thank you



