

UNEP Sustainable Blue Economy Principles – Ocean 14 Capital Disclosure May 2022

Ocean 14 Capital (O14C) is a signatory of the Sustainable Blue Economy (SBE) Principles. As an impact fund that was established to invest in businesses with a positive impact on the oceans generally, and SDG14 specifically, we believe our policies, practices, activities and investments will be very closely aligned with the SBE principles.

O14C completed its first close in December 2021 of €80M, and is in the process of completing its first investments. It is not yet possible to provide specific examples of investments and their respective impact.

The disclosure below therefore focusses on the intentions of the fund, and the processes and procedures in place to ensure that our impact goals are achieved.

UNEP SBE Principles	How we plan to achieve implementation and adoption	Steps have we already taken	Examples
<p>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.</p>	<p>We aim to ensure that all of our investments will contribute to SDG14, Life under Water, but vet investments against risks and opportunities relevant to all SDGs.</p>	<p>Our due diligence rigour and focus on SDG14 and other affected SDGs are enshrined in our Investment Policy</p>	<p>O14C Investment Policy (link)</p>
<p>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.</p>	<p>The company is committed to legal / regulatory compliance.</p>	<p>This is enshrined in our Investment Policy.</p>	<p>O14C Investment Policy (link)</p>
<p>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.</p>	<p>We will evaluate the positive and negative risks and impacts of potential investments before making investment decisions, and will ensure that any potential negative impacts are mitigated.</p>	<p>Our investment processes require full spectrum risk assessment before any investment decisions can be taken. O14C is an Article 9 Fund under European SFDR regulations, which requires identification, mitigation and disclosure of Principle Adverse Impacts (PAIs) and ESG risks.</p>	<p>Impact and ESG are fully integrated into our investment process.</p>
<p>4. Systemic: We will endeavour to identify the systemic and cumulative impacts of our investments, activities and projects across value chains.</p>	<p>Our risk assessment process, mentioned above, entails a systemic view of risk across the value chain of an investment.</p>	<p>As mentioned above, our investment process includes risk management.</p>	<p>Impact and ESG are fully integrated into our investment process.</p>
<p>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.</p>	<p>While O14C has a focus on SDG14, we will consider risks and impacts relating to all SDGs in investment decisions</p>	<p>This is enshrined in our Investment Policy</p>	<p>Our DD of ongoing potential deals includes matters such as worker rights and community engagement.</p>

<p>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.</p>	<p>O14C is empowered to collaborate with LPs and other investors to leverage our capital investments and knowledge.</p>	<p>Co-investment rights are built into our Limited Partners Agreement (LPA)</p>	<p>We are actively working with other financial institutions on investments, and participate in industry events, panels, etc.</p>
<p>7. Transparent: We will make information available on our investments 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.</p>	<p>We intend to report on our investments according to UNPRI guidelines, and will publish an annual impact report. In addition, we will disclose under SFDR requirements.</p>	<p>We are in the process of signing up to UNPRI. We are already subject to SFDR regulations and will report in 2023.</p>	<p>---</p>
<p>8. Purposeful: We will endeavour to direct investment 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.</p>	<p>This is the explicit purpose of our fund.</p>	<p>This is enshrined in our Investment Policy</p>	<p>---</p>
<p>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.</p>	<p>All of our investments will aim to provide social, environmental and economics benefits.</p>	<p>Our investment process requires that every investment is not only subject to impact DD, but has an Impact Action Plan signed off by management, which describes impact related requirements that are conditions of investment.</p>	<p>---</p>
<p>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.</p>	<p>---</p>	<p>Precautionary decision making is a de facto outcome of our very robust DD and risk management processes.</p>	<p>We have turned down otherwise promising investment opportunities where we have concerns that the impact pathways are insufficiently robust.</p>

<p>11. Diversified: Recognising the importance of small to medium enterprises in the Blue Economy, we will endeavour to diversify our investment 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.</p>	---	O14C is a growth equity fund, focussed on primarily SME scale businesses, though through co-investments, we will also have the option of investing in larger projects.	---
<p>12. Solution-driven: We will endeavour to direct investments 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.</p>	This is the explicit purpose of our fund.	This is enshrined in our Investment Policy	Our first investments, while not yet completed, fulfil this objective, targeting improvements shrimp industry productivity, bivalve production, marine plastic recycling, etc..
<p>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.</p>	---	We interact regularly with a variety of organisations, public, private and NGO, as part of our sourcing, DD and portfolio monitoring activities.	We cooperate closely with the Blue Marine Foundation, for example on scientific developments relating to Blue Carbon.
<p>14. Science-led: We will actively seek to develop knowledge and data on the potential risks and impacts associated with our investments, as well as encouraging sustainable investment opportunities in the Blue Economy. More broadly, we will endeavour to share scientific information and data on the marine environment.</p>	---	O14C has invested in hiring impact specialists with relevant science backgrounds. In addition, we work closely with leading scientists on our advisory board, and independent scientific entities and NGOs.	O14C has a team of 5 impact specialists, equating to nearly 4FTEs, and nearly a third of the total team. O14C has an advisory board of 26 highly respected experts, including some of the most respected scientists in their respective fields.