ABOVE BOARD:
2022 BASELINE ASSESSMENT
OF BANKS’ SEAFOOD SECTOR POLICIES
ACKNOWLEDGMENTS

Authors: Lauren Meghan Lynch

WWF-Singapore would like to thank the following people for their contributions:
Amandine Favier, Ashish Sharma, Chester Gan, Heather Wright, Jason Clay, Klaas de Vos, Louise Heaps, Lucy Holmes, Mark Richardson, Pina Saphira

This report is part of Asia Sustainable Finance Initiative (ASFI) and is funded by the Gordon and Betty Moore Foundation.

Production and design: Raphael Albinati

Published in January 2023 by WWF – World Wide Fund for Nature (Singapore) Limited

Any reproduction in full or part must mention the title and credit the above-mentioned publisher as the copyright owner.

Cover photo: © naturepl.com / Frederic Larrey / WWF

About WWF

World Wide Fund for Nature (WWF) is one of the world’s largest and most respected independent conservation organisations. WWF’s mission is to stop the degradation of the earth’s natural environment and to build a future in which humans live in harmony with nature.

As one of WWF’s international hubs, WWF-Singapore supports a global network spanning over 100 countries. WWF-Singapore works closely with local stakeholders towards a greener and more sustainable Singapore and the region around us. We work to address key conservation areas, such as deforestation, illegal wildlife trade, oceans, food security, sustainable finance and sustainable consumption through education and outreach efforts with individuals, businesses and governments. For more information, please visit wwf.sg.

Text © WWF 2023

Above board: On or above the deck; in plain view; not hiding anything. In sailing it refers to when pirates and war ships would often hide some or most of their crew from other ships so as to look like a merchant ship. If a ship had all its crew on deck in plain sight this was known as being “Above board”.

CONTENTS

EXECUTIVE SUMMARY 1
SCOPE AND METHODOLOGY 5
KEY FINDINGS AND TRENDS 9
RECOMMENDATIONS 14
NEXT STEPS 19
BANKS ASSESSED 21
FRAMEWORK SUB-INDICATORS 22
ABBREVIATIONS 26
Seafood is one of the most important food commodities in the world. Global fish production supports the livelihoods of more than 60 million people worldwide, and serves as the primary source of animal protein for approximately 3 billion people. Seafood is also one of the most highly traded commodities globally, with annual seafood production worth approximately US $406 billion in 2020.

As issues like climate change, overfishing, and biodiversity loss continue to impact the ocean’s health and resilience, the seafood industry is facing increasing challenges ranging from declining productivity to the destruction of the natural capital that it depends on. At the same time human rights, worker safety and labor violations in both aquaculture production and wild capture (often linked to illegal, unreported and unregulated (IUU) fishing) expose the industry to significant reputational, market and regulatory risks. These risks – often hidden through complex, opaque, and transnational supply chains – feed through to financial institutions (FIs) who provide capital to the companies that participate in the seafood industry.
Commercial banks - as lenders, advisors to and investors in companies across the seafood value chain - are exposed to all of these risks. At the same time, they can play a critical role in driving improvements in industry performance. Yet a recent analysis by the World Benchmarking Association (WBA) found that fewer than 5% of financial institutions (FIs) acknowledge having a process to identify the impacts of their financing activities on nature. Recognizing the seafood sector’s immense dependence on nature, a healthy ocean and stable climate, WWF-Singapore conducted a baseline assessment of 41 seafood-related sector policies during the second half of 2022 to understand how banks are currently managing environmental and social (E&S) risks in their seafood portfolios, and where, specifically, additional support may be most needed.

The results show that while many banks are aware of the need to manage E&S risks in the sector, current policies - where they exist - are insufficient to prevent and/or manage their exposure to these risks.

This report highlights key findings from this assessment, provides actionable recommendations for banks, and directs readers to practical resources to guide next steps. An annual progress update is planned for publication next year.

1 The 2022 seafood baseline assessment included 41 banks identified as leading financiers of key seafood companies across production, midstream and downstream. More details on the methodology for selecting which banks to assess can be found on pages 4-5. The complete list of banks assessed in the 2022 baseline can be found on page 13. For this baseline report, all assessment results have been anonymized.

SUMMARY RECOMMENDATIONS

WWF-Singapore strongly encourages banks to make commitments to safeguard marine ecosystems, assess material E&S risks in their seafood portfolios (looking across the full value chain), set client expectations to move towards sustainably produced and sourced seafood, and report transparently on their clients’ progress.

In particular, to mitigate potential exposure to E&S risks in seafood portfolios as well as capture the opportunities of the transition to sustainable seafood, banks can, and should:

1. Develop seafood sector policies that align client expectations with best-practice guidance and recommendations from the UNEP FI Sustainable Blue Economy Finance Initiative (SBE FI);
2. Consider addressing seafood-related E&S risks as a part of broader, bank-wide thematic policies related to biodiversity, climate, deforestation and human rights;
3. Regularly assess their seafood client portfolios for potential exposure to E&S risks and actively engage with clients to support sustainability improvements;
4. Consider extending their financial crime policies and processes to include illegal, unreported and unregulated fishing practices (IUU); and
5. Leverage their existing green finance frameworks to develop targeted “blue” financial products to support the transition towards more sustainable seafood.
SCOPE AND METHODOLOGY

Since 2017 WWF-Singapore has been assessing and publicly reporting on banks’ environmental and social (E&S) integration progress through its annual Sustainable Banking Assessment (SUSBA).

The SUSBA framework comprises six pillars and 11 indicators that signify what WWF considers to be robust ESG integration. It was designed to align with existing international frameworks, standards and initiatives, including the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, UNEP-FI Principles for Responsible Banking (PRB), Task Force on Climate-related Financial Disclosures (TCFD) recommendations, and Sustainability Accounting Standards Board (SASB). Assessment is performed against 75 subindicators, with “yes/partial/no” answers and takes into account only publicly available, English-language disclosures in the form of fiscal year 2022 annual reports, sustainability reports and information posted on corporate websites such as company policies, statements and press releases.

The SUSBA assessments can be used by shareholders, potential investors, regulators and civil society representatives to track banks’ progress and performance on Environmental, Social and Governance (ESG) integration by analysing the evolution of results year-on-year.

In 2020, WWF added sector specific assessments to dig deeper into the scope and quality of banks’ E&S integration approaches for key sectors, starting with energy and palm oil.

This year, WWF has added seafood as a third sector. The sector’s growing importance as a key source of protein, paired with the growing E&S challenges it faces, position it as a key source of both potential financial risk and opportunity.

Banks Assessed

For the 2022 baseline seafood sector assessment, leading financiers of key seafood companies were targeted for inclusion. International commercial banks’ seafood finance portfolios were analyzed in mid 2021, and a preliminary list of banks was developed including those whose seafood finance portfolios were in the top 50% or top 30 banks in each of the following seafood value-chain segments:

- **SEAFOOD PRODUCTION**
  - (WILD CATCH AND AQUACULTURE)
- **MIDSTREAM**
  - (PROCESSORS, VALUE-ADD)
- **DOWNSTREAM**
  - (BRANDS, RETAIL)

The preliminary list of banks was then refined to ensure full, and relatively equal, value-chain coverage, and to oversample for Asia-based banks given the region’s importance with regard to fisheries production and aquaculture. A complete list of banks analysed can be found in Appendix 1. Note that for this baseline assessment report, all results have been anonymized. Throughout 2023 WWF strives to engage bilaterally with each of the banks assessed to discuss their individual results and provide actionable recommendations for next steps.

---

2 This analysis was commissioned by the Gordon and Betty Moore Foundation and conducted by Profundo using 2021 data from Thompson Reuters.
Seafood Sector Framework

The framework used to assess banks’ seafood policies and overall approach was structured to align with WWF’s existing palm oil and energy transition sector policy frameworks. It is organised into two sections: 1) Bank commitments and 2) Client expectations.

BANK COMMITMENT RELATED INDICATORS INCLUDE:

**Sector approach:** 6 sub-indicators assess whether banks: publicly recognize E&S risks related to seafood, have seafood sector policies and whether these apply to the full range of banks’ activities (e.g. beyond lending) and to clients across the full sector value chain, provide incentives/financial products to support sustainable practices in the sector, and participate in commitment-based sustainable seafood initiatives.

**Disclosure:** 3 sub-indicators assess the extent to which banks disclose their seafood sector policies and related performance and impact metrics at the sector level.

**Monitoring:** 2 sub-indicators assess banks’ approach to monitoring clients’ E&S performance and managing non-compliance.

CLIENT EXPECTATION RELATED INDICATORS WERE DEVELOPED TO ALIGN WITH THE UNEP FI TURNING THE TIDE GUIDANCE3 AND ARE DIVIDED INTO:

**Production (wild-capture):** 7 sub-indicators assess banks’ expectations re. sustainability certification, IUU avoidance, endangered species protection, harvesting control strategies, avoidance of shark finning and choice of fishing methods and gear.

**Production (aquaculture):** 7 sub-indicators assess banks’ expectations re. sustainability certifications, management of protected areas and areas of ecological sensitivity, administration of environmental impact assessments, risk management re. non-native and genetically altered species, approach to sustainable feed sourcing and use, animal health management, and avoidance of harmful chemicals/antimicrobials/pesticides.

**Downstream (processors, value-add, distribution, brands):** 4 sub-indicators assess banks’ expectations re. sustainability certifications, IUU avoidance, endangered species protection and management of protected areas and areas of ecological sensitivity

**Crosscutting:** 5 sub-indicators assess banks’ expectations re. human rights commitments, adherence to international labour standards, approach to addressing social and community impacts, efforts to achieve supply chain traceability, and disclosure of progress towards clean energy.

---

3 This version of the Seafood Sector indicators focused on aligning with the Turning the Tide “avoid” and “challenge” indicators specifically.
KEY FINDINGS AND TRENDS

Our baseline assessment of 41 banks’ seafood-related sector policies shows that while many banks are aware of the need to manage E&S risks in the sector, current policies - where they exist - are insufficient to prevent and manage their exposure to such risks.

Just over half of assessed banks publicly recognise that there are E&S risks associated with seafood; but only 20% have disclosed seafood sector policies. Of those, banks’ expectations for wild-catch production clients are the most developed, while expectations for aquaculture production clients and downstream clients lack important details.

On the whole, banks performance across the 34 sub-indicators varied widely. While there were some high scoring outliers, the majority of banks achieved less than half of the sub-indicators. The highest scoring bank’s seafood sector policy and E&S risk management approach aligned with 66% of the indicators, while the lowest scoring bank achieved none of the 34 sub-indicators, thus scoring a 0. The average score for the group was only 17%.
Looking at banks’ current approaches to managing seafood-related E&S risks from a regional perspective, in general, European banks had the most robust policies and processes, while both North American and Asian banks lagged behind. In fact, while seven of the ten European banks assessed publicly disclosed their seafood sector policies, only one of the 25 Asian banks assessed and none of the six North American banks assessed publicly disclosed such policies.

**BANKS’ SCORES BY REGION**

**Box and whisker plot**

**AMERICAS (6 BANKS)**
AVERAGE 13%

**EUROPE (10 BANKS)**
AVERAGE 35%

**ASIA (25 BANKS)**
AVERAGE 11%

The “whiskers” represent the maximum and minimum scores achieved; the lower bound of the box represents the lower quartile; the upper bound of the box represents the upper quartile; the line inside the box represents the average score.

**CURRENT CHALLENGES**

Taking a closer look at banks’ performance within each section of the assessment framework highlights that the most pressing challenges for banks currently include:

1. **TURNING RECOGNITION OF RISKS INTO POLICIES AND COMMITMENTS**
   - While more than half of banks assessed publicly recognised the E&S risks associated with business-as-usual seafood production, only about a quarter had seafood-specific policies.
   - While nearly all of the banks assessed - 98% - offered green financial products (green bonds, loans, sustainability-linked loans), most are presently geared towards addressing climate-related risks in the energy sector, with far fewer products yet designed to support food systems sustainability. That said, momentum in this space is growing, with seven of the assessed banks (17%) having already developed such products for the seafood sector specifically.
   - Just five of the banks assessed - 12% - currently participate in commitment-based sustainable seafood finance initiatives. To date, this includes membership to the Ocean Risk and Resilience Action Alliance (ORRAA) and the UNEP FI Sustainable Blue Economy Finance Initiative.

2. **ENHANCING DISCLOSURES**
   - Only 20% of banks assessed currently disclose seafood-sector policies.
   - None of the banks assessed yet disclose information about the environmental performance or impact of their seafood portfolios (e.g. biodiversity impacts, community impacts, climate impacts, etc.)

The below chart depicts the range of banks’ scores across the six Sector Approach sub-indicators:

The below chart depicts the range of banks’ scores across the three Disclosure sub-indicators:
3 ALIGNING CLIENT EXPECTATIONS FOR E&S RISK MANAGEMENT WITH BEST PRACTICE SUSTAINABILITY GUIDANCE, PARTICULARLY FOR DOWNSTREAM CLIENTS

- Of the banks’ currently disclosing seafood-sector policies, expectations for wild-catch production clients are the most developed, while expectations for aquaculture production clients and downstream clients are less granular.
- Expectations related to achieving sustainability certification (MSC and ASC or an equivalent globally benchmarked standard listed under the Global Sustainable Seafood Initiative), eliminating IUU, and ensuring the protection of human and labor rights were more common in existing policies, while expectations related to the following appeared much less often, if at all:
  - documented harvesting control strategies
  - avoiding bycatch of endangered species
  - undertaking carrying capacity and environmental impact assessments
  - minimizing the risk of introducing non-native species and/or genetically altered stocks
  - sustainable feed sourcing and use
  - animal health management
  - avoiding use of banned or harmful chemicals and overuse of antimicrobials or pesticides
  - application of the above expectations to downstream clients

The below chart depicts the range of banks’ scores across three categories of Client Expectation sub-indicators:

RECOMMENDATIONS

The next few years will be critical to accelerating the transition to a sustainable ocean economy, if we are to meet the SDG 14 - life below water - 2030 target. As momentum around managing climate and nature-related risks continue to grow, and more countries commit to protect and sustainably manage our marine resources, banks must ensure that they are effectively managing their own exposure to seafood-related E&S risks, and that they are proactively seeking out opportunities to invest in nature-positive solutions.

To mitigate potential exposure to E&S risks in seafood portfolios, banks can, and should:

1 Develop seafood sector policies that align client expectations with best-practice guidance and recommendations from the UNEP FI Sustainable Blue Economy Finance Initiative (SBE Fi).

SBE Fi’s Sustainable Blue Economy Finance Principles, launched in 2018, are the world’s first global guiding framework for banks, insurers and investors on how to finance a sustainable blue economy. Their implementation is supported by two guidance documents - Turning the Tide: How to Finance a Sustainable Ocean Recovery and Recommended Exclusions for Financing a Sustainable Blue Economy, both with specific guidance on the seafood sector.

WWF encourages banks to:

- Integrate the UNEP Fi SBE Finance Principles into their own seafood sector policies and processes. WWF can support banks in this process through bilateral engagement and capacity building (including e-learning);
- Commit to the above-mentioned Principles by becoming Signatories; and
- Participate in peer-to-peer learning via the SBE Fi Seafood Finance Working Group - membership to which is offered as a benefit of becoming a signatory to the principles.
2 Consider addressing seafood-related E&S risks as a part of broader, bank-wide thematic policies related to biodiversity, climate, deforestation and human rights.

This assessment highlights that many banks do not yet see seafood as a priority sector. However, reframing the biggest E&S risks that banks are exposed to through their seafood lending, advisory, capital markets and investment activities in the context of broader priority issues - like nature loss and climate risk - may be a strategic way for some banks to begin managing these issues, as a step towards developing robust seafood sector policies.

Based on our analysis, the following may be useful existing policies/frameworks into which banks could integrate some of the seafood-specific asks outlined here:

- Biodiversity and natural capital
- Climate
- Agriculture
- Deforestation
- Human rights
- Supply chain traceability
- Illegality

3 Regularly assess their seafood client portfolios for potential exposure to E&S risks and actively engage with clients to support sustainability improvements.

To support new or existing clients to meet the requirements of banks’ seafood sector policies and align portfolios with the UNEP FI Seafood Guidance, banks should work towards assessing clients potential exposure to and management of E&S risks and impacts.

WWF recommends that banks:

- Set time-bound targets for reducing or eliminating their exposure to risks such as illegality, habitat conversion, overfishing or other issues. Articulating expectations for clients to achieve credible sustainability certifications, and working with clients to establish a path to certification (e.g. via participation in Fisheries and Aquaculture Improvement Programmes (FIPs and AIPs) can be a practical step towards achieving these targets;
- Prioritize seafood clients as part of regular/ongoing risk assessment processes, especially in light of biodiversity and climate-related risks;
- Actively engage with seafood clients to better understand the scope and scale of E&S risks to which they are exposed, how they are managing these risks, and where there are opportunities;
- Participate in peer to peer working groups such as those under UNEP FI (such as the PRB or the SBEFI) to learn about tools and resources that can support target setting, implementation and reporting.
Consider extending their financial crime policies and processes to include illegal, unreported and unregulated fishing practices (IUU).

To date, there have been few financial investigations into wildlife crime. This lack of financial scrutiny and penalisation has meant that wildlife crime, including IUU fishing, has remained a highly profitable, yet low-risk enterprise for perpetrators. Research suggests that the global losses due to IUU amount to around US $36.4B annually.

Financial Intelligence Units within banks are skilled in anti-money laundering and have the experience and legal mandate to support law enforcement authorities in identifying and combatting wildlife crimes. By explicitly articulating that IUU fishing is within the scope of their mandate, banks can leverage the knowledge and tools these teams possess to ensure that their portfolios are not exposed to IUU-related risks.

Leverage existing green finance frameworks to develop targeted “blue” financial products to support a transition towards more sustainable seafood.

The true potential of the blue economy can only be realized if our ocean’s health is secured and then restored through a nature-positive approach—one that replaces the idea of the managed decline of our natural world with one that taps into the potential of businesses to transform corporate stewardship with new modes of working to restore nature and renewable natural resources like seafood. While almost all of the assessed banks (98%) do provide green financial products (green bonds, green loans, sustainability-linked loans), most are geared towards addressing climate-related risks in the energy sector, with far fewer products yet designed to support food systems sustainability. That said, momentum in this space is growing, with seven of the assessed banks (17%) having already developed such products for the seafood sector specifically. Recognizing the opportunity that exists, banks should work to proactively increase their “blue financial product” offerings. Engaging with the sustainable seafood NGO or academic community is one way to begin this process.

Examples of Blue Financial Products

In 2019, Chile’s leading salmon company (and the second-largest salmon producer in the world), received a US$100M loan—Chile’s first “green and social loan”— from Rabobank. The terms of the 7-year loan agreement contained the following sustainability-related conditions:

- a commitment to reduce antibiotic use in salmon farming,
- a commitment to increase the number of ASC certifications and implement an aquaculture improvement program for production centres – to get 100 percent of its production sites actively trying to go towards ASC certification
- technical support and advice will be provided by non-profit WWF

In 2021, Thai Union Group, received a US$400M loan— its first sustainability-linked loan—from Mizuho Bank, MUFG Bank and Bank of Ayudhya (lead managers of the syndicated loan). The terms of the 5-year loan agreement contained the following sustainability-related conditions:

Loan agreement terms: In exchange for achieving predetermined targets (as below), lenders will lower the interest rate on the loan.

Sustainability metrics/targets/commitments:

- **Traceability**: metrics like % of raw materials (seafood) procured from suppliers whose fishing boats are equipped with surveillance cameras and GPS equipment
- **Sustainable fisheries management**: ongoing monitoring to ensure fisheries resources are not overexploited
- **Protection of human/labour rights**: ongoing monitoring to ensure there is no forced labour in supply chains, etc.
- **Inclusion in sustainability indices e.g. the Dow Jones Sustainability Index**

Read more here.
**NEXT STEPS**

Throughout 2023 WWF seeks to engage bilaterally with the banks included in this baseline assessment. An annual progress update is planned for publication next year.
APPENDIX 1: BANKS ASSESSED

North America:
• Bank of America
• Citigroup
• Goldman Sachs
• JPMorgan Chase
• Morgan Stanley
• Wells Fargo

Asia
• Agricultural Bank of China
• Bank of China
• Bank of Communications
• China Construction Bank
• China Development Bank
• Industrial and Commercial Bank of China
• JBI
• Kyushu Financial Group
• Mitsubishi UFJ Financial
• Mizuho Financial
• Nomura
• Norinchukin Bank
• Shizuoka Bank
• SMBC Group
• Sumitomo Mitsui Trust
• CIMB Group
• Malayan Bank
• DBS
• OCBC
• UOB
• Fubon Financial
• Bangkok Bank
• Kasikornbank
• Krung Thai Bank
• Siam Commercial Bank

Europe
• Barclays
• BNP Paribas
• Credit Suisse
• Deutsche Bank
• HSBC
• ING Group
• Rabobank
• Société Générale
• Standard Chartered
• UBS

APPENDIX 2: SUSBA SEAFOOD FRAMEWORK SUB-INDICATORS

1. BANK COMMITMENTS

1.1 Sector Approach
1.1.1 Does the bank recognise negative impacts on marine environment as risks in clients’ activities?
1.1.2 Does the bank identify the seafood sector (i.e. fisheries, aquaculture or seafood processing) as a key sector and have a specific policy/approach(es)?
1.1.3 Does the bank provide incentives or offer financial products that support a transition towards sustainable practices in the sector?
1.1.4 Are the bank’s E&S requirements applicable to financial products and services beyond lending (i.e. capital markets, advisory)
1.1.5 Does the seafood sector policy apply to clients who are operating in all parts of the seafood value chain (such as production, processing, distribution, brands)?
1.1.6 Does the bank participate in relevant commitment-based sustainable seafood finance initiatives (e.g. the UNEPFI Sustainable Blue Economy Finance Initiative).

1.2 Disclosure
1.2.1 Does the bank disclose the full sector policy document?
1.2.2 Does the bank disclose environmental performance or impact of their seafood portfolio (e.g. biodiversity, emissions)?
1.2.3 Does the bank disclose the % or number of seafood clients that are sustainably certified or have time-bound plans to achieve certification?

1.3 Monitoring
1.3.1 Does the bank perform periodic review or state how frequently it reviews its clients’ profiles on E&S?
1.3.2 Does the bank disclose the process to address non-compliance of existing clients with the bank’s policies or with pre-agreed E&S action plans?
2. CLIENT EXPECTATIONS

2.1 Production (Wild-caught fisheries)

2.1.1 Require all clients to operate only in fisheries that have obtained MSC or other globally benchmarked standards listed under the Global Sustainable Seafood Initiative, have a time-bound plan to achieve this, or are in credible fishery improvement projects (e.g. have Fishery Improvement Plan in place).

2.1.2 Require clients to have no involvement in illegal, unreported and unregulated (IUU) fishing.

2.1.3 Require all clients not to target species that are critically endangered and endangered based on the IUCN Red List of Threatened Species.

2.1.4 Require all clients not to catch (as bycatch) species that are critically endangered and endangered based on the IUCN Red List of Threatened Species.

2.1.5 Require all clients to operate only in fisheries that have documented harvesting control strategies for target and non-target species.

2.1.6 Require all clients to commit to no shark finning.

2.1.7 Require all clients to avoid destructive fishing methods and/or gear (such as dynamite, cyanide-fishing, driftnets, deep sea bottom trawling, etc.) AND to use or adopt low-impact or selective fishing methods or gear.

2.2 Production (Aquaculture Farms)

2.2.1 Require all clients to be certified or have a time-bound commitment to obtain ASC certification or an equivalent globally benchmarked standard listed under the Global Sustainable Seafood Initiative, or to have all farms in credible aquaculture improvement projects (e.g. have Aquaculture Improvement Plan in place).

2.2.2 Require that all clients’ owned farms not be within legally protected areas that do not allow multiple uses (i.e. High Conservation Value Areas, RAMSAR, and UNESCO World Heritage Sites) or areas of ecological sensitivity (i.e. mangroves, wetlands).

2.2.3 Require all clients to have undertaken carrying capacity and environmental impact assessments to understand tolerance limits, and monitor farm impact on surrounding wildlife and ecosystem (e.g. water risks, pollution, benthic effects/disturbance, disease control, etc.).

2.2.4 Require all clients to have adequate measures to minimise the risk of introducing non-native species or genetically altered stocks into waters (e.g. minimising escapes, broodstock and fingerling sourcing and management).

2.2.5 Require all clients to have a clear policy and documentation for sustainable sourcing (including sourcing location of feed and sustainable feed ingredients such as plant-based or ASC/MSC certified) and efficient utilisation of feed/feed conversion.

2.2.6 Require all clients to have clear policy for animal health management and overall welfare.

2.2.7 Require all clients to avoid use of banned or harmful chemicals, and overuse of anti-microbials (e.g. prophylactic use of microbials) or pesticides.

2.3 Downstream (Processors, value-add, distribution, brands)

2.3.1 Require all clients to source only from or have a time-bound commitment to source only from certified seafood producers (ASC, MSC or equivalent globally benchmarked standards listed under the Global Sustainable Seafood Initiative) or from farms/fisheries that have credible aquaculture/fisheries improvement project.

2.3.2 Require clients to have no involvement in illegal, unreported and unregulated (IUU) fishing or trade.

2.3.3 Require all clients not to source species that are critically endangered or endangered based on the IUCN Red List of Threatened Species.

2.3.4 Require all clients not to source from farms located within legally protected areas that do not allow multiple uses (i.e. High Conservation Value Areas, RAMSAR, and UNESCO World Heritage Sites) or areas of ecological sensitivity (i.e. mangroves, wetlands).

2.4 Crosscutting

2.4.1 Require all seafood clients (in fisheries, aquaculture, or processing) to commit to respecting human rights, in line with the UN Guiding Principles on Business and Human Rights.

2.4.2 Require all seafood clients (in fisheries, aquaculture, or processing) to adhere to international labor standards equivalent to the ILO Fundamental Conventions.
2.4.3 Require all seafood clients (in fisheries, aquaculture, or processing) to undertake Social Impact Assessments, best practice community and stakeholder engagement, such as FPIC, and due diligence processes and conflict resolution mechanisms, in alignment with the UN Guiding Principles on Business and Human Right to ensure aquaculture operations and fishing activities are not resulting in loss of access to natural resources or marginalization of local or indigenous communities.

2.4.4 Require all seafood clients (in fisheries, aquaculture, or processing) to achieve supply chain traceability (e.g. through the adoption of Global Dialogue on Seafood Traceability (GDST) standard as requirement)

2.4.5 Require all seafood clients (in fisheries, aquaculture, or processing) to disclose emissions data, implement energy efficiency measures, and disclose a timebound plan to transition to cleaner, renewable sources of energy?

APPENDIX 3: ABBREVIATIONS

AUM  Assets under management
E&S  Environmental and Social
ESG  Environmental, Social and Governance
GHG  Greenhouse gas
GRI  Global Reporting Initiative
NBS  Nature-based solutions
NGO  Non-Governmental Organisation
PRB  Principles for Responsible Banking
SASB  Sustainability Accounting Standards Board
SDGs  Sustainable Development Goals
SUSBA  Sustainable Banking Assessment
TCFD  Task Force on Climate-related Financial Disclosures
UNEP  United Nations Environment Programme
WWF SUSTAINABLE FINANCE

STANDARDS

REGULATIONS & GUIDELINES

GREEN FINANCE SOLUTIONS

RESEARCH & TOOLS

ENGAGEMENT

CAPACITY-BUILDING

Working to sustain the natural world for people and wildlife

together possible panda.org/finance

© 1986 Panda Symbol WWF - World Wide Fund For Nature (Formerly World Wildlife Fund) ® “WWF” is a WWF Registered Trademark.