



THE MELOY FUND
FOR SUSTAINABLE COMMUNITY FISHERIES

The Meloy Fund Environmental & Social Guidelines: A Blueprint for Fisheries Impact Investing

Version 2.0

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I. INTRODUCTION

The Meloy Fund is a \$20M impact investment vehicle that will incentivize the development and adoption of sustainable fisheries by making debt and equity investments in fishing-related enterprises that support the recovery of coastal fisheries. In addition to providing a reasonable financial return, the Fund's Environmental and Social (E&S) impact goals are the following:

Impact Goal	Target Return
Social Impact	<ul style="list-style-type: none">• 100,000: fisher household members impacted;• \$20 million: aggregate annual purchases from fishers.
Environmental Impact	<ul style="list-style-type: none">• 1.2M hectares of seascapes (including coral reefs, seagrass, mangroves and oceanic) under improved management;• Each Fund Investment, as relevant, sources seafood from at least one Fishery Improvement Project (FIP).
Private sector development impact	<ul style="list-style-type: none">• \$100 million: aggregate enterprise annual revenues supporting sustainable coastal fisheries;• \$50 million: additional investment catalyzed towards enterprises supporting sustainable coastal fisheries.

This document outlines the Meloy Fund's Environmental and Social (E&S) Guidelines, through which the Fund will support stock recovery and sustained fisheries management:

- Clear E&S minimum standards as a precondition for an initial investment by the Meloy Fund. These standards will apply to the sourcing of sustainable seafood and/or participation in the fishing supply chain. Collectively, the standards will assure that investees do not currently contribute to the degradation of ecosystems and the overexploitation of fish stocks;
- Every investment includes E&S minimum targets to ensure that every investee collaborates in rebuilding fish stocks to healthy and productive levels. In some cases, impact targets may inform financial rewards or penalties. Those E&S targets will aggregate across the portfolio to estimate the Fund's E&S returns;
- A comprehensive multi-stakeholder roadmap is produced and implemented to ensure fisheries recovery over time via a Fishery Improvement Project or FIP, where relevant and as per the Fund's target E&S returns.

Ultimately, the Fund's support to mission-aligned social enterprises is expected to increase their competitive advantage in domestic and international supply chains, triggering a change in the industry.

The guidelines and strategies described herein have been developed via the consultation of a variety of experts in the field, including fisheries experts, (impact) investors, business owners, and potential investees.

The Fund considers this to be a living document that will likely be refined throughout the life of the Meloy Fund, informed by the repeated implementation with various Meloy Fund investees, and through the ongoing interaction of our partners and experts in the sector, working together to responsibly drive private investment to achieve sustainable fisheries.

II. ENVIRONMENTAL AND SOCIAL GUIDELINES

The Fund’s Environmental and Social Guidelines are based on the following three pillars:

1. Meloy Fund Environmental and Social Minimum Standards
2. Investee Annual E&S Goals
3. Fishery Improvement Project (FIP) development & implementation

The sub-sections below detail the three pillars listed above. Section III explains how these guidelines will be implemented by Meloy Fund investees and monitored by Fund management.

1. Meloy Fund Environmental & Social Minimum Standards

The E&S minimum standards seek to enshrine in the investee a “no-harm” principle, and include minimum fisheries-specific standards, applicable to fisheries from which the investee sources seafood, and general environmental and social standards, applicable to the investees’ entire operations. The investee will need to comply with these minimum standards before an investment is approved, and the Fund will audit compliance throughout the life of the investment. Such minimum standards may also apply to other businesses that may be wholly-owned by the majority shareholders in the investee.

1.1. Fisheries Minimum Standards

Definitions

- Fishery: A marine resource defined according to a specific species, fished in a specific coastal area by members of coastal communities, and with the use of one or more gear types¹.
- Site: Geographic area within which a fishery takes place, such as a village, a municipality/district or province.
- Target species: The top 90% of species annually (by volume) that an investee sources from a given site².
- Sustainable fishery: Fishery with fishing practices that keep fishing mortality (F) at levels which, when kept constant, allow target stocks to recover to maximum sustainable yield (MSY).

No threat to the long-term health of target species’ population

1.1.1. Target species that an investee sources from a given site are not endangered and no sign of depletion, as defined:

- The target species Productivity and Susceptibility Analysis (PSA) score shall not exceed [2]³. The Fund may use other data-limited proxies, as available.
- Target species are not listed as endangered or threatened by any major national or international organization or the IUCN red-list for endangered species for the region from which a target species is sourced from.

1.1.2. Target species size:

- At least the higher of [30%]⁴ of individuals of every target species that an investee sources from a given site are above length at first maturity (L_{M50}), or the minimum defined by national laws. L_{M50} is the length at which 50% of individual fish of a given species have reached first maturity. L_{M50} is often used as a data-poor indicator for sustainability.

1.1.3. No negative impact on ecosystem and habitat (applicable to target species that an investee sources from a given site) as per below:

- No destructive gear used to catch target species purchased by the investee (directly or through intermediaries). The fishing gear is highly selective for the defined target species. At least 90% of the total catch obtained by the gear consists of target species. There is no systematic discarding as all caught organisms are either used for food or for baiting, or released alive without harming their physical integrity.
- Target species do not include endangered ecosystem keystone species of coral reefs, mangroves, seagrass meadows or estuaries. Keystone species are organisms that have a major influence on the resilience of their

Table 1: Fishing Gear Potential Impact

	Mud		Sand		Granule- pebble		Cobble		Boulder		Biogenic habitats***
	low	high	low	high	low	high	low	high	low	high	
Natural disturbance*	low	high	low	high	low	high	low	high	low	high	
Line, vertical(+B1/2)	0.5	0.5	0.6	0.5	0.8	0.8	0.1	0.9	1	1	1.3
Longline, bottom	0.7	0.7	0.9	0.8	1.4	1.3	1.6	1.5	1.7	1.7	2
Traps	1.4	1.3	1.2	1.2	1.8	1.7	2	1.9	2.1	2.1	1.3
Gillnet, bottom	1.3	1.3	1.5	1.4	2	1.9	2.2	2.1	2.3	2.3	3
Seine, bottom (=BL,G+TBO/2)	1.8	1.7	2	1.9	2.5	2.3	2.7	2.5	2.6	2.6	3.6
Trawl, shrimp (=BL,TBO/2)**	2.2	2.1	2.5	2.3	3	2.6	3	2.8	3	2.9	4.1
Trawl, bottom otter	2.6	2.4	2.9	2.7	3.4	2.9	3.4	3.1	3.3	3.2	4.6
Dredge and trawl, bottom beam	2.6	2.4	3	2.8	3.5	3	3.5	3.2	3.3	3.2	5.1
Dredge, hydraulic clam	n/a****		4.4	4	4.9	4.5	n/a****				
Explosives	6	6	6	6	6	6	6	6	6	6	6

* The energy regime is used here as a proxy for natural disturbance, with a cutoff between low and high stability at 60m depth

** Shrimp trawls tend to be lighter than bottom otter trawls for fish

*** Habitat is formed by living organisms, such as coral reefs, mangroves or seagrass meadows

**** Scores not determined for the hydraulic dredges in these habitats as the gear is assumed to not operate in them

ecosystems, such as parrotfish, or predators such as snappers or groupers. In case of doubt, biological assessments of a given site have to conclude that target species do not include ecosystem keystone species.

- The fishery does not have an unacceptable impact on the physical structure of the seafloor or its associated biological communities. The habitat impact is given by the interaction of the destructiveness of the gear and the sensitivity of the habitat. Highly vulnerable habitats typically recover very slowly from structural damage by fishing gear. The table above is used as a starting point to determine the potential impacts that different fishing gear may have on various habitat types (adopted by Meliomar Inc., based on Seafood Watch methodology). For impact values <3 no negligible impact of the physical structure of the seafloor or its associated biological communities is expected.

- A legal and institutional framework is in place at all sites from which target species are sourced to avoid Illegal, Unreported, and Unregulated (IUU) fishing.
- Fishing operations are reported and comply with the national laws and regulations, vessels are registered and fisherfolk are licensed.
- All seafood sourced by the investee are related to fisheries that comply with non-IUU conditions, are not in the International Union for Conservation of Nature (IUCN) red list, and are not listed as endangered, threatened or protected by national law.
- Where target species regulations are absent, and/or data is insufficient for science-based management plans, a precautionary management plan is designed and implemented before any sourcing of products starts. A precautionary management plan can include size restrictions, seasonal closures, gear specifications, no-take areas and other management measures that reduce the threat of overfishing of target species as much as possible and allows rebuilding of stocks and habitat.

1.1.4. Compliance with local and national fisheries regulations (applicable to 100% of species sourced from a given site):

- Where strong community-based fisheries management exists that effectively addresses overfishing and ecosystem degradation, such systems are regarded as equivalent to science-based government-run management plans.

Fishing Community Social Aspects

1.1.5. Pricing of target species at landing sites is transparent and based on information accessible to all fisherfolk.

1.1.6. The fishery product must not be a staple food and/or a primary source of protein⁵ for the local population and hence not interfere with the food security of human populations where the product originates.

1.2. General Environmental & Social Requirements

1.2.1. The investee will operate in compliance with all applicable health and safety, environmental, and labor laws and regulations.

1.2.2. The investee will report at least annually, and on serious social or environmental incidents immediately, with plans for corrective actions and follow-up.

1.2.3. The investee will pay wages and overtime remuneration which meet or exceed industry or legal national minima. Salaries and overtime remuneration will be the same irrespective of gender.

1.2.4. The investee will not allow illegal or excessive working hours, which pose a risk to health and safety.

1.2.5. No child labor below 15 years old, or 13 years for light work⁶, or as defined by national child labor laws.

1.2.6. The investee will treat employees and suppliers fairly in terms of recruitment, progression, terms and conditions of work and representation, irrespective of gender, race, color, disability, political opinion, sexual orientation, age, religion, social or ethnic origin, or HIV status. The investee will not support investment activities that cause gender-related adverse impacts.

1.2.7. The investee will allow consultative work-place structures and associations which provide employees with an opportunity to present their views to management.

1.2.8. For remote operations involving the relocation of employees for extended periods of time, the investee will ensure that such employees have access to adequate housing and basic services.

1.2.9. The investee will, in cases of investments anticipating collective dismissals of more than 10% of the workforce and/or more than a total of 50 workers, develop a plan to mitigate the adverse impacts of retrenchment in line with national law and good industry practice, based on the principles of non-discrimination and consultation to be reflected in the final retrenchment plan.

1.2.10. The investee will work to enhance positive development impact effects on the environment, employees, and all stakeholders (including indigenous peoples and affected communities) by adopting policies and committing to continuous improvements on environmental and social matters.

1.2.11. The investee will not support investment activities that cause adverse impacts on women, indigenous peoples, affected communities, or other traditionally excluded groups.

1.2.12. With support from the Fund, the investee will follow the Free, Prior and Informed Consent (FPIC) standard of engagement by ensuring indigenous peoples'/affected communities' rights to self-determination, participation, and decision-making.

1.2.13. The investee will not engage in activities that a) require involuntary resettlement on land acquisition; b) would involve the taking of shelter and other assets belonging to the local communities or individuals; or c) would lead to involuntary restrictions of access to and use of natural resources.

1.2.14. In cases where resettlement and/or the restricted access to natural resources are identified as potential impacts of an investment, the Fund will assist investees with the consultation process (using the FPIC standard of engagement) to communicate to the affected communities about any investments to be made and ensure community support and buy-in, prior to the investment being made.

1.2.15. The investee will work with the Fund to resolve relevant conflicts and/or complaints that are formally submitted to the Fund's Accountability and Grievance Mechanism.

2. Investee E&S Goals

The Meloy Fund defines ‘minimum E&S goals’ for every investee on a case-by-case basis. The fund will also set increasing ‘annual E&S targets’ for every investee tied with projected investee growth and tied to an ‘E&S Investment Goal’. If in any given year the investee exceeds annual E&S targets, the fund may provide financial rewards as detailed in the investment agreement. These metrics will roll up to the Meloy Fund’s own E&S goals as explained in Section I.

A simplified example of incremental nature for the E&S goals, annual E&S targets and E&S investment goals is shown in the following diagram.

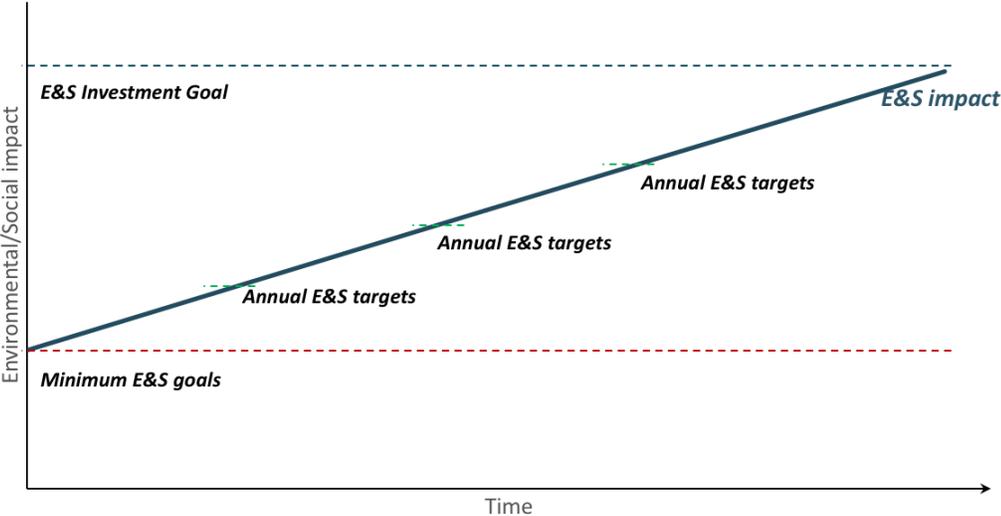


Diagram 1. Minimum E&S goals and annual E&S targets

These metrics will be measured through the following Key Performance indicators (KPIs).

Type	Key Performance Indicator	Objective
Social KPIs	1. Aggregate annual fisher purchases	Estimate economic value added to the fishers
	2. Household members impacted	Estimate the number of fisher household members affected by the investment
Environmental KPIs	3. Seascape area under improved management	Estimate total seascape area under sustainable or improved management practices for each investment

A detailed description of each KPI is available in the annex. Additional metrics, such as price premiums received by fishers or company funding invested in developing local supply chains, may be collected by the Fund on a case-by-case basis.

3. Fishery Improvement Project (FIP) Development and Implementation

In order to catalyze the adoption of sustainable fisheries, the Meloy Fund, the Fund investees, and Fish Forever⁷ will jointly commit to actively developing FIPs (as defined by the Conservation Alliance for Seafood Solutions) for key target species relevant to the targeted impact of the Meloy Fund's investment. In cases where the investee sources species from a site for which a formal Conservation Alliance for Seafood Solution compliant FIP is not feasible, the Meloy Fund and the investee will agree on cost-efficient ways to promote sustainability aspects of a fishery so that the fishery can improve on species-specific sustainability criteria such as length/weight at capture, spawning and recruitment areas, or spawning seasons, among others.

In order to develop a FIP, the Fund, the Fund investee, and Fish Forever will jointly develop a five-year FIP roadmap that will include annual milestones and E&S goals, and is directly tied with the Meloy Fund E&S (fisheries) minimum standards⁸. The FIP roadmap will at least include the following core components: a) data collection; b) Marine Stewardship Council (MSC) assessment, or similar alternative⁹; c) stakeholder consultation and management; d) work-plan development and implementation; and e) public accountability. These components, though partially overlapping with the E&S minimum standards above, are organized around the fishery's recovery.

The Parties will develop a plan for consultation with the affected community (including indigenous peoples as appropriate) and keep reports from the process and outcomes from any community consultations. The consultations will be follow the Free, Prior and Informed Consent (FPIC) standard of engagement by ensuring indigenous peoples'/affected communities' rights to self-determination, participation, and decision-making. Additionally, the parties will ensure that men and women have equitable access to attend relevant decision-making meetings, and will consider any cultural, social, religious or gender constraints when organizing decision making forums. If enough funding is available, the Parties will seek to collect gender sensitive indicators.

The investee will lead the implementation of the FIP roadmap and will be supported by the Meloy Fund and Fish Forever technical staff, except on Fish Forever sites, where Fish Forever will lead the implementation. The investee will lead the installation of infrastructure and logistics for seafood raw material sourcing on all fishery sites, including Fish Forever sites.

All parties will jointly agree on a high-level budget to implement the FIP roadmap, for which the parties will jointly fundraise as appropriate.

Although each FIP roadmap may vary in level of detail, every roadmap will at least include the following milestones and goals:

3.1. FIP pre-implementation stage (prior to investment disbursement)

In advance of the investment being disbursed the investee will have accomplished the following milestones:

- Key agencies and players for the success of a FIP are identified through a landscape analysis of players in the fishery supply chain of target species (NGOs, fisher cooperatives, local and regional government, value chain actors).
- A monitoring and evaluation plan is drafted to collect species-specific length frequency measurements of [5-10%], as well as total volume of each target species at least once per week throughout the year.

3.2. FIP Implementation Stage 1

The first stage of the FIP roadmap is expected to take up to 24 months, with the start date dependent on the availability of external grant funding.

Throughout this first stage, the following milestones are expected to be achieved:

- Data collection started: Species-specific length-frequency measurements of [5-10%] of total landings taken at least once per week at main landing sites (total catch per species), and entered in database. Data collection should start at every site within [2-6] months of investment¹⁰.
- Data-less safeguards applied: Based on existing primary and secondary data (including local ecological knowledge), precautionary measures are taken to recover fish stock biomass.
- Key FIP stakeholders consulted: Recurring meetings with all FIP stakeholders are held, financial and time-commitments in place for all stakeholders.

The impact to be achieved in this stage is as follows:

- Destructive fishing eliminated: All sources of fishing in the fishery is eliminated that degrades habitat such as nearshore bottom trawling, dynamite fishing and cyanide.
- The fisheries-dependent data collected at landing sites

in the fishery reveals that at least [40%] of individuals caught of every target species are above age of maturity.

- Baseline fishing mortality (F) established for all target species in the fishery

3.3. FIP Implementation Stage 2

After Stage 1 milestones are completed, Stage 2 begins and includes the following objectives:

- An appropriate pre-assessment conducted: A third party group assesses target species at each sourced site against pre-defined criteria. Based on the assessment, a scoping document is drafted outlining strategies to address shortcomings.
- Work plan agreed: A time-bound work plan is in place based on the scoping document, outlining key objectives and deliverables; a budget exists to cover all costs of the work plan; the work plan includes a clearly defined management plan with species specific strategies.
- FIP officially launched.

Stage 2 is expected to take up to an additional 24 months (years 3-4 from investment disbursement) to be fully implemented, and is expected to result in the following impact:

- Definition of pathway to control overfishing, defined as $F < M$ (M =natural mortality) or when F is significantly lower than at baseline; and when fish catch has been stable over the past [3-5] years. Fishing mortality is calculated based on length frequency measures;
- [50%] of individuals at maturity: A simple population growth model should be used to estimate reductions in effort to reach this goal.

3.4. FIP Implementation Stage 3

The last stage of the FIP implementation is Stage 3. This stage may take up to 3 years to be fully implemented and involves achieving the following milestones:

- Improvement strategies executed: Species-specific management plans are implemented, surveilled and enforced. Improvement strategies must have a science-based rationale to credibly reach species-specific goals over a 3-year process.
- Fisheries adaptively managed: At the end of each year, newly gathered data is used to adapt management measures to meet conservation goals for the fishery.
- Progress tracked and made public: Every [6 months], tracking report is published on FIP-web portal including supportive scientific documents.

At this point, the fishery is fully sustainable. Target impact is as follows:

- [80%] of individuals at maturity: A simple population growth model should be used to estimate reductions in effort to reach this goal.
- Overfishing ceased: Fishing mortality is decreased every year such that by Year 5 $F < M$. In the preceding years, fishing mortality will need to show steady improvements. More precise annual targets will be defined contingent on the health of the fisheries.

III. GUIDELINES IMPLEMENTATION

To ensure the effective compliance and implementation of the E&S Guidelines, the Meloy Fund will develop specific processes for each of the three pillars described in this document. These processes are relevant throughout all stages in the life of an investment, i.e. due diligence, investment structuring, and investment supervision.

During due diligence, the Meloy Fund investment team will conduct a full analysis of the prospective investee to appraise the risk of a potential investment. Although this analysis is typically done from a financial standpoint, the Fund will also include a full E&S analysis designed to assess the investee's ability to comply with E&S minimum standards, and to understand the potential for impact given the investment under consideration. If at the outset the prospective investee is not fully compliant with any of the standards, the investment team and the prospective investee will develop a plan to remedy the latter's non-compliance before an investment can move forward.

Further, the Meloy Fund's financial model for the investment built during due diligence includes an analysis of the annual impact potential, which changes over time based on the company's projected financial performance.

Importantly, any term sheet offered by the Meloy Fund will include detailed covenants related to adhering to the Fund's minimum standards and proposed annual E&S goals, as well as any potential financial rewards or penalties as applicable due to their achievement.

After an investment is approved by the Fund, during the investment supervision stage the investee will be required to report on its progress against its annual E&S goals, typically on a quarterly basis. In order to ensure the investee's full compliance with the Fund's minimum standards and the

accuracy of reported impacts, investees will be subject to an Environmental and Social audit every three years. These audits are expected to be completed by expert third parties to be hired locally.

Finally, the investment team and the investee will collaborate to roll-out the FIP roadmap as defined in the investment agreement between both parties. Depending on the needs of each investee this may involve fundraising, impact assessment, execution support, and collection of metrics.

Throughout the investment supervision stage, there may be instances of non-compliance with the Meloy Fund's E&S minimum standards, agreed upon annual E&S goals, or the FIP roadmap. In these cases, the Fund will have a constructive approach and seek to constructively support the company in remedying its non-compliance. Generally, the curation period will be between 30 days to 6 months – depending on the gravity of the specific non-compliance. Longer curation periods may be selectively approved by Meloy Fund senior management.

The additional costs of systematically implementing these Environmental and Social Guidelines across its portfolio have been partially included in the budget of the Meloy Fund General Partner by allocating a portion of the time from the investment team, and the hiring of Technical Assistance staff.

That said, due to the size of the Meloy Fund and its commitment to operationalizing and supervising the achievement of these guidelines, the Fund's operating budget is not expected to be able to cover all necessary activities, and will actively seek partnerships and other sources of complimentary funding to defray costs.

IV. ANNEXES

Social KPIs

1. Aggregate annual purchase

Indicator	1. Aggregate annual purchase		
Objective	Measure the economic value added to the fishers from each investment		
Frequency	Yearly	Responsible for the result	Investee Meloy Fund
Formula	$\frac{\text{Volume purchased}^*}{\text{Purchase price from fishers}}$	Responsible for data collection	Investee
Formula variables	<p><u>Volume purchased</u>: total volume (kg) of seafood purchased from fisher¹¹</p> <p><u>Purchase price from fishers</u>: average price (local currency/kilo) seafood paid to fishers</p>	Collection mechanism for each variable	<p><u>Volume purchased</u>: self-reported by investee</p> <p><u>Purchase price from fishers</u>: Self-reported by investee. If sales to investee are intermediated by traders/aggregators a discount will be agreed by Fund and investee</p>
Goal	Total: 20 million USD annually Per investment: TBD		

Social KPIs

2. Household members impacted

Indicator	2. Household members impacted		
Objective	Measure the number of people affected by the investment		
Frequency	Yearly	Responsible for the result	Investee Meloy Fund
Formula	<u>Fishers impacted</u> * <u>Average fisher household size</u>	Responsible for data collection	Investee Meloy Fund
Formula variables	<u>Fishers impacted</u> : # of vessels which investee sourced from* average number of fishers per vessel <u>Average fisher household size</u> : (Philippines = 5, Indonesia = 4)	Collection mechanism for each variable	<u>Fishers impacted</u> : self-reported by investee and estimated jointly with the Fund <u>Average fisher household size</u> : National statistics webpages
Goal	Total: 100,000 at the Fund's closure Per investment: TBD		

Social KPIs

3. Seascape area under improved management

Indicator	3. Seascape area under improved management		
Objective	Measure the total seascape area under sustainable or improved management practices for each investment		
Frequency	Yearly	Responsible for the result	Investee Meloy Fund
Formula	$\frac{\# \text{ Coastal fishery landing sites} *}{\text{Area covered by landing site}}$	Responsible for data collection	Investee Meloy Fund
Formula variables	<p><u>Coastal fishery landing sites</u>: # of coastal fishery landing sites which investee sources coastal seafood</p> <p><u>Area covered by landing site</u>: Estimated average hectares of seascape within the operational range of each landing site</p>	Collection mechanism for each variable	<p><u>Coastal fishery landing sites</u>: self-reported by investee</p> <p><u>Area covered by landing site</u>: Estimate agreed jointly by Fund and investee</p>
Goal	Total: 1.2 million hectares at the Fund's closure Per investment: TBD		

FOOTNOTES

¹ The definition for Fisheries in this document is adapted from the same definition used by the Sustainable Fisheries Partnership (SFP).

² Example: If at a given site, the investee sources 89% in volume from species A and 11% of species B, both species are considered a target species. If 91% of volume is made up of species A and 9% from species B, only species A is considered a target species.

³ A PSA is a semi-quantitative approach to assess the risk of fishing impact on a population in data poor cases by combining scores of productivity and susceptibility attributes. Productivity attributes influence the intrinsic rate of population increase, while susceptibility attributes are reflected in the catch removal portion. The productivity and susceptibility attributes are scored as 1 (low), 2 (medium) or 3 (high) risk, missing attributes are scored as a 3. These scores are then plotted for visualization on a PSA plot in the productivity-susceptibility space. The Euclidean distance from the origin determines the combined PSA score from the productivity score P (x-axis) and the susceptibility score S (y-axis).

⁴ The precise target species percentage size will be determined after individual species analysis.

⁵ Primary source of protein is defined as representing at least 50% of the daily protein requirements of an adult, FAO “State of World Fisheries and Aquaculture, 2012”.

⁶ As per ILO’s Minimum Age Convention, 1973 (No. 138). Light work is defined as:

“(a) not likely to be harmful to their health or development; and

(b) not such as to prejudice their attendance at school, their participation in vocational orientation or training programs approved by the competent authority or their capacity to benefit from the instruction received.”

⁷ Fish Forever is Rare’s global coastal sustainable fisheries program. It provides on-the-ground training, support, and community engagement for fisheries management and ensures that benefits accrue to local communities as well as to the environment.

⁸ For shorter investments, the Meloy Fund will seek to adjust sustainability goals within reasonable timeframes.

⁹ Generally, FIPs lead towards MSC certification but this is often too expensive or even unfeasible for tropical small scale fisheries. As a result, the Meloy Fund and Rare are working with various parties to develop a relevant scheme that may be more applicable.

¹⁰ Cost allocation between FIP stakeholders to be determined on a project by project basis. Final timeframe will depend on number of sites.

¹¹ All seafood included must be compliant with E&S minimum standards.

