

News Release

Media Contact:
Rachel Winters
Cell: +1 (267) 210-2189
Rwinters@tnc.org

The Nature Conservancy and Encourage Capital Release Global Sustainable Aquaculture Impact Investment Report

First of its kind white paper highlights the potential of aquaculture systems as a compelling investment opportunity with meaningful social and environmental impact

New York, NY | May 8, 2019 – As a growing global population brings about new challenges in delivering food sustainably, one of the world’s largest environmental non-profit organizations has partnered with a leading impact investment firm to help drive increased private investment into sustainable aquaculture. Unveiled today by The Nature Conservancy (TNC) and Encourage Capital, their collaborative white paper – *Towards a Blue Revolution: Catalyzing Private Capital in Sustainable Aquaculture Production Systems* – seeks to identify business opportunities that are both sustainable for the planet and profitable for investors.

The jointly-authored white paper represents an open-sourced ‘best practice’ manual for impact investors, philanthropists and other key stakeholders interested in supporting the development of sustainable marine aquaculture. The report’s unique pairing of relevant environmental considerations for assessing aquaculture operations, with the financial considerations investors need to evaluate aquaculture deals from an investment standpoint, will help to build a more sustainable seafood industry for the future.

To date, aquaculture’s rapid rise has come with significant environmental impacts - impacts to wild stocks, water pollution, habitat degradation, and disease. Sustainable aquaculture can, the report argues, create responsible alternatives to overfished wild species and offer environmental benefits to land-based animal farming, necessities as we see global population grow from 7 to 9 billion by 2050 – 3 billion of which currently rely on seafood as their primary source of protein. As the fastest-growing form of food production on the planet, expanding at an annual rate of almost 6% globally, it is worth noting that aquaculture is already a \$243.5B global industry, bigger than beef, pork and chicken.

“Done well, aquaculture can be a key part of the solution to current environment and development challenges, rather than part of the problem,” said Rob Jones, Global Lead for The Nature Conservancy’s Aquaculture Program. “If we can successfully guide the private sector towards investing in the right types of aquaculture innovations with proper governance and performance standards in place, we believe that the future of aquaculture can be far brighter than it would be under a business as usual scenario. We need to act now to ensure it grows sustainably.”

The report develops an impact investment thesis around novel farming innovations, specifically recirculating aquaculture systems (RAS) and offshore finfish production technologies, and species with the potential to restore ecosystems --specifically, bivalves and seaweed. RAS, an on-land farming method, can drive environmentally friendly production by physically separating operations from the marine environment and treating wastewater. While offshore finfish systems are relatively new, they could avoid many of the impacts that plague near-shore farming by moving activities away from critical habitats and into deep waters with strong currents. In addition to

being low input forms of food production, investments in bivalve shellfish and seaweed aquaculture could yield localized benefits to surrounding water quality and provide habitat for wild fish stocks.

“Encourage and TNC hope that these systems become primary methods of producing seafood by 2050, rather than the relatively niche sources they are today,” said Jones.

While the report indicates great promise for RAS, offshore, seaweed and shellfish farming, the authors wish to emphasize there are no silver bullets- sustainable aquaculture requires sound practices throughout. For example, farmers must implement proper site selection, farm management practices and species selection to ensure these operations are sustainable. The report sets out key sustainability principles for each type of production system to help guide investors.

The report concludes that if early movers deploying these solutions are financially successful, it can pave the way towards global scale up of these production systems in an environmentally impactful way, and also drive improved governance and standards for aquaculture. By providing concrete recommendations for how investors might best structure investments into sustainable aquaculture systems, the report aims to accelerate successful deployment of capital into these opportunities.

In order to achieve these goals, the report brings together information on the current state of aquaculture for an investor audience, including analytical tools; an assessment of risks and mitigating measures; case studies; and financial structuring recommendations for investors to minimize risk while maximizing both financial and environmental returns.

“We’ve already seen substantial interest in sustainable aquaculture investments, but concluded that much of the capital into the sector could benefit from better fundamental research into the nature of successful aquaculture businesses that already exist, and that investments into these new production systems could be better financially structured to meet both financial and impact objectives,” said Jason Scott of Encourage Capital. “By publishing this report in partnership with TNC, we’re hoping to help key stakeholder accelerate their research processes and increase capital deployed in a sustainable way into this important sector.”

TNC and Encourage Capital believe that, underpinned by science and with appropriate governance, aquaculture can provide sustainable seafood to help meet the nutritional needs of a growing global population, while also creating incomes in rural communities, benefitting wider ecosystems and providing investment opportunities with compelling financial returns.

“We hope this paper will build confidence in sustainable aquaculture production systems as a credible *impact* investment opportunity, with an aim of meeting the food and protein requirements of the future sustainably for people and nature,” said Maria Damanaki, Global Managing Director for Oceans at the Nature Conservancy.

The full report can be found online at nature.org/aquaculture-report.

ABOUT ENCOURAGE CAPITAL

Encourage Capital is an impact investment and advisory firm specializing in profitable and strategic investments to solve critical environmental and social problems. The firm is building a community of investors, foundations, market-leading companies and non-profits to deploy private capital into systemic solutions to the world's most pressing challenges. We are currently pursuing investment strategies to meaningfully improve climate, ocean health and freshwater conservation. Backed by a group of impact oriented family offices, Encourage Capital was formed in December 2014 through the combination of Wolfensohn Fund Management, LP ("WFM") and EKO Asset Management Partners, LLC. (see <http://encouragecapital.com/>).

ABOUT THE NATURE CONSERVANCY

The Nature Conservancy is a global conservation organization dedicated to conserving the lands and waters on which all life depends. Guided by science, we create innovative, on-the-ground solutions to our world's toughest challenges so that nature and people can thrive together. We are tackling climate change, conserving lands, waters and oceans at an **unprecedented** scale, providing food and water sustainably and helping make cities more sustainable. Working in 72 countries, we use a collaborative approach that engages local communities, governments, the private sector, and other partners. To learn more, visit www.nature.org or follow [@nature_press](https://twitter.com/nature_press) on Twitter.