

#BACKBLUE OCEAN FINANCE COMMITMENT

COP26 COMES AT A CRITICAL MOMENT. THE LATEST IPCC SCIENCE IS CLEAR. Robust action must be taken by every sector of society if we are to ensure a maximum of 1.5° Celsius warming and stop the precipitous loss of biodiversity.



The Ocean plays a vital role in combating climate change and is home to over 80 per cent of all life on Earth. It is the planet's largest carbon sink and has absorbed over 90 per cent of the heat from our carbon emissions. It feeds and provides livelihoods to billions. It is unquestionably one of the planet's greatest assets.

Yet the Ocean is in crisis. Pollution, overfishing, ocean heating, rising levels of acidity and biodiversity loss are eroding its sustainability at significant cost to communities, societies, and businesses - both in the short and long term.

A resilient and Net Zero world is not possible without a healthy, regenerating ocean.

The Association of British Insurers has calculated that coastal floods and storm surges cost the world between US\$10bn and US\$40bn a year. According to the Global Commission on Adaptation, by 2050 rising sea levels and extreme weather are expected to cost coastal communities around the world up to US\$1 trillion annually.

These are startling figures, pointing to significant costs to the global economy.

Climate risk and ocean risk together equal financial risk. Risk threatens sustainable economic growth and makes and keeps people poor. Climate risk destabilizes efforts to build resilience, entrenching communities in poverty.

The baseline value of the ocean has been estimated at US\$24 trillion. Marine and coastal ecosystems like coral reefs and mangroves offer efficient and cost-effective ways to mitigate climate risks while bringing a host of social, economic, and ecological benefits to the millions of people living in coastal areas, including social, food and economic security.

Therefore, it is crucial we drive investment into coastal and marine natural capital to mitigate risk and build resilience in communities adapting to climate change. We need a new generation of financial backers from institutional investors to family offices, and from banks to insurers, to put capital

to work for the Ocean. This will fight climate change, it will protect coastal communities and it will preserve the assets that people around the world depend on for their livelihoods and for their financial security. It will also contribute to the long term and sustainable prosperity of ocean-dependent communities and societies, including in Least Developed Countries (LDCs) and Small Islands Developing States (SIDS), and particularly for women and girls.

In order to deliver the UN Race to Resilience's goals of building the resilience of four billion people from groups and communities who are vulnerable to climate risks by 2030; and the Ocean Risk and Resilience Action Alliance's objective of securing \$500 million of investment into coastal and marine natural capital by 2030 to mitigate risk and build the resilience of at least 250 million people in communities adapting to climate change, the undersigned businesses commit to **#BackBlue** by taking specific actions including:

- 1 **SETTING ROBUST NET ZERO COMMITMENTS BY JOINING A RACE TO ZERO FINANCIAL INITIATIVE** (e.g., Net Zero Asset Owner Alliance, Net Zero Asset Manager Initiative, Net Zero Banking Alliance or Net Zero Insurance Alliance) and by adopting science-based targets to reach net zero no later than 2050 in line with the criteria of the [UN's Race to Zero](#) campaign. This includes aligning investments with the [Net Zero Asset Owner Alliance target setting protocol](#).
- 2 **DRIVING FINANCIAL SYSTEM POLICY CHANGE** by adopting corporate ESG standards and disclosures that align with the recommendations of the [Task Force on Climate-related Financial Disclosures \(TCFD\)](#) and adopting taxonomies on sustainable economic activities that define common and clear criteria for classifying projects and investments as sustainable.
- 3 **INVESTING IN NATURE-POSITIVE OUTCOMES FOR THE OCEAN** based on the [Sustainable Blue Economy Finance Principles](#), that drive investment into coastal and marine nature that halt biodiversity loss and sustain and build the benefits that these ecosystems provide, while preserving and improving livelihoods.
- 4 **ACCELERATING THE TRANSITION TOWARDS A HEALTHY AND SUSTAINABLE OCEAN** through lending, investment and insurance practices that mitigate ocean risk and build the resilience of climate vulnerable coastal communities, supporting work to raise an initial US\$500m of investment into coastal nature by 2030, to create scalable and investable finance and insurance projects and products.
- 5 **JOINING THE OCEAN RISK AND RESILIENCE ACTION ALLIANCE** so that together we can meet the challenges posed by ocean risk by pioneering new and innovative finance products that focus on driving investment into ocean and coastal natural capital, reducing risk and building a sustainable, resilient Ocean, regenerating its biodiversity.