



# Turning the Tide: **Recommended exclusions**

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This document provides an overview of the recommended activities to exclude from financing in the sustainable blue economy, based on market-first [Turning the Tide](#) guidance for financial institutions. This guidance was developed by a UNEP FI-convened working group of [50+ leading financial and supporting institutions](#).

While Turning the Tide offers detailed guidance for financial institutions on sustainability in the blue economy, this list provides an at-a-glance overview of activities to exclude from financing due to their damaging nature and high risk.

### **Sectors covered in *Turning the Tide* include:**

- seafood (wild-caught fisheries and aquaculture),
- ports,
- maritime transportation,
- marine renewable energy,
- coastal and marine tourism

This exclusion list is divided across these five sectors and provides indicators of critical actions or behaviour and how to verify them. In addition, this list complements [recent work undertaken by the European Commission](#) in identifying unsustainable financial flows in the blue economy by offering financial institutions key indicators of such unsustainable activity.

## **Verification as part of due diligence**

Verification is a critical step in assessing any company or financing activity against the Turning the Tide guidance or this exclusion list. However, for some sectors these resources request information on topics that may not have been previously considered and for which few benchmarks or metrics might exist. In light of this, UNEP FI encourages primary-source information wherever possible, ideally collected and verified by a third-party entity. Company disclosure may be biased and should be considered as a minimum level of verification. For example, in the case of seafood and destructive fishing practices, observer and watchdog reports of any destructive fishing practices in a relevant area would be a preferred source of information compared to company self-reporting.

Throughout this list, verification options are given with both basic verifications to be completed in all instances and expanded verifications to be completed wherever possible for a complete and more objective picture. This further lowers the risk to financial institutions of basing financing decisions related to the blue economy on incomplete or unreliable information.

For further information on the reasoning behind each indicator, the materiality of the risks presented by the activities listed in the avoid category on which this list is based, as well as listings for activities to challenge and seek out, please refer to [Turning the Tide—How to finance a sustainable ocean recovery](#).

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**Seafood**

Criterion	Indicator	Recommendation	Verification (basic)	Verification (extended)
1. Location and siting of farms	Evidence that owned and operated farms or farms in supply chain are not located in a legally designated aquaculture zone or do not have the required legal permit or licence, including within legally protected areas that do not allow multiple uses, such as High Conservation Value Areas or RAMSAR or UNESCO World Heritage Sites.	Do not finance	Company disclosure	Public records <a href="#">RAMSAR sites</a> <a href="#">HCVA</a> <a href="#">UNESCO</a>
2. Pollution and water quality	No evidence of Carrying Capacity Assessment in farming area by company or competent authority, or compliance with Carrying Capacity Assessment by company.	Do not finance if no evidence of compliance with existing Carrying Capacity Assessment under local regulations. Require Carrying Capacity Assessment to be undertaken by company if one is not in place.	Company disclosure	Public disclosure by competent authority
	Evidence of use or over-use of banned or harmful chemicals, anti-microbials or pesticides by company or within company supply chain; non-compliance with international and national regulations and agreements.	Do not finance if not compliant with national or international regulatory standards. Where regulations are met, but best practice is not in place, require company to enter (or support supply chain farms to enter) into timebound improvement projects towards leading—and where possible—benchmarked aquaculture standard.	Company disclosure Local regulatory frameworks	Local public reports Statement from competent authority from random testing (e.g. <a href="#">EU Rapid Alert System for Food and Feed</a> )

Criterion	Indicator	Recommendation	Verification (basic)	Verification (extended)
<b>3. Non-native, invasive species and escapes</b>	Sourcing or farming of an invasive non-native (INNS) species against local regulations.	Do not finance if not compliant with local regulations on farming non-native species. If compliant, encourage company to enter (or support supply chain farms to enter) into timebound improvement projects towards leading—and where possible—benchmarked aquaculture standard.	Local regulatory framework; Company disclosure and reports	Third-party inspection
<b>7. Species</b>	Species being fished, processed or sold are on the IUCN Red List of Threatened Species.	Do not finance	Company disclosure; Procurement data <a href="#">IUCN Red List</a>	Third-party inspection
<b>8. Illegal, unreported and unregulated (IUU) Fishing</b>	Evidence of IUU fishing activity by company-owned vessels or vessels in company's supply chain; or lack of compliance with local, national or international laws and regulations.	Do not finance	Company disclosure	Public records; NGO/watchdog analysis <a href="#">EU IUU Vessel List</a> <a href="#">Compiled IUU Vessel List</a> <a href="#">IHS Seaweb Database</a> C4ADS Portal to be published in 2021

Criterion	Indicator	Recommendation	Verification (basic)	Verification (extended)
9. Fishing method	Evidence of use of destructive (and often illegal) fishing practices such as blast (dynamite) fishing, pulse fishing or cyanide fishing by the company or within supply chain. These types of fishing practices are not eligible for globally leading standards.	Do not finance	Company disclosure	Media and NGO reports
	Evidence of catching or sourcing from vessels that do not have robust and transparent by-catch measures in place for non-target species (by-catch) that are on the IUCN Red List of Threatened Species.	Do not finance	Company disclosure	Observer reports; RFMO reports; NGO/watchdog reports <a href="#">IUCN Red List</a>
15. Labour and working conditions	Evidence that seafood is fished, farmed, processed or sold with the involvement of labour or human rights abuses.	Do not finance	Company disclosure	Media and NGO reports Coastguard reports Interpol reports International Narcotics Control Board
16. Racial and gender equality	Evidence of racial or gender-based discrimination in farms, fisheries or in the supply chain workforce.	Do not finance	Company disclosure and reports	NGO/watchdog reports Media reports





Ports



Criterion	Indicator	Recommendation	Verification (basic)	Verification (extended)
<b>1. Air pollution and climate change</b>	Ports exceeding IMO and MARPOL limit values for SOx, NOx, PM, black carbon, methane.	Do not finance ports that do not enforce IMO/MARPOL limits.	Company disclosure	Reports/audits to confirm compliance with SOx, NOx, PM, and black carbon regulations: <a href="#">IMO Regulations on Nitrogen Oxides</a> <a href="#">IMO Regulation on Sulphur Oxides</a>
	Evidence that port emissions are having an adverse affect on the health of local communities.	Do not finance ports with air pollution fines. Require enforcement of air quality regulations and emission best practices.	Company disclosure	Air quality audits; Policies and fines in place for port operations and client ships
<b>2. Protecting marine life and ecosystems from pollution and destruction</b>	Non-compliance with MARPOL, IMO, national regulations and best practice for solid and chemical waste/runoff from ports into the sea.	Do not finance ports with MARPOL waste management violations.	Vessel logs regarding waste management	Audits regarding waste management
	Evidence of oil spills and non-compliance with MARPOL, IMO, national regulations and best practice for oil transfer and management. <a href="#">MARPOL convention</a>	Do not finance organisations that are not MARPOL compliant and implementing the best practice on safety and clean-up.	Vessel logs regarding accidents and response records, especially for tankers	Audits regarding accidents and response record, especially for tankers; Additional due diligence information from external sources
	Loss of critical IUCN red-listed habitats and species in the development and implementation of the port.	Do not finance port construction and implementation that conflicts and harms IUCN red-listed species and habitats. Require EIA and SEA transparency and verification.	Company disclosure	Independent evaluation prior to port construction, expansion or dredging to ensure that the activity has no impacts on red-listed habitats or species; Full EIA and SEA in place prior to any development operations



A large container ship, the ANLAM PARANA, is shown from a side-on perspective, sailing on a body of water. The ship is heavily loaded with stacked shipping containers in various colors, including orange, yellow, and blue. The ship's reflection is clearly visible in the calm water. The sky is a mix of blue and orange, suggesting a sunset or sunrise. In the background, a dark, rocky breakwater or pier extends into the water on the right side. The text "Maritime transportation" is overlaid in the bottom left corner in a large, white, sans-serif font.

# Maritime transportation

Criterion	Indicator	Recommendation	Verification (basic)	Verification (extended)
<b>1. Air Pollution and climate change</b>	Vessels are exceeding limit values for SOx, NOx, PM, black carbon, and methane according to IMO and MARPOL regulation and best available science.	Do not finance companies with SOx and NOx emissions above IMO/ MARPOL limits.	Company reported compliance with <a href="#">MARPOL Annex VI regulations against air pollution</a> from ships	Third-party verified compliance with <a href="#">MARPOL Annex VI regulations against air pollution</a> from ships
<b>2. Water pollution: from waste, fuel waste, ballast water, noise</b>	Ballast water discharge and biofouling lead to the release of invasive species into the water column.	Do not finance companies with violations of <a href="#">IMO Ballast Water Treaty</a> or lacking hull treatments against biofouling	Logbook: ballast water treatment system; Biofouling management plan and record book	Observer reports of ballast water treatment and hull treatment
	Improper waste disposal—including garbage, chemicals, sewage and fuel waste—has a quantifiable significant impact on marine life.	Do not finance companies that are not in compliance with IMO and Marpol regulations relating to waste disposal at sea, or that are disposing of toxic and quantifiably high levels of any waste into the sea.	Logbook: Waste management disposal; <a href="#">MARPOL pollution prevention regulations</a>	Observer reports of waste disposal
	Discharge of fuel waste that would cause significant harm to marine life.	Do not finance companies which use exhaust gas cleaning systems (“scrubbers”) in lieu of compliant distillate fuels. If fuel scrubbers are used as an interim solution, require closed-loop not open-loop technology with safe waste disposal on land.	Logbook: Fuel waste disposal; Company disclosure of use of exhaust gas cleaning systems	Purchasing agreements for scrubber systems Observer reports of fuel waste discharge



Criterion	Indicator	Recommendation	Verification (basic)	Verification (extended)
<b>3. Employment: Labour conditions, health &amp; safety, gender inclusion</b>	Wages are not sufficient to meet the basic needs of employees and their families.	Do not finance companies with poor labour conditions for workers or that are in violation of the Maritime Labour Convention (2006).	Company reported employees and contractors living below the national poverty levels	NGO/watchdog reports
<b>4. Protecting marine ecosystems</b>	Damage to Arctic Ocean ecosystems by heavy fuel oil (HFO) emissions, fuel transport and poor waste management.	Do not finance companies using or carrying HFO in Arctic waters.	Use or carriage of HFO in Arctic waters; Compliance with Canada's <a href="#">Arctic Waters Pollution Prevention Act (R.S.C., 1985, c. A-12)</a>	Observer reports Recorded fines for infractions
	Evidence of MARPOL violations with respect to oil spills.	Do not finance entities with MARPOL violations.	Record of oil spills; Compliance with <a href="#">MARPOL regulation on oil spills</a>	NGO/watchdog reports Public records

# Marine renewable energy





Criterion	Indicator	Recommendation	Verification (basic)	Verification (extended)
1. Planning new developments and project lifecycle	Planning for the development of a wind farm in the absence of a coherent marine spatial plan and a lack of opportunities for stakeholder engagement on the use of the marine environment, access to, and benefits from the development (including access to affordable energy and livelihood opportunities for local communities).	<p>In developed economies, do not finance projects developed in the absence of marine spatial planning until a stakeholder engagement process is in place and/or the development has been contextualised with a wider marine spatial planning process.</p> <p>In developing countries, do not finance projects developed in the absence of a stakeholder engagement process, and encourage developers to work with government to explore the establishment of a marine spatial planning process if none exists.</p>	Company reporting on stakeholder engagement process.	<p>Check for presence of MSP in relevant jurisdiction. Ensure this is in line with best practice for MSPs and offshore wind as <a href="#">outlined by the European Commission</a>.</p> <p>Check for meaningful and comprehensive strategic environmental assessment and environmental impact assessment associated with development per <a href="#">UNEP best practice</a>.</p>
	Siting of wind farms in areas of high ecological value or that endanger habitats of ETP species. This is particularly urgent in the context of multiple wind farm developments and the potential for cumulative impacts.	Do not finance wind farms designated for development in areas of high ecological value, high biodiversity and critical habitat for ETP species.	Company reporting on siting of wind farms	<p>Verify location of protected habitat and species in vicinity of wind farm.</p> <p>Verify presence of MSP in jurisdiction and whether this follows best practice.</p> <p>Check whether SEA and EIA have identified and offered mitigating steps for environmental impact.</p>

Criterion	Indicator	Recommendation	Verification (basic)	Verification (extended)
<b>1. Planning new developments and project lifecycle</b>	Siting of wind farms in protected areas for birds, bats, fish and marine mammals negatively impacted by wind farm construction, operation and decommissioning, including resultant bird strikes. This is particularly urgent in the context of multiple wind farm developments and the potential for cumulative impacts.	Do not finance wind farms designated for development in areas of high ecological value, high biodiversity and critical habitat for ETP species.	Company reporting on siting of wind farms	Verify location of protected habitat and species in vicinity of wind farm.  Verify presence of MSP in jurisdiction and whether this follows best practice.  Check whether SEA and EIA have identified and offered mitigating steps for environmental impact.
	Siting of wind farms in key migratory routes for ETP species where no mitigating options are possible to reduce impact on wildlife from construction, operation and decommissioning of wind farm, including entanglement, collisions and harm from pollutants. This is particularly urgent in the context of multiple wind farm developments and the potential for cumulative impacts.	Do not finance wind farms designated for development in areas of high ecological value, high biodiversity and critical habitat for ETP species.	Company reporting on siting of wind farms	Verify location of protected habitat and species in vicinity of wind farm.  Verify presence of MSP in jurisdiction and whether this follows best practice.  Check whether SEA and EIA have identified and offered mitigating steps for environmental impact.
<b>3. Pollution</b>	Lack of measurable steps taken to minimise noise pollution from seismic exploration, construction and decommissioning of fixed offshore wind installations both above and below the surface of the water in markets where there is no legal limit on noise pollution. This is particularly urgent in the context of multiple wind farm developments and the potential for cumulative impacts.	Do not finance developers who have not taken steps to minimise noise pollution from wind farm development.	Check business plans and developer sustainability policies and auditing.	NGO/watchdog reporting on pollution



Criterion	Indicator	Recommendation	Verification (basic)	Verification (extended)
<b>3. Pollution</b>	Projects where no consideration is given to the potential impact of wind farm development or operation (including maintenance) on water quality, noise or greenhouse gas emissions. This is particularly urgent in the context of multiple wind farm developments and the potential for cumulative impacts.	Do not finance wind farm developments that exceed minimum legal standards for environmental criteria including water quality, noise and GHG emissions; Require developers to implement best practice in mitigating these environmental impacts in markets featuring no legal baseline.	Check whether SEA and EIA have identified and offered mitigating steps for environmental impact.	NGO/watchdog reporting on pollution
<b>4. Wildlife disruption</b>	Development and operation of offshore wind facilities that do not seek to mitigate potential for collisions with birds and bats.	Do not finance developments that do not seek to mitigate any impacts from collisions on birds or bats. In some jurisdictions, these mitigating steps may be a legal requirement.	Company disclosure Check whether SEA and EIA have identified and offered mitigating steps for environmental impact.	Verify location of protected habitat and species in vicinity of wind farm.
<b>5. Seabed and habitat disturbance</b>	Construction and decommissioning of fixed wind turbines (as well as ancillary structures such as cabling, service platforms and substations) without regard to any disturbance to the seabed, notably from piling, dredging and related construction and decommissioning activities, particularly in sensitive habitat, high biodiversity or ecologically valuable areas, and in areas where such disturbance may impact on others' livelihoods, notably fishers. This is particularly urgent in the context of multiple wind farm developments and the potential for cumulative impacts.	Do not finance development sites that do not take environmental impacts of seabed disturbance, as well as the potential for conflict that this creates, into consideration in sensitive habitat, areas of high biodiversity or ecological value.	Company disclosure Check whether SEA and EIA have identified and offered mitigating steps for environmental impact. Verify whether plans for decommissioning exist.	Verify location of protected habitat and species in vicinity of wind farm. Verify presence of MSP in jurisdiction and whether this follows best practice. Check whether plans for decommissioning follow best practice.



An aerial photograph of a sandy beach meeting the ocean. The water is a vibrant turquoise color, and gentle waves are washing onto the shore. Several people are scattered across the beach and in the water. Some are lying on towels or blankets, while others are standing or wading. There are a few colorful beach umbrellas open, including one with pink and white stripes and another with blue and white stripes. The overall scene is bright and sunny, suggesting a warm day at the beach.

# **Coastal and marine tourism**



Criterion	Indicator	Recommendation	Verification (basic)	Verification (extended)
<b>1. Physical impact on habitat</b>	Destination development within protected areas, critical habitat for ETP species, or areas providing vital ecosystem services such as coastal flood defence.	Do not finance any development within IUCN Type I protected areas, critical habitat, or areas providing vital ecosystem services.	Company reporting on destination development.  Ensure robust EIA and SEA for ETP species and vital ecosystem services exist or are planned <a href="#">following best practice</a> .	Check for relevant jurisdiction over tourism strategy—look for protected area designation (following <a href="#">IUCN marine protected area categorisation</a> ) and upfront risk screening to identify areas of concern.
	Destinations served by companies with no limit on cruise ship traffic or measures to limit the impact on habitats from number of cruise vessels operating in protected areas, critical habitats or areas providing vital ecosystem services.	Do not finance cruise ship companies without risk mitigation plans in place for operations within critical habitats or protected areas, including appropriate adaptation measures, speed reduction and avoidance of migratory species.	Check company operational policies for limiting traffic in vulnerable areas.	Check for protected area designations in company-trafficked areas.
	Developments planned without consultation with local communities and environmental groups.	Do not finance tourism projects that have not been developed in consultation with local communities and environmental groups.	Company policy on stakeholder engagement.	Request transcripts of consultation meetings with stakeholder groups and participant lists.
<b>2. Invasive species</b>	Cruise ship companies not employing measures to limit number of organisms in ballast water or not disclosing the conditions of their ballast water.	Do not finance cruise ship companies not working actively to limit the number of organisms in their ballast water or appropriate disposal techniques in compliance with <a href="#">IMO ballast water management convention</a> .	Logbook: ballast water treatment system.	Observer reports of ballast water treatment.



Criterion	Indicator	Recommendation	Verification (basic)	Verification (extended)
<b>3. Greenhouse gas emissions</b>	Cruise ship companies operating vessels using heavy fuel oil with no strategy to transition to cleaner fuels.	Do not finance cruise ship companies without an implemented transition plan away from heavy fuel oil.	Company strategies for heavy fuel oil and transition plans	Observer verification of fuel use on vessels
	Developers not following best practice for limiting emissions during construction.	Do not finance developers not utilising best practice for emissions reduction during construction.	Request information on developer carbon footprint through existing frameworks (e.g. through CDP). If absent, request disclosure process to commence as soon as possible.	Third-party verification of carbon footprint and emissions reduction strategies
<b>4. Physical impact on wildlife</b>	Companies featuring destructive wildlife packages as part of their offering to visitors including active (i.e. not in-situ, undisturbed) use of wildlife for entertainment purposes.	Do not finance companies with destructive wildlife interaction practices (e.g. use of wildlife for commercial entertainment).	Check for company approach to wildlife	Verify company practice through third party/observer site visits; NGO/watchdog reporting
<b>5. Pollution</b>	Cruise ships exceeding limit values for NOx and SOx emissions.	Do not finance cruise ships with emissions profiles not in compliance with IMO regulations.	Company reported compliance with <a href="#">MARPOL Annex VI regulations against air pollution</a> from ships	Third-party verified compliance with <a href="#">MARPOL Annex VI regulations against air pollution</a> from ships

Criterion	Indicator	Recommendation	Verification (basic)	Verification (extended)
<b>7. Social impact of development</b>	Clear evidence that development of destination is dependent on land grabbing.	Do not finance any development engaged in land grabbing.	Company reporting on land acquisition	Check contracts and legality of ownership with third party legal experts.
	Clear evidence that development of destination is reliant on coerced or involuntary displacement of local communities.	Do not finance any development engaged in involuntary or coerced displacement of local communities.	Company reporting on land acquisition	Stakeholder engagement plans and meeting minutes. Third party consultation with local communities on impacts of development and compensation for displacement. NGOs/non-partisan community group/watchdog reporting on the degree of community engagement in decisions regarding land acquisition.
<b>9. Workforce</b>	Evidence of forced or coerced labour.	Do not finance developers involved in any way with forced or coerced labour.	Company disclosure	Media and NGO reports Interpol reports
	Developers not paying workforce a locally appropriate living wage.	Do not finance developers not paying employees and contractors a locally appropriate living wage in line with GSTC Industry criteria B7.	Company disclosure	Check employment and contractor arrangements on wages against locally appropriate living wages as estimated by third parties.