

CSR SUSTAINABILITY REPORT 2018



INDEX

Index	2
CEO statement	3
Who we are	4
Our Mission	4
The Alfa Aqua Values	5
Our Business Model	6
Our Sustainability program	6
Providing a healthy and safe workplace	7
Employee Satisfaction and engagement	8
Promoting equal opportunities and diversity	9
Focusing on negative environment impact reduction	9
Human rights and abolition of child labour	10
Responsible business practice	11
The global UN compact communication on progress	12

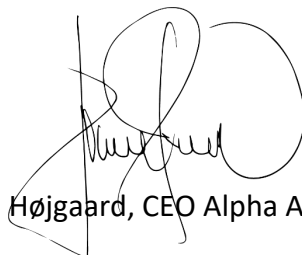


CEO STATEMENT

At Alpha Aqua, our mission is to contribute to the development of a more sustainable aquaculture production, thus making it possible to utilize the world's aquaculture resources more effectively. As such we want to help facilitate a change towards consumption of more sustainably produced protein. As a leading provider of sustainable technological aquaculture production solutions, we are in a unique position to help achieve this.

We strive to design innovative solutions based on a high degree of circular flows. Our technology enables customers to achieve a more sustainable production by reducing water consumption, utilizing excess nutrients, to have cleaner water and as a result no use of antibiotics which again leads to an increase in the quality of the end product.

In addition to developing technological solutions that provide sustainable benefits, we also take action to integrate sustainability into our own operations. We are committed to supporting the UN Global Compact and embedding the ten principles in the areas of human rights, labour, the environment and business ethics into our business. This report is our Communication on Progress against the principles.



Johan H. Højgaard, CEO Alpha Aqua A/S



WHO WE ARE

- A 100% privately owned company
 - A young company based on extensive experience from the aquaculture industry
 - A global company with projects spread all over the world
 - A company with manufacturing, research and development facilities in Denmark and Spain
-

OUR MISSION

- Is to rethink the entire value chain, by adding new methods, materials, best practices, and innovation - in close cooperation with strategic partners.
- Is to design holistic concepts, creating what we call 'life circle solutions'. We use recyclable materials and design our systems to fit the core living conditions of individual fish species by having the purest water quality at all operational stages of the system.



CREATIVE

Because creating new technologies and ideas is motivating and rewarding



TRUST

The success of our customers is the true stamp of quality in our business.




PASSION

Sharing a passion is the fuel that drives our innovation and knowledge creation

OUR ALPHA VALUES

Our three values are the core foundation from which Alpha Aqua has generated new innovative sustainable technologies and ideas that provide value for our customers and meaning for our employees.

Taking care of our planet is a core concern for us, as well as for our customers, and we hold ourselves to consistently high ethical standards on all three accounts.



"WE RE THINK THE USUAL
AND PUSH THE LIMITS FOR
A BETTER AQUACULTURE..."

uptime capabilities and flexibility features that are second to none. All this combined with a service portfolio that will ensure the best TCO (total cost of ownership) and best ROI (return on investment) in the market today.

OUR SUSTAINABILITY PROGRAM

Being sustainable is a core ambition for Alpha Aqua. It is not "just" something we talk about it is what we are!

As such our products and solutions are designed from a holistic view point, trying to create what we call "life cycle solutions". The sustainable way of thinking is not only in order to benefit ourselves and our customers, but also to benefit the employees and our customer's customers and the society in which they live.

In 2018, we joined the UN Global Compact, the world's largest corporate sustainability initiative. The goal of our participation is to underline that we are constantly working to align our sustainability principles and strategies with universal principles on human rights, labour, the environment and anti-corruption, as well as taking action that advance societal goals.

Based on the Global Compact's framework, we have chosen to focus on four key areas that is of importance to our way of thinking in

OUR BUSINESS MODEL

Alpha Aqua A/S was founded in 2017 by two well-esteemed Danish companies, each with long track records in the aqua industry. They were determined to gather the best and most innovative technicians, vets and biologists in the international aquaculture industry in order to design and build the next generation of RAS systems for the global market.

By rethinking the entire value chain, by adding new methods, materials, best practices, and innovation - in close cooperation with strategic partners - the aim has been to create a turnkey production platform. A production platform that will operate under very high bio-security standards, having industry-leading

terms of product, customers and stakeholders.

- Health and Safety of employees
- Abolition of child labour and labour rights particularly in relation to creating equal opportunities for both men and women
- The Environment with a focus developing sustainable products that reduces the strain on the worlds resources
- Business Ethics in the Sales and Service areas

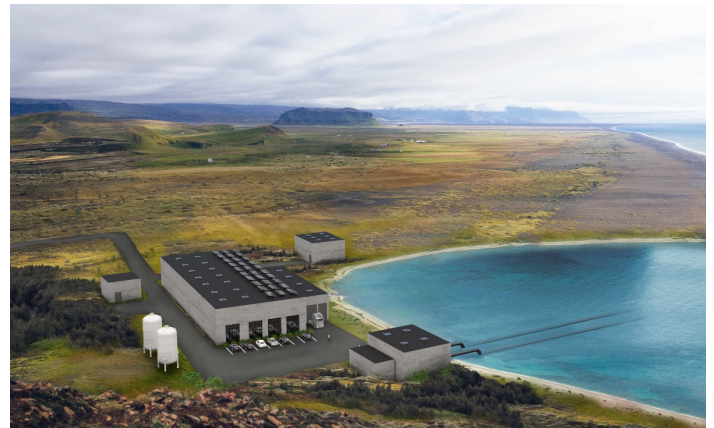
In order to address these key area's we are developing, implementing and communicating our policies to our employees, customers and other stakeholders and report our progress in this report.

We also support the UN Sustainable Development goals, the most relevant for our business are:

- SDG 2:
End hunger, achieve food security and improved nutrition and promote sustainable aqua culture
- SDG 3:
Ensure healthy lives and promote well-being for all ages
- SDG 6:
Avoid wasting water

- SDG 8:
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- SDG12:
Ensure sustainable consumption and production patterns

This report fulfils our Danish legislative and UN Global Compact reporting requirements, and covers the 2018 financial year.



PROVIDING A HEALTHY AND SAFE WORKPLACE

For a business, it's always important to have those who work for you to be fit, healthy and happy. At Alpha Aqua this is done through creating a work culture that promotes health through all aspects of their lives. Since our employees spend a lot of their time at work, it's important for us that we help them stay safe and happy.

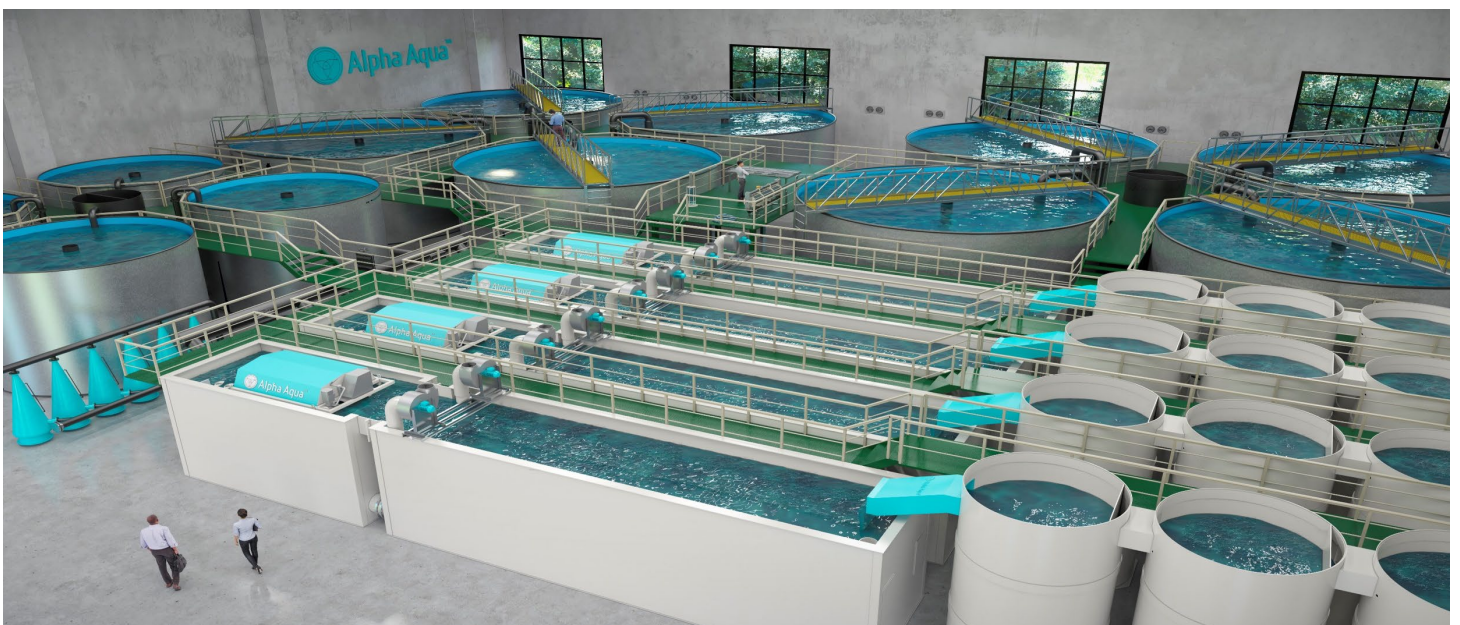
The primary risk when working at Alpha Aqua is travelling to our project sites in foreign countries in unstable parts of the world. In order to overcome these risks Alpha Aqua uses the company Guardian – Security Risk Management in order to secure employee safety. In cooperation with Guardian SRM training programs have been developed in order to educate our employees on how to reduce risks when travelling abroad.

When working at home our employees are exposed to minimum risks as they do not have to do any heavy production. However, we have dedicated a member of our team to assess all work operations at our project sites in order to identify potential risks, develop policies and implement measures in order to avoid accidents and their reoccurrence.

EMPLOYEE SATISFACTION AND ENGAGEMENT

Other than the physical health a core concern is the mental health of our employees. Being a start-up company often means a risk of calling “all hands on deck” at all hours of the day. This can create a stress high environment that we have to be aware of. In order to reduce the risk of stressing our employees we try to create flexible workstations and let the employees design their own working schedule. Other than that, we try to promote a culture that respects the individual employee’s need to have a well function private live that leaves room for family, friends and other interest. In order to support this culture, we try to have at least one or two social events every year that is not only for employees but for their families as well.

In 2018, we have had no working injuries.





PROMOTING EQUAL OPPORTUNITIES AND DIVERSITY

Training and educating existing and potential customers and users of the Alpha Aqua technology is not only a question of transferring knowledge, it is also a question of empowering workers in parts of the world where the level of education is low. Creating training programs for as well men as women is key, in order to spot the best talent and brightest minds.

Our training programs are designed to focus on:

- Improvements on technical knowledge and know-how of farmers, academic institutions, and technical support staff from private and public organizations.

- Improvement in efficiency of farmers and improved knowledge about aquaculture systems and transition towards more productive, shorter cycle and more diverse species, and increased transfer of adapted technologies.
- Support value chain coordination between independent actors and promotion of products toward consumers.

Our training programs involve as well local training of our customer's workers as well exchange programs such as the EURASTIP Exchange program. In 2019 our first exchange specialist is scheduled for a stay at Alpha Aqua in Denmark.

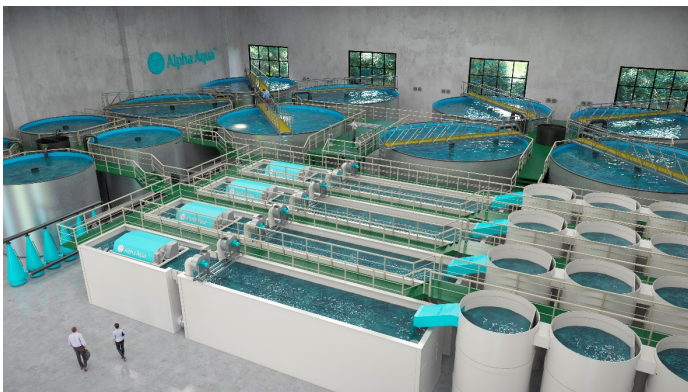
FOCUSING ON NEGATIVE ENVIRONMENT IMPACT REDUCTION

The Alpha Aqua solutions is built in sustainable plastic material approved for food production.

Using plastic as the main building material it becomes possible to reuse most of the materials, making it easy to dispose of in a sustainable way. Combining the environmentally friendly production systems with new and innovative co-production methods also makes it possible to reduce the negative impacts of traditional aquaculture waste on surroundings.

As such the Alpha Aqua technology helps:

- Reduce water consumption from that of a regular RAS system (7-10%) down to as low as 2-4% in the Alpha Aqua system
- Greatly improve circular economy and recycling of nutrients through co-production system between fish and halophyte plants
- Reduction on emissions of greenhouse gases (by bioenergy production and utilization) and increased CO2 sequestration.
- Increased biosecurity as a result of the Alpha Aqua design that makes it possible to shut down parts of a plant individually, thus reducing risk of contamination.
- Reduce carbon footprint



In order to document the performance of our technology an EU-ETV verification of our core technological component “The Alpha Line”, which is a water cleaning unit, is performed. This ETV verification will allow us to measure

the environmental impact of each unit that leaves our production hall.



HUMAN RIGHTS AND ABOLITION OF CHILD LABOUR

We believe that children are our future and we are dedicated to the fight against child labour and to secure children the same human rights as adults.

This is why we have set in motion the work of an anti-child labour statement that will become an important part of our due diligence of suppliers. As part of an awareness raising program targeted our suppliers and customers, as to how you can contribute to the wellbeing of children and the protection of their rights, Alpha Aqua has chosen to sponsor a children’s home in Vietnam.

In addition to our anti-child labour statement we are working on a supplier code of conduct



that will state how we expect our suppliers to comply with basic human rights such as forced labour, health and safety, child labour, salaries, freedom of association, and working hours.

All suppliers must sign-off that they comply with our Code of Conduct, or produce documentation that demonstrates they have comparable policies and procedures in place.

Updating our code of conduct is a regular part of our managerial meetings and all changes or updates are communicated to all our employees. We are also working on the implementation of a training program for new employees to make sure that all our employees are aware of human rights issues.

In 2018 we have not registered any human rights issues. In order to make sure that this is not a result of faulty performance monitoring,

we wish to review our monitoring process in order to identify possible areas of improvement. If any issues are registered they will be dealt with locally by our company representative and our CEO.

RESPONSIBLE BUSINESS PRACTICE

At Alpha Aqua, our values and principles are not only meaningless words, it is the basis of the code of conduct that we try very hard to enforce so that all our employees act in a uniform manner, especially when it comes to the area of business ethics. This means that engaging in bribery and corruption is strictly prohibited. Also, a set of guidelines are being developed and implemented in 2019 that provides guidance for our employees on areas such as gift-giving, entertainment, conflict of interest, political and charitable donations.

In 2018 we have not registered any anti-corruption issues. If any issues are registered they will be dealt with locally by our company representative and our CEO.



The global UN compact communication on progress

Alpha Aqua is a signatory of the UN Global Compact, an initiative by which companies can join UN agencies, labour leaders and civil society in supporting 10 principles in the areas of human rights, labour, the environment and anti-corruption. As a signatory, we are committed to advancing the Compact and reporting our progress against the ten principles.



COMMUNICATION ON
PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

