
ESG Report 2019



ATLANTIC
SAPPHIRE.®



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A Message from Our Chairman & CEO

During this extraordinary time of crisis in which the world is combating the COVID-19 virus pandemic, I first want to acknowledge all the front-line workers and participants involved who have worked tirelessly to attend to the sick and prevent the spread of infection. Further, with safety as a top priority more than ever, I want to thank the extended Atlantic Sapphire team for their effort and dedication in keeping Atlantic Sapphire's operations and construction on track. During this period, on May 5, 2020, Atlantic Sapphire listed on the Oslo Stock Exchange. This milestone for the company, completed during these uncertain times, is another reminder of the importance of placing resilience and sustainability as priorities for the creation of enduring, long-term value.

Atlantic Sapphire is pioneering land-based farming locally and transforming protein production globally, for the health of people and planet. Atlantic Sapphire was founded in 2010 on the idea of transforming salmon farming and bringing the entire value chain of salmon production closer to consumer end-markets. Healthy fish and a strong company culture are central to the company. We believe that to produce the healthiest and most delicious salmon, we also need to eliminate antibiotics, pesticides and microplastics from our fish, as well as reduce the salmon's exposure to diseases and parasites.

We raise our salmon in Bluehouses where they are not exposed to these factors and are given ideal conditions to thrive. Out of the oceans, we are leading the way for aquaculture to have fewer impacts on our coastal environment, while also meeting the growing demand for sustainable proteins. We will reduce airfreight transportation and related greenhouse gas emissions, while also producing our salmon at a lower total cost. Sustainability has always been at the core of our business plan, together with maximizing shareholder and other stakeholder value.

2019 was a year of milestones for Atlantic Sapphire. In Denmark, we finished construction of the second phase of our Bluehouse.

In the US, we introduced the first salmon ever born in Florida to our Bluehouse, starting out in freshwater from the Biscayne Aquifer, and then growing in saltwater from the Florida aquifers. This important breakthrough verified our water infrastructure system in South Florida.

We are pleased to announce that in October 2019, Atlantic Sapphire joined the United Nations Global Compact. We support its Ten Principles for human rights, labor, the environment and anti-corruption. We believe that making progress towards UN Sustainable Development Goals demands new technologies and continued innovation in aquaculture – and we endeavor to lead by example.

According to an independent assessment conducted by The Washington Economics Group, the estimated economic impacts of Atlantic Sapphire's business plans for the State of Florida and Miami-Dade County, the direct, indirect and induced employment impact is estimated to bring over 3,500 jobs by 2021. Yet, we aim to do more. We want our performance to be more than just financial numbers, because they only tell part of our story.

We are pleased to present our first report on the environmental, social and governance (ESG) aspects of our business. As the Miami Bluehouse nears construction completion and the company becomes fully operational, data collection will increase to support additional disclosure. This report is based on the Global Reporting Initiative (GRI) Standards to help ensure that our performance is presented in a complete, consistent, and comparable manner, here and in subsequent reports.

I would like to thank all our employees for their daily dedication to make Atlantic Sapphire a success. And to our business partners, suppliers, shareholders and local community partners: thank you for your engagement and support. With you, we will continue to grow our sustainable business – or as we say: "Bluehouse, Green Planet".



Johan E. Andreassen

Atlantic Sapphire Production Sites

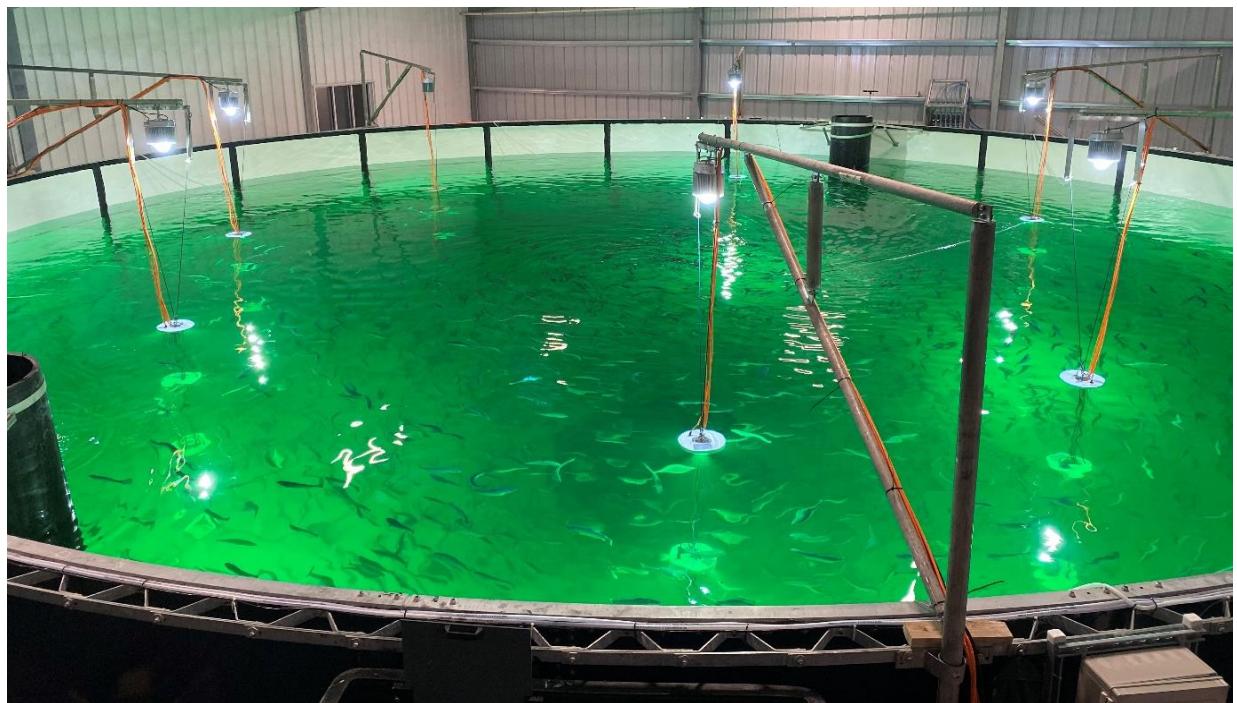


Denmark Bluehouse, ~2,400 tons (HOG) annual production capacity, Hvide Sande, Denmark



US Bluehouse, ~9,500 tons (HOG) annual production capacity, Miami, Florida (2020)

Atlantic Sapphire Under the Roof



Salmon swimming in Miami Bluehouse grow-out tank



Co-founders Johan E. Andreassen & Thue Holm with a Miami Bluehouse salmon

About Atlantic Sapphire

Founded in 2010, Atlantic Sapphire owns and operates land-based Atlantic salmon farms in Hvide Sande, Denmark and Miami, Florida, USA.

A Bluehouse® facility is proprietary production technology developed in collaboration with a wide range of supply chain partners to optimize growing conditions for Atlantic salmon. Each Bluehouse contains the facilities needed for a salmon's full growth cycle, from egg hatchery to grow-out tanks to harvest processing. Consolidated operations enable Atlantic Sapphire to control the entire production cycle without having to transport salmon to and from sea-based net pens. The company's strategy is to produce in the end-market, near customers, thereby reducing the environmental impacts and costs associated with airfreight transportation.

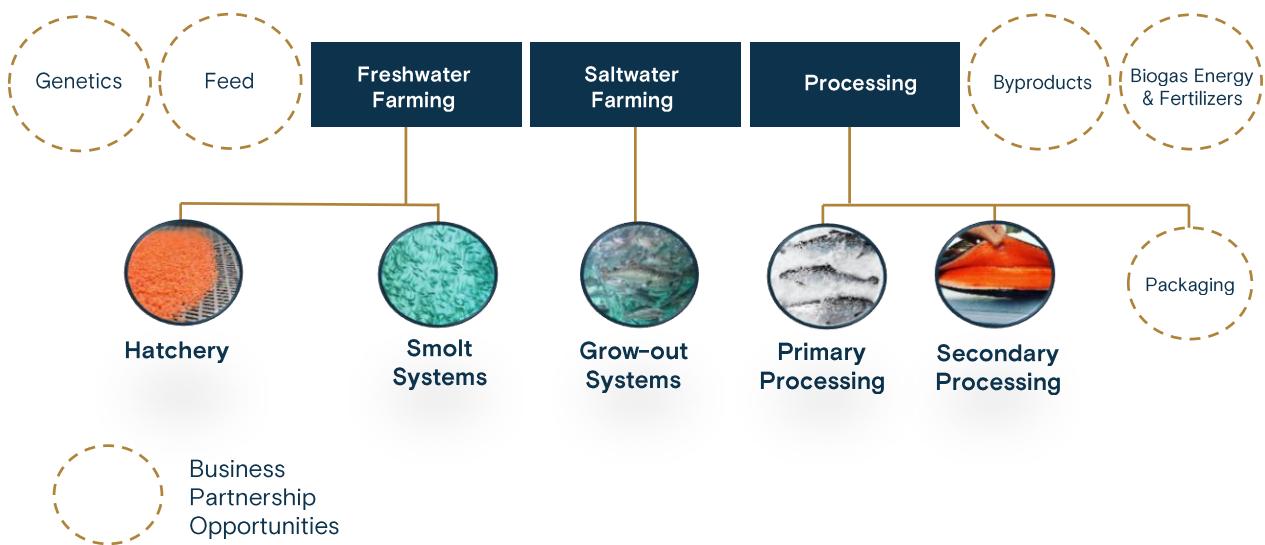
The Denmark Bluehouse and the Miami Bluehouse have production capacities of approximately 2,400 tons head-on gutted (HOG) and 9,500 tons (HOG), respectively. The company has a target to expand production at the Miami Bluehouse up to 220,000 tons of annual capacity by 2031. Today's global volumes of farmed Atlantic salmon reached 2.6 million metric tons in 2019 according to the UN Food and Agriculture Organization (FAO)¹.

At the end of 2019, Atlantic Sapphire employed 87 full time employees. As the company scales up in the US, it expects to continue to increase its workforce.

Atlantic Sapphire aims to transform salmon farming by managing an integrated value chain of salmon production and bring full traceability from egg to final product. Atlantic Sapphire's activities include farming, harvesting, processing, marketing and sales of its products. Through the specialized, efficient design of the Recirculating Aquaculture System (RAS), Atlantic Sapphire has the ability to control the key drivers of the production cycle, consistently every day of the year.

In the US, in-market production collapses the costs inherent in the international, conventional sea-based salmon farming value chain. Bluehouse farming has fewer negative impacts on the coastal environment, and for the Miami Bluehouse, there are no coastal impacts. The innovation of the Bluehouse allows Atlantic Sapphire to contribute to meeting the growing demand for sustainable, fresh proteins. Atlantic Sapphire continuously invests in research and development to ensure that it remains at the forefront of transforming market salmon production.

Our Integrated Value Chain



¹FAO. 02/12/2019. Market Report: Higher than expected supply growth in 2019

Company Facts

Founded:	2010
Legal headquarters:	Vestnes, Norway
Business headquarters:	Miami, Florida, USA
Oslo Stock Exchange ticker:	ASA

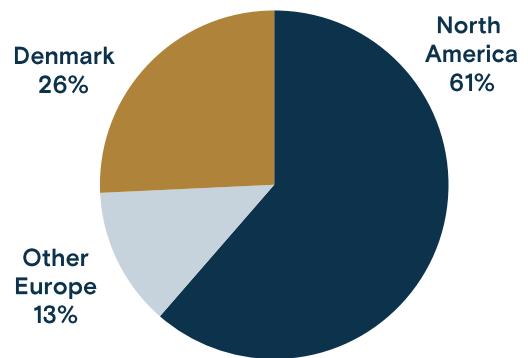
Atlantic Sapphire ASA, incorporated in Vestnes, Norway, is the parent company of the Atlantic Sapphire group of companies, which includes:

- Atlantic Sapphire Denmark A/S, Hvide Sande, Denmark
- S.F. Development, LLC, Miami, FL, USA
- Atlantic Sapphire IP, LLC, Miami, FL, USA
- Atlantic Sapphire USA, LLC, Miami, FL, USA
- AS Purchasing, LLC, Miami, FL, USA

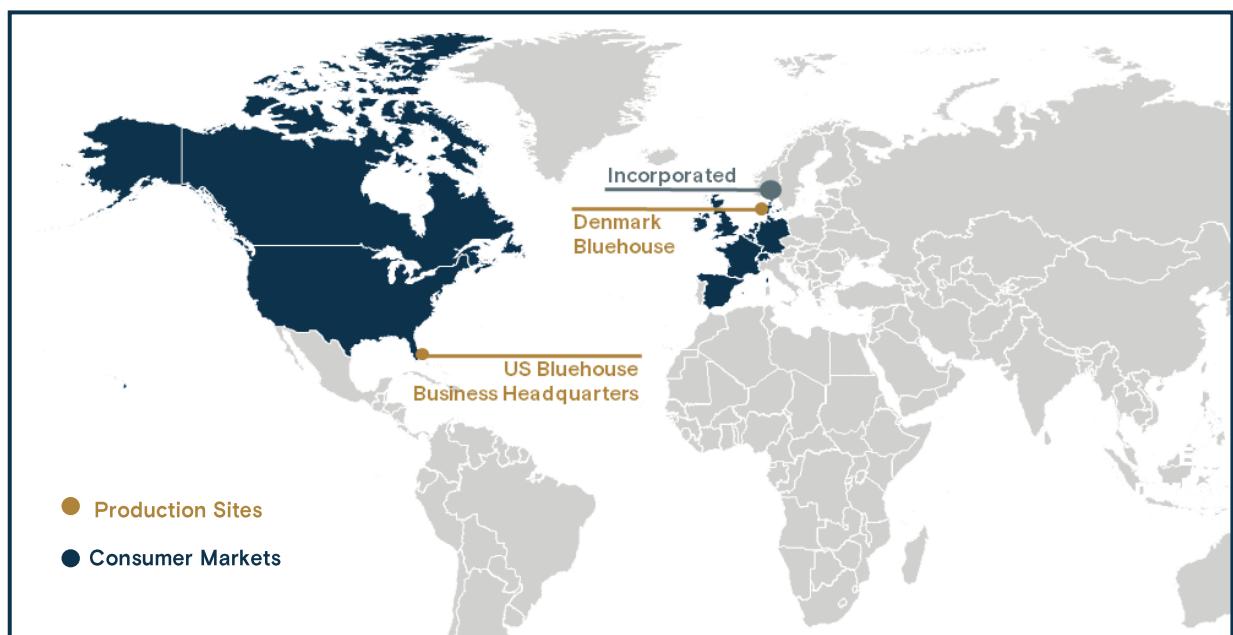
Atlantic Sapphire listed on the Oslo Stock Exchange on May 5, 2020 with the ticker symbol ASA. Atlantic Sapphire has continued to grow a steady base of international investors. As of May 2020, around 56% of the company's shareholders were from Norway (or registered country), more than 23% were from the US and the remaining investors mainly from Europe.



2019 Revenue by Market



Atlantic Sapphire by Location



Executive Management



Johan E. Andreassen
Chairman, Atlantic
Sapphire ASA & CEO,
Atlantic Sapphire USA
LLC

Before co-founding Atlantic Sapphire, Johan E. Andreassen led Villa Organic, the first organic salmon farming operation in Norway, from idea inception to IPO and strategic exit, with a production capacity of 30,000 tons. He has 18 years of experience selling into the North American market.



Thue Holm
CTO

Atlantic Sapphire co-founder Thue Holm is an environmental biologist with extensive experience in the land-based salmon farming industry, from technology to fish health. He has 15 years of experience in full-cycle salmon production.



Jose Prado
CFO

Jose Prado has 24 years of full investment cycle experience, from early stage to mid-cap exit. Prado has served as the Chief Financial Officer of the Group since 2014. He holds a B.S.E. from University of Pennsylvania – The Wharton School and an M.B.A. from Northwestern University's Kellogg School of Management.



Dharma Rajeswaran
COO

Dharma Rajeswaran has 26 years of salmon farming experience including leadership positions in world-leading salmon farming companies with a strong focus on their land-based freshwater operations. He also served as Managing Director, Villa Arctic AS, and as a director on the board of Villa Organic AS.



Svein Taklo
CDIO
(Chief Development & Infrastructure Officer)

Svein Taklo has 20 years of experience in the maritime passenger ship industry including senior positions such as VP of Marine Operations in Royal Caribbean Cruise Lines.



Danielle Villoch
Head of Legal

Danielle Villoch has nine years of experience in legal private practice with Gibson, Dunn & Crutcher LLP in New York, NY, primarily in the areas of project finance, capital markets and bank finance, advising borrowers and lenders in a variety of infrastructure projects, debt financings and liability management transactions.



Cristina Espejo
Head of People

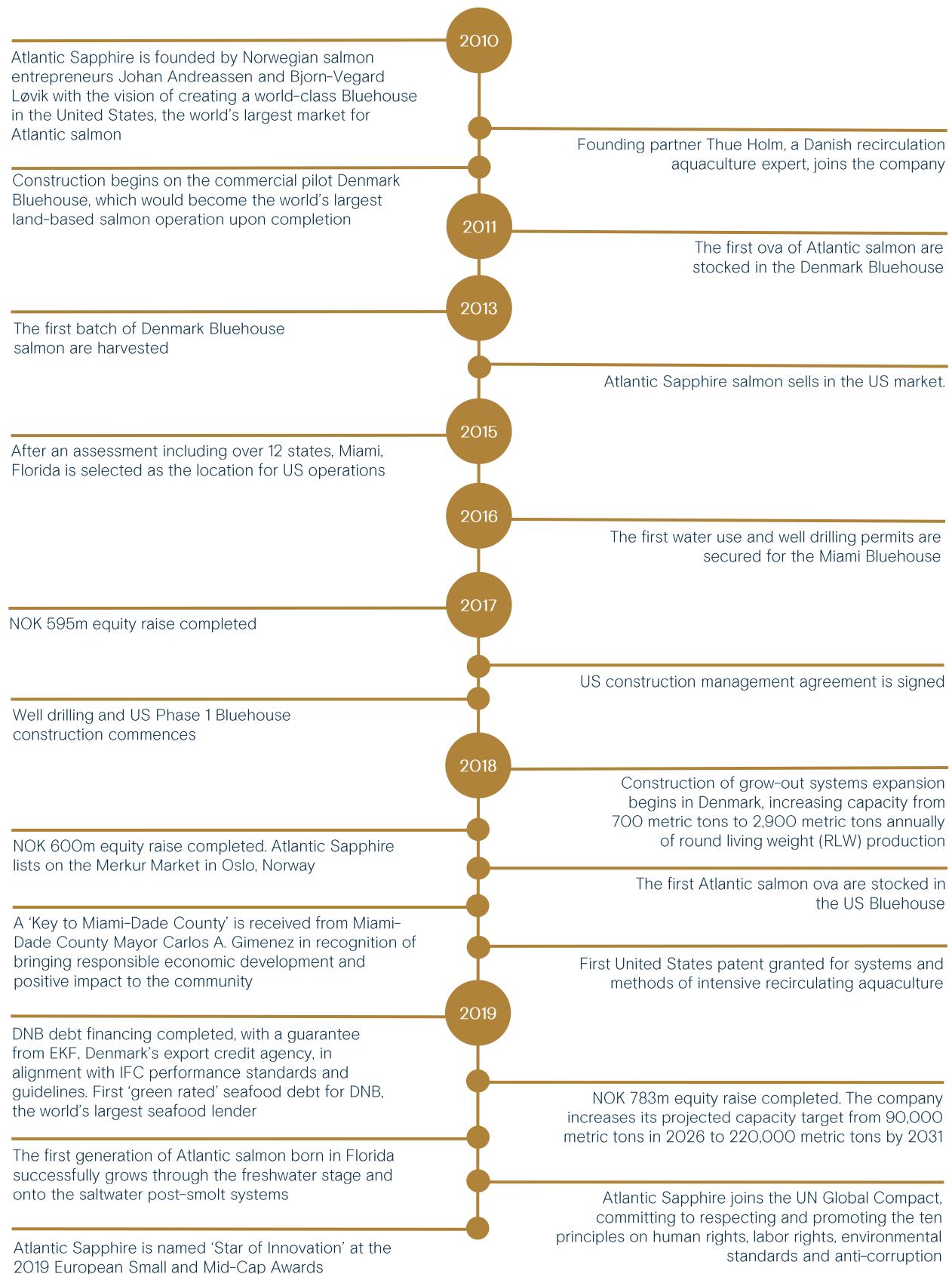
Cristina Espejo has 15 years of Human Resources leadership experience, including 12 years at DNV GL, a global provider of classification and certification services.



Karl Øystein Øyehaug
Managing Director AS
Norway & Director of
Finance

Karl Øystein Øyehaug has three years of experience as an equity analyst at Carnegie Investment Bank in Oslo, two years covering the fish farming sector.

Selected Historical Milestones



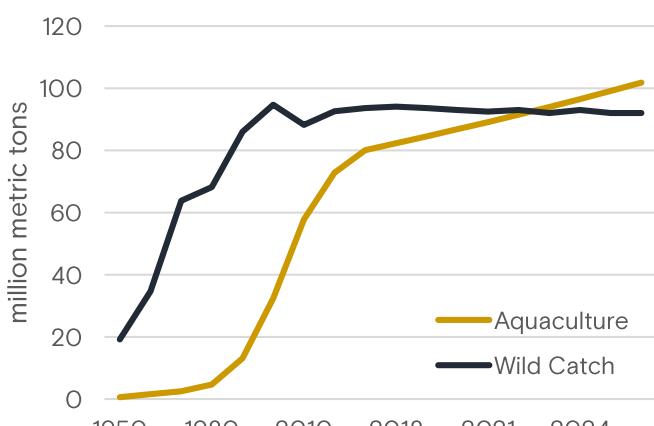
The Global Challenges Facing Seafood Production

We live in an era of unprecedented pressure on our natural resources, as we are challenged to provide enough food to sustain a growing global population. The UN Sustainable Development Goals (SDGs) have framed our global environmental, social and economic challenges and urged businesses to step up with solutions that tackle the problems – fast and at scale.

Salmon farming emerged four decades ago in Norway, and later in other areas with similar oceanographic conditions, as a consistent and reliable source of healthy seafood. Salmon farming soon became one of the main sources of income and employment in many small communities, contributing to the economic development of remote parts of these countries.

According to the Food and Agriculture Organization of the United Nations ("FAO"), global consumption of meat per capita (including seafood, poultry, pork, beef and other meat) almost doubled in the period from 1963 to 2011 and represented approximately 10% of the average human's total food consumption in 2011. Fish composed only 6% of the total human protein consumption in 2013.

Global Production



Source FAO

In 2017, the production of animal proteins from Atlantic salmon was approximately 2.3 million tons. The United Nations estimates that the world population will reach 8.5 billion by 2030, and the FAO estimates that fish consumption per capita globally will rise from 20.5 kg in 2016 to 21.3 kg by 2027.

While fish from wild catch is expected to remain flat in this period according to the FAO, fish from aquaculture is forecasted to grow at a compound annual growth rate ("CAGR") of approximately 2.6%. This will grow aquaculture's share of total fish supply from approximately 46% in 2016 to approximately 53% in 2026. According to Kontali², fish from aquaculture will grow faster than any other main source of animal protein, with a 2014 – 2024E supply CAGR of 2.8%. Salmon farming is expected to play an important role in this Kontali Salmon Market Analysis 2019 development.

Over the past decades, aquaculture has greatly contributed to the protection of depleting wild stocks and is expected to continue to be a significant contributor in feeding the world's increasing population.

However, there is more to be done in protecting our ecosystems and, in particular, our oceans. As new technologies become available and we become increasingly aware of the issues facing us, we need to adapt to global changes to mitigate the negative impacts that our actions have on our environment and society.

Food systems need to be reshaped to feed our planet sustainably with healthy proteins. We view our business as being part of the solution, not only participating in a leadership role in navigating the world onto a low-carbon path for a healthier environment, but also driving resilience for a more sustainable future.

² Kontali Salmon Market Analysis 2019

Why Sustainability Matters to Atlantic Sapphire

Providing an environmental and social solution is central to Atlantic Sapphire's business, its investments and its way of doing business since its establishment in 2010. The company believes environmental, social and governance (ESG) factors have a material impact on its long-term financial performance and value creation for stakeholders. Through its daily actions, Atlantic Sapphire seeks to leverage the potential of its alignment with ESG principles to minimize risk and maximize stakeholder value.

ESG factors have been incorporated into the Atlantic Sapphire company culture and serve as guiding principles. The team is measured on and recognized for its contributions to meeting our company values and four key priorities of responsibility: Product, Economic, Environmental and Social Responsibility.

SDG Priorities



Joining the UN Global Compact

In 2019, Atlantic Sapphire joined the UN Global Compact, the world's largest voluntary corporate sustainability initiative. As a signatory of the UN Global Compact, Atlantic Sapphire commits to implementing the 10 UN Global Compact principles in the areas of human rights, labor, environment and anti-corruption throughout its operations.

Our involvement underscores our long-standing commitment to conducting business in a sustainable, responsible manner. Further, we vow to make conscious decisions to ensure operations are conducted in accordance to internationally recognized sustainability principles.

UN Sustainable Development Goals

Atlantic Sapphire strongly supports the UN SDGs. The company sees these goals as a blueprint for business leadership generally, as well as for our industry because food production lies at the intersection of almost all the major global challenges. Atlantic Sapphire believes that it has a duty to find a balance between producing enough healthy proteins to feed the world and protecting the limited resources of our planet.

Atlantic Sapphire is aligned with the UN Global Compact principles and SDGs as they relate to its business strategy, day-to-day operations, organizational culture and influence. Atlantic Sapphire identifies the eight SDGs highlighted below as targets for the company based on what counts as highest priorities and the areas in which it is best placed to drive positive change.



"Joining the UN Global Compact is an important step for Atlantic Sapphire that will help us drive the culture of Corporate Social Responsibility in all the areas where we operate".

Johan E. Andreassen

Our SDG Priority Targets

Product Responsibility

3 GOOD HEALTH AND WELL-BEING



“Ensuring healthy lives and promoting the well-being for all at all ages is essential to sustainable development” SDG 3

Atlantic Sapphire produces Atlantic salmon, which is high in long-chain omega-3 fatty acids that help maintain a healthy heart and is a rich source of vitamins and minerals. According to health authorities, a healthy, balanced diet should include at least two portions of fish a week, including one of oily fish such as salmon.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



“Sustainable consumption and production is about promoting resource and energy efficiency, sustainable infrastructure, and providing access to basic services, green and decent jobs and a better quality of life for all” SDG 12

Atlantic Sapphire produces high quality Atlantic salmon free of antibiotics, parasites and other medicines and free of micro-plastics thanks to its closed-containment salmon farming technology. The Bluehouse technology enables Atlantic Sapphire to make a responsible use of natural resources such as water and produce a sustainable protein for consumers.

Economic Responsibility

“Sustainable economic growth will require societies to create the conditions that allow people to have quality jobs” SDG 8

By spearheading the development of a new cross-discipline industry both in Denmark and the United States, Atlantic Sapphire has secured the creation of quality jobs that will set the basis for a robust talent pool in the emerging land-based aquaculture sector. In addition to the positive impact generated through employment and the economic multiplier effect, the growth of Atlantic Sapphire and the land-based salmon farming sector generates a significant need for skills. This leads to collaboration between the public and private sectors to develop programs oriented to form students for the jobs of the future, engaging people of different ages and backgrounds.

8 DECENT WORK AND ECONOMIC GROWTH



“Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation” SDG 9

Innovation is at the heart of Atlantic Sapphire's Transformative Purpose. By pioneering Bluehouse salmon farming, we are contributing to the progress and development of the RAS salmon industry at large as we open the door for larger projects and collaborate with contractors, equipment manufacturers and suppliers to develop new solutions. We invest in research and development (R&D), we participate in conferences to contribute to the global understanding of the main challenges and opportunities of this emerging industry and we are expanding the pool of talent by recruiting people from different disciplines who can help bring land-based salmon farming forward.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Atlantic Sapphire's SDG Priorities and Contribution

Environmental Responsibility

“Take urgent action to combat climate change and its impacts” SDG 13

Salmon farming has the lowest carbon footprint in animal protein production. Atlantic Sapphire's objective is to further contribute to the reduction of the environmental impact of salmon farming by eliminating airfreight-related carbon emissions.

13 CLIMATE ACTION



“Conserve and sustainably use the oceans, seas and marine resources for sustainable development” SDG 14

Atlantic Sapphire has minimal impact on the oceans, marine wildlife and marine ecosystems. By producing salmon out of the sea, we are protecting wild populations of salmon and other wildlife from additional escapees, parasite and disease pressure. In addition, our water treatment system in Denmark and the use of the Boulder Zone to discharge treated water in Miami eliminate risks of eutrophication and changes on the seabed caused by our wastewater. Atlantic Sapphire's recycling technology, in which more than 99% is reused, reduces the fresh and saltwater demand on our operation. Atlantic Sapphire actively engages in reducing its reliance on marine ingredients for the feed of its salmon and ensures that these ingredients are responsibly sourced.

14 LIFE BELOW WATER



Social Responsibility

2 ZERO HUNGER



“The food and agriculture sector offers key solutions for development, and is central for hunger and poverty eradication” SDG 2

As the world's population continues to grow, our future generations need higher availability of protein. Atlantic Sapphire is contributing to bridge the increasing gap between a stagnant growth in global supply of salmon and a rising demand by optimizing the use of natural resources and eliminating barriers such as geographical production limitations.

5 GENDER EQUALITY

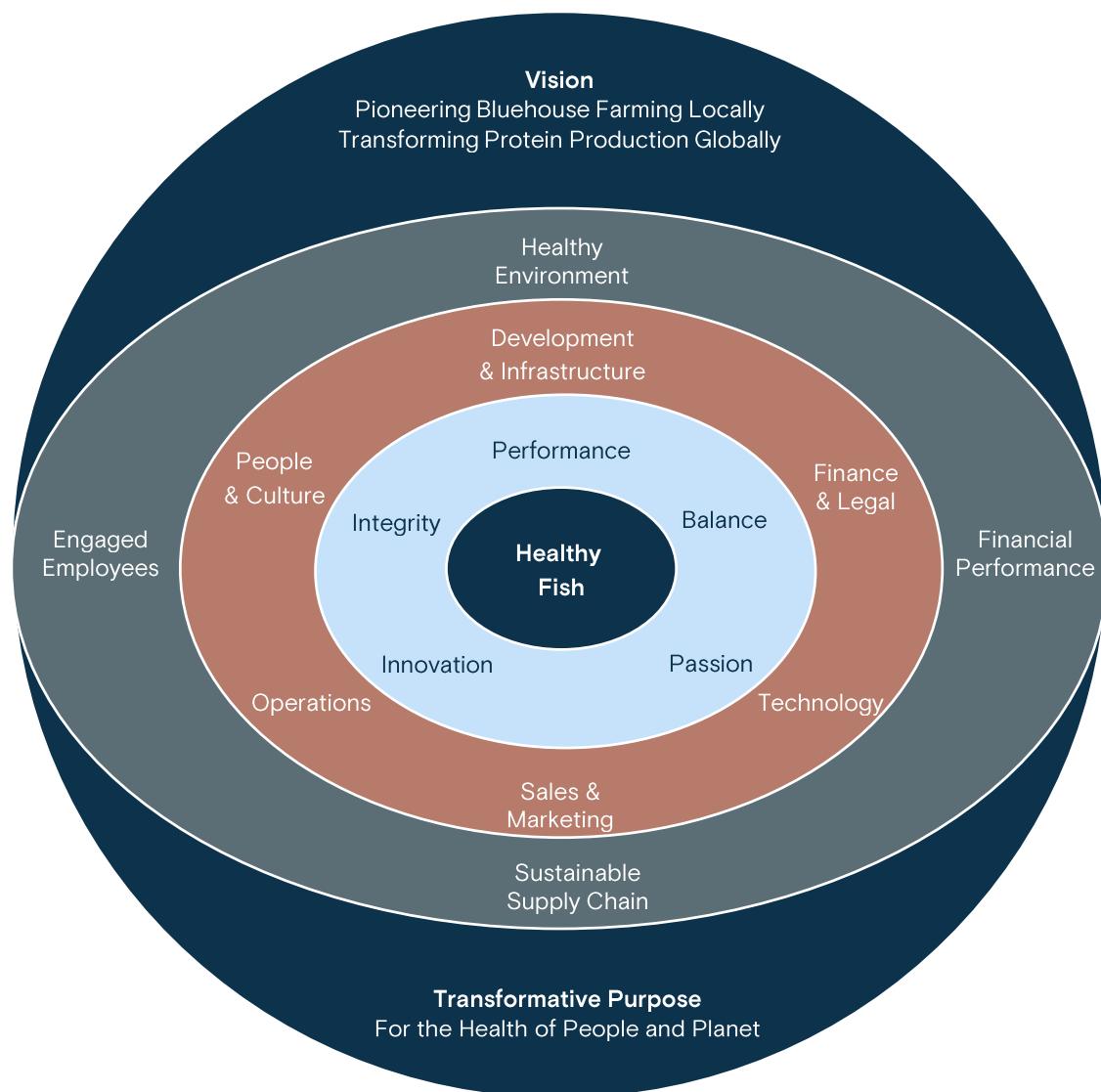


“Gender equality is not only a fundamental human right, but a necessary foundation for a peaceful, prosperous and sustainable world” SDG 5

Equality and diversity are paramount to the creation of a balanced work culture and the base of a company for the future. Atlantic Sapphire strives to offer equal opportunities and pay to male and female employees and to create inclusive employment opportunities through training programs in different areas.

Our ESG Framework

Atlantic Sapphire has a clear purpose: to lead the global transformation of aquaculture through innovative fish farming methods that deliver a delicious, nutritious, sustainable product to the end-consumer. The company exists for this purpose. A comprehensive approach to high standards in corporate governance is fundamental to the administration of the company. In this report, we set out our approach to ESG and bringing results across four key areas: our product, economic, environmental and social responsibility.



Prioritizing Material Risks

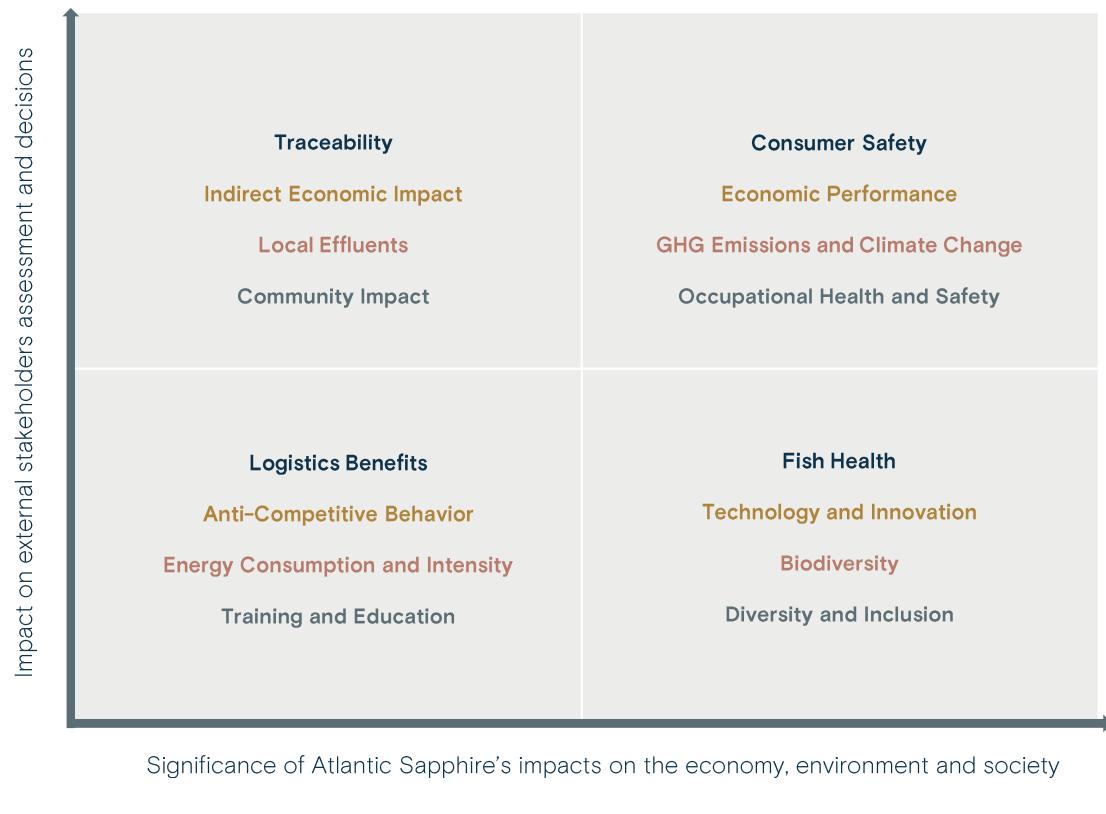
In 2019, the company undertook an assessment to determine its key stakeholders and its ESG priorities, disclosure topics and risk factors. Careful consideration for guidance was included from the Global Reporting Initiative (GRI) Standards, the Sustainability Accounting Standards Board (SASB), the UN Global Compact and the UN Sustainable Development Goals (SDGs).

We view all potential material ESG topics, both risks and opportunities, according to their time horizon (short-, medium-, and long-term). We also evaluate boundaries, that is, we consider where each of the impacts occur and the company's direct or indirect involvement with such impacts.

We then assess the company's stakeholders along its value chain, focusing on four key stakeholders and their expectations of Atlantic Sapphire: customers, employees, suppliers and shareholders. We have analyzed the company's significant impacts and stakeholder expectations across over 30 relevant and important topics, and from there we have prioritized through an iterative process the 16 topics considered most material across four topic categories: Product Responsibility, Economic Responsibility, Environmental Responsibility and Social Responsibility.

The resulting list of topics and the materiality matrix are shown below.

Atlantic Sapphire's Materiality Matrix



Material ESG Risks

Product Responsibility

<p>Consumer Safety</p> <ul style="list-style-type: none"> Food safety and certification compliance No antibiotics or pesticides Integrated production and processing quality control No exposure to microplastic waste <p>Traceability</p> <ul style="list-style-type: none"> Secure and integrated production cycle Key suppliers, including genetics and feed 	<p>Fish Health</p> <ul style="list-style-type: none"> Fish husbandry best practices Prevent exposure to parasites Prevent exposure to toxic algae or diseases <p>Logistics Benefits</p> <ul style="list-style-type: none"> Elimination of airfreight intermediaries Longer fresh product shelf-life Single location transportation origin Full by-product utilization opportunities
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Economic Responsibility

<p>Economic Performance</p> <ul style="list-style-type: none"> Financial results and shareholder return Financial integrity and responsibility <p>Indirect Economic Impact</p> <ul style="list-style-type: none"> Investment and job creation impact Contribution to GDP growth 	<p>Anti-Competitive Behavior</p> <ul style="list-style-type: none"> Code of Conduct adherence Transparent reporting <p>Technology and Innovation</p> <ul style="list-style-type: none"> Intellectual Property Rights Research & Development
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Environmental Responsibility

<p>GHG Emissions and Climate Change</p> <ul style="list-style-type: none"> In-market production, eliminating airfreight transportation Minimal transportation for farming and processing Improved feed efficiency <p>Energy Consumption and Intensity</p> <ul style="list-style-type: none"> Increase renewable energy supply Efficient energy investments 	<p>Local Effluents</p> <ul style="list-style-type: none"> Advanced water treatment Minimal impact on coastal waters Responsible sludge management <p>Biodiversity</p> <ul style="list-style-type: none"> Minimal impact on local flora and fauna Prevent escapees and predator issues Avoid microplastic contamination
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Social Responsibility

<p>Occupational Health and Safety</p> <ul style="list-style-type: none"> Safe and hazard-free working environment Provision and use of health & safety equipment <p>Training and Education</p> <ul style="list-style-type: none"> Atlantic Sapphire Academy Collaboration with educational institutions Learning and networking events 	<p>Community Impact</p> <ul style="list-style-type: none"> Local supplier engagement Charity, civic and research organizations engagement <p>Diversity and Inclusion</p> <ul style="list-style-type: none"> Equal opportunities for employees and suppliers Gender diversity Integration initiatives
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In 2020, the company intends to continue to validate the materiality assessment with selected external stakeholders and ensure that it continually monitors the evolving landscape of risks and opportunities in sustainable aquaculture. The company will also increasingly capture data on the material ESG topics for management attention and reporting. In the US, the company's operations are under construction as well as in the early stage of operation. As Atlantic Sapphire becomes fully operational in the US, data collection will increase to support additional comprehensive and accurate disclosure.

Stakeholder Engagement

Atlantic Sapphire's business ultimately depends on its social license to operate, on the trust and goodwill of its stakeholders and on its reputation for keeping its promises. Any circumstances that publicly damage these may lead to a broader adverse effect than solely the monetary liability arising directly from a damaging event by way of loss of business, trust and goodwill, clients and consumers, employees, partners and neighbors.

The company strives to build long-term relationships with its stakeholders; the management team therefore meets on an ongoing basis in open and transparent dialogue with all stakeholders interested in its business from a social, environmental or economic perspective. The company proactively engages them through different platforms to address their needs, listening and providing information about Atlantic Sapphire's projects.

The dialogue always strives to raise awareness of both the value and the challenges of what Atlantic Sapphire does. In the past year the company has had valuable dialogue with stakeholders around various topics, including, for example, product attributes, environmental and animal welfare aspects related to Bluehouse salmon farming, technology, the R&D invested in the recirculating aquaculture systems (RAS), the viability of the business model, and the socio-economic impacts of its operations in Denmark and Miami. The company uses different platforms to communicate with stakeholders on a regular basis, the frequency of communications depending on the interest and the level of involvement of these stakeholders.

Atlantic Sapphire's Stakeholders



“As we continue to drive innovation in Bluehouse salmon farming, we are committed to making an impact for our stakeholders. We always welcome input that challenges us to rethink or improve aspects of our performance”.

Jose Prado
CFO



How Atlantic Sapphire Engages with Stakeholders

Employees

Full-time Employees | Subcontractors

Ongoing communication regarding professional goals and opportunities, needs, work performance, updates on procedures and important events

Frequent company-wide online communications on relevant and exceptional information through different platforms

Communities

Local Communities | Education Centers | Associations | Media

Open dialogue responding to questions, concerns and requirements via onsite visits, participation in community activities and scheduled meetings

Provision of relevant information and updates about the progress of our operation through email, social media, press and announcements

Shareholders

Investors | Lenders

Regular communication, dialogue and updates in company presentations, investor days, investor meetings, roadshows and investor site visits

Availability for two-way face-to-face communication, email correspondence and response to enquiries

Multiple access platforms including Oslo Stock Exchange (OSE) official channels, website, investor relations email address

Customers

Buyers | Retailers | Food Service | Consumers

Frequent communication through onsite visits, email and phone to set common goals, respond to questions around product safety and attributes, and provide updates on commercial plans

Direct communication with customers through social media and other marketing and PR channels answering questions about product safety, traceability and salmon attributes



Industry

Industry Peers | Non-Governmental Organizations (NGOs)

Updates through company presentations at conferences and summits gathering businesses within the seafood industry and beyond

Notifications through OSE, market days, onsite visits strictly centered on pre-competitive dialogue

Communications through specialized media

Press releases, company updates and social media posts

Authorities

Local | Regional | National

Continuous engagement informing of progress, practices, permissions via formal communication

Onsite visits

Regular updates via face-to-face communication

Our Commitment to Responsible Governance

Our Governance Framework

Our framework for responsible governance includes our Environmental and Social Management System (ESMS), which comprises a set of policies, procedures and requirements for our internal capacity to identify and manage our ESG impacts..

While the Board of Directors is ultimately responsible for the company's sustainability performance, the daily responsibility is integrated throughout the executive team. Atlantic Sapphire lives a culture where everyone is responsible for driving value with a focus on engaged people, healthy fish, healthy environment, sustainable supply chain and financial performance. Measurement, monitoring and auditing of the environmental and social management system (ESMS) and coordination is conducted by the People team and managers accountable for all elements of our ESAP (Environmental and Social Action Plan).

Our ESMS Framework



Atlantic Sapphire's ESMS was built following an external review of our Environmental and Social Management Plan (ESMP) for compliance with the IFC Performance Standards (PS) (2012), IFC EHS Guidelines for Aquaculture (2007) and EHS General Guidelines (2007). The ESMS comprises a set of policies across a range of ESG topics – from environment, health & safety, security and emergency preparedness to employment terms, grievance management, community engagement and communication.

Our EHSS Policy

Our overarching environmental, health, safety and security (EHSS) policy commits us to responsible governance including:

- Ensuring compliance with all applicable EHSS laws and regulations, EHSS management standards and other EHSS standards to which Atlantic Sapphire subscribes
- Promoting this culture through our suppliers, vendors and contractor
- Designing and reliably operating our aquaculture facilities with emphasis on effective process safety programs to maintain a safe work environment, prevent accidents and improve efficiency in the consumption of energy, water and other resources and material inputs
- Conducting employee training and implementing a top down culture of safety awareness
- Identifying, evaluating and managing risks associated with occupational health & safety, community health & safety, food safety, environmental compliance, and quality of products
- Continuous improvement of our processes and development of technologies to increase the performance and sustainability of operations
- Communicating to management and all concerned any unlawful or unsafe conditions and security lapses, and maintaining openness, transparency and continuing dialogue with our employees, contractors, communities, regulatory authorities, suppliers, customers and other stakeholders.

Code of Conduct

The success of Atlantic Sapphire depends on maintaining the highest standards of trust and integrity at all levels of the organization, as well as the company's reputation for honesty and transparency in its business.

The Code of Conduct (the "Code") sets expectations and provides guidance for the company's Board of Directors, officers, employees, independent contractors and consultants, and is consistent with the company's core values. It is their responsibility to understand the Code, as well as exercise good judgement and follow the Code. Suppliers are also expected to understand the Code and share our commitment to integrity by following the principles of the Code.

The Code is aligned with Atlantic Sapphire's commitment to the UN Global Compact principals and SDGs. The Code is designed to encourage reporting of any violations to management.

Atlantic Sapphire is required to follow and comply with the laws across the locations where it operates, including any new laws or changes in existing laws. The company is also required to maintain generally accepted customs as far as they are compatible with the principles in our Code.

"Acting with integrity is crucial to the success of Atlantic Sapphire as a fair employer and as a reliable partner to suppliers, customers, and shareholders".

Johan E. Andreassen





1 Product Responsibility



1 Product Responsibility

As consumers increasingly demand more healthy, delicious and sustainable protein options, salmon has become a sought-after product. Salmon is a great choice as a nutritious part of a healthy diet. The health benefits of Atlantic salmon, such as being rich in omega-3, proteins and essential vitamins (A, D and B-12), are widely documented.

While our current business model and technology provide a great solution, we will endeavor to find ways to increase sustainability in the production of our salmon. Atlantic Sapphire Bluehouse salmon not only offers the taste and health benefits valued by consumers, but it is also raised in ideal conditions from a fish welfare and environmental perspective.

Smolt typically grow until approximately 100 to 200 grams before they are moved to saltwater grow-out tanks where the salmon are fed and raised to the target average harvest size of 4.5 kilograms. Once harvested, the salmon are processed into consumer-ready products and loaded onto trucks for transportation to retailers, restaurants and other customers. The complete production cycle takes between 18 and 22 months.

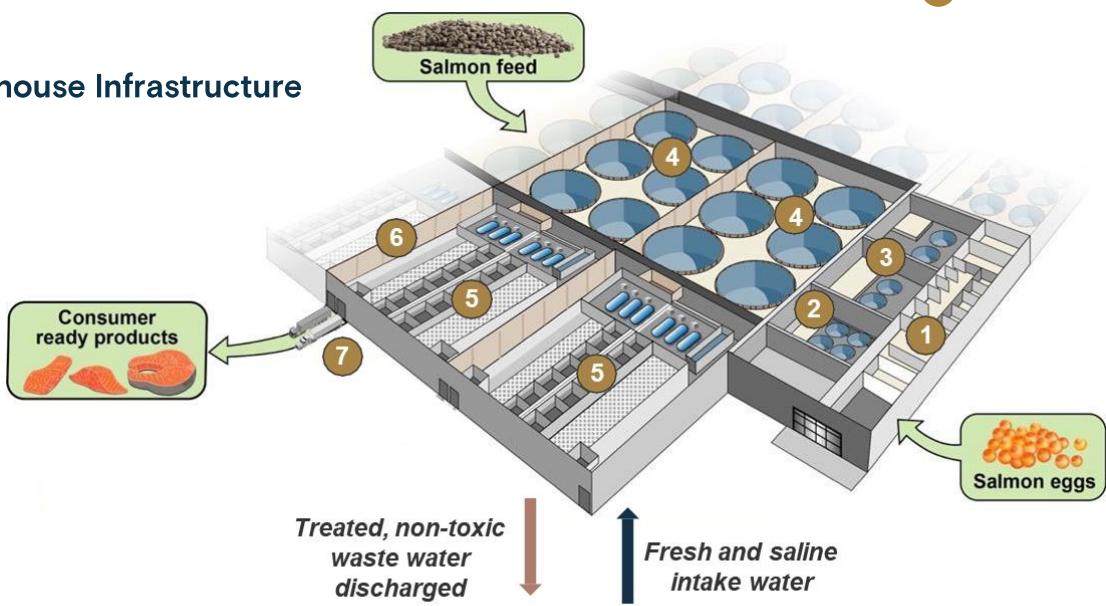
Completing the entire production under one roof shortens the value chain of salmon production significantly, simplifies logistics and increases traceability of the end-product.

Our Bluehouse Value Chain

Atlantic Sapphire's production cycle starts with the introduction of salmon ova into the hatchery. As eggs hatch and develop, the fish are moved between increasingly sized freshwater tank systems until they reach the smolt stage in the production cycle.

- 1 Egg hatchery
- 2 Juvenile tanks
- 3 Smolt tanks
- 4 Growout tanks
- 5 Biofilters
- 6 Processing
- 7 Truck Pick-Up

Bluehouse Infrastructure



Leading Technological Development

Atlantic Sapphire Bluehouses deliver maximum biological control due to cutting-edge technology. Our proprietary capabilities build on collaboration and integration with a diverse range of technology partner solutions. All relevant parameters are constantly being monitored with an increasing number of sensors, tools and equipment measuring water quality indicators such as alkalinity, carbon dioxide, oxygen and temperature. The system also measures potential risks for the fish, such as elevated levels of toxic gases including hydrogen sulfide. Early detection of toxic hydrogen sulfide is important to minimize the risk of a mortality event. This continues to be a key area of technical innovation to reduce exposure for the company. Continuous improvements in technology allow Atlantic Sapphire to grow fish faster with less feed and reduced use of oxygen and energy, thereby ensuring optimum fish welfare.

Denmark Innovation Center

The Denmark Bluehouse, located in the village of Hvide Sande was the first of its kind when built in 2011. This commercial pilot facility demonstrated the ability to raise Atlantic salmon without the use of net pens in open water. Atlantic Sapphire's proven Bluehouse technology allows salmon to be raised closer to the end consumer. Inside the Bluehouse, the water is continuously purified to remain crystal clear by a state-of-the-art filtration system. Furthermore, the fish are free to swim against strong currents, as they do in the wild. Atlantic Sapphire salmon will never have contact with sea lice or be exposed to wild fish diseases, allowing them to grow strong and healthy.

US Bluehouse, In-Market Commercial Scale-Up

The Bluehouse located in Miami, Florida, USA, is equipped with state-of-the-art Recirculating Aquaculture System (RAS) technology based on innovations and experience from Denmark. This technology has been further developed to combine with the naturally given conditions of the underground aquifers of South Florida. In our Miami, FL location, Atlantic Sapphire sources freshwater from the Biscayne Aquifer, only a few feet below ground surface. Based on the current permitted allocations, the Biscayne aquifer accounts for about 5% of the total groundwater consumption.

The brackish and salty groundwater is sourced from a density stratified, artesian aquifer – the Floridan Aquifer. This aquifer is penetrated at approximately 1,200 feet below the Miami Bluehouse. The salinity of groundwater in the aquifer generally increases with increasing depth. Wells constructed in the aquifer are completed in two different zones – the upper Floridan aquifer and the middle Floridan aquifer. These hydrogeologic units produce groundwater with salinities of 2.7 parts per thousand (ppt) and 35 ppt, respectively. Over 95% of the groundwater consumption for farm operations will be saltwater from the Floridan aquifer. The exchange of groundwater entering and exiting the Miami Bluehouse will be about 10% per day. Inside the Bluehouse, the recirculation degree of filtered water in the tanks is above 99%. Less than 1% of the total water that is sent through the filtration system is discharged as non-toxic wastewater through the injection well and into the Boulder Zone of the lower Floridan aquifer, located at a depth of nearly 3,000 feet underground. The Boulder Zone acts as a storage zone and natural filter with a natural current that slowly filters the water over thousands of years and allows it to eventually return to the ocean as clean water, eliminating any impact from the wastewater on the ecosystem.

The unique groundwater resources of South Florida are well suited for Bluehouse farming at scale. A stable supply of fresh, brackish and saline groundwater as well as a proven and environmentally desirable method for wastewater disposal are critical elements. In 2018, Atlantic Sapphire was granted a United States patent for its systems and methods of intensive recirculating aquaculture, incorporating the use of wells constructed for groundwater supply and wastewater disposal.

Developing a Sustainable Option

The conventional aquaculture industry today generates a global supply of healthy Atlantic salmon of an estimated 2.6 million metric tons³, almost all produced in sea-based net pens or cages, primarily off the coasts of Norway and Chile due to suitable conditions. However, these industrial sea-based fish farming areas are remote from the largest end-markets, requiring significant transportation and logistics costs, generating added carbon footprint, as well as leading to reduced shelf life of the final product.

In addition, the conventional industry faces numerous other challenges. Sea-based farmed fish in net pens host diseases and parasites, including sea lice, requiring continuous use of pesticides and other prevention methods. Farmed salmon also escape into the surrounding waters, spreading non-native fish varieties that may intervene with the local ocean ecosystem and wild salmon. Fish waste dissipates untreated into the coastal areas. Bluehouse technology avoids all these issues.

Almost all sea-based farmed salmon starts its life in a land-based facility, spending up to half of its life there, before being transferred to a sea-based net pen or cage. An alternative is to keep the whole farming process on land, which is the idea behind the Bluehouse. Containing the salmon within our Bluehouses, we eliminate the threats to wild fish stock and our own fish from sea lice, parasites and other diseases being transferred; we avoid untreated fish waste being emitted into coastal areas; and we ensure that no microplastics and other contaminants are ingested by the fish.

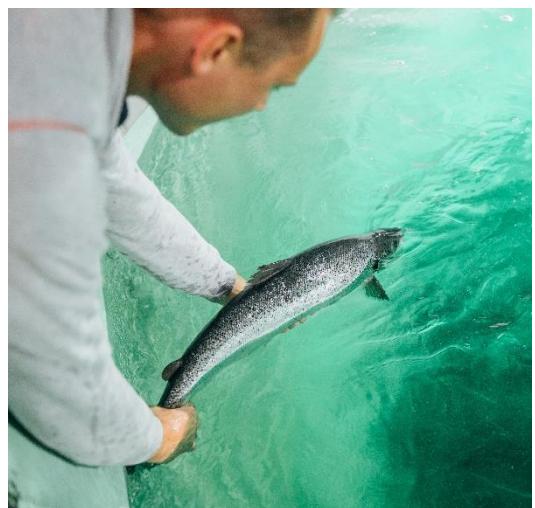
Since Atlantic Sapphire salmon first came to the European and US markets in 2013, the company has been growing its production in Denmark. Construction of the new Bluehouse in Miami, Florida, began in 2017 and is nearing completion. This will bring production of Atlantic salmon close to customers in North America, ensuring the availability of locally raised, fresh salmon with full traceability from egg to final product.

Traceability

Atlantic Sapphire's full production cycle is carried out in its Bluehouse, ensuring traceability from egg to final product.

In Denmark, Atlantic Sapphire uses HACCP standards to manage compliance with standards and legislation. Atlantic Sapphire Denmark holds a Grade AA BRC Global Standard for Food Safety issued by Bureau Veritas Certification Holding SAS to produce fresh gutted and cleaned head-on RAS farmed salmon delivered from its own farm and factory.

In the US, Atlantic Sapphire expects to finalize the construction of its processing plant in the third quarter of 2020. To begin processing in this plant Atlantic Sapphire will apply for the USDA System of Operational Procedures (SOP) and HACCP, which will certify the compliance of the plant with US regulations. We do not anticipate any issues with obtaining any relevant approvals. Once these are in place, Atlantic Sapphire will apply to obtain BRC certification in the US.



³ FAO. 2018. The State of World Fisheries and Aquaculture 2018 – Meeting the sustainable development goals. Rome. License: CC BY-NC-SA 3.0 IGO

Genetics

Atlantic Sapphire imports ova from leading industry suppliers in Iceland and Norway to our Miami and Denmark facilities. All ova supplied to Atlantic Sapphire meet the criteria of “no genetic engineering involved” under the terms of the EU regulations. Furthermore, Atlantic Sapphire is committed to never using genetically modified ova in its production.

Genetic development in salmon aquaculture consists of the improvement and strengthening of salmon breeds using selection and mating techniques to ensure a higher survival rate and resistance to the conditions to which salmon are exposed throughout the production cycle.

Atlantic Sapphire’s salmon are raised in an environment which allows the genetic work to be focused on growth and traits more specific to Bluehouse conditions and not on attributes such as resistance to parasites, bacteria, pathogens or other sea-specific conditions.

Atlantic Sapphire is working with leading aquaculture genetics companies to advance performance in Bluehouses as well as establish integrated onsite genetics operations.





Feed

Our commitment to sustainability starts with what we feed our salmon. It is important to select partners that share our view on environmental, social and governance issues and have a strong focus on innovation. Salmon feed is made from a variety of raw materials, including grains such as wheat and soy, and marine ingredients such as fishmeal and fish oil. Our aim is to build long-term relationships with partners and suppliers to collaborate on developing increasingly sustainable feed solutions.

In selecting feed, raw material availability, origin, harvesting methods and regulations throughout the supply chain are key factors in the social, environmental and economic impact of the production of the final product. There are science and data-based comprehensive standards regulating the supply chain of feed ingredients in aquaculture. In fisheries, for example, scientific bodies assess wild stocks in different fishing grounds and establish catch restrictions based on biomass volumes, average size and the natural seasonality of the species. Atlantic Sapphire carefully selects its feed suppliers to ensure that the strictest regulations and full traceability are in place throughout the value chain from primary raw material production through feed ingredient manufacturing and feed production.

We have chosen to work with feed suppliers that source their marine ingredients from producers which fulfill the requirements of the MarinTrust – the international program for marine ingredient certification (formerly known as the Global Standard for Responsible Supply (IFFO RS)), in line with the FAO Code of Conduct for Responsible Fisheries. By engaging only with suppliers that operate under third-party recognized standards we ensure that all the fish used in our feed comes from responsibly managed fisheries with well-regulated biomass stocks and with zero-tolerance policies in place against Illegal, Unreported and Unregulated (IUU) fishing and full traceability systems in place.

Another major area of focus in aquaculture feed production is the use of sustainably sourced soy. We believe it is a joint responsibility for both feed suppliers and salmon farmers to uphold strict requirements in the selection of soy with a strong focus on minimizing and eliminating the risk of deforestation and with zero tolerance against forced labor. Atlantic Sapphire is actively looking into the development of alternative raw materials. We are engaged with feed suppliers and ingredient manufacturers to explore opportunities for using ingredients such as algal oil, insect meal and single cell protein with the goal of eliminating fish oil and fishmeal in our feed in the future.

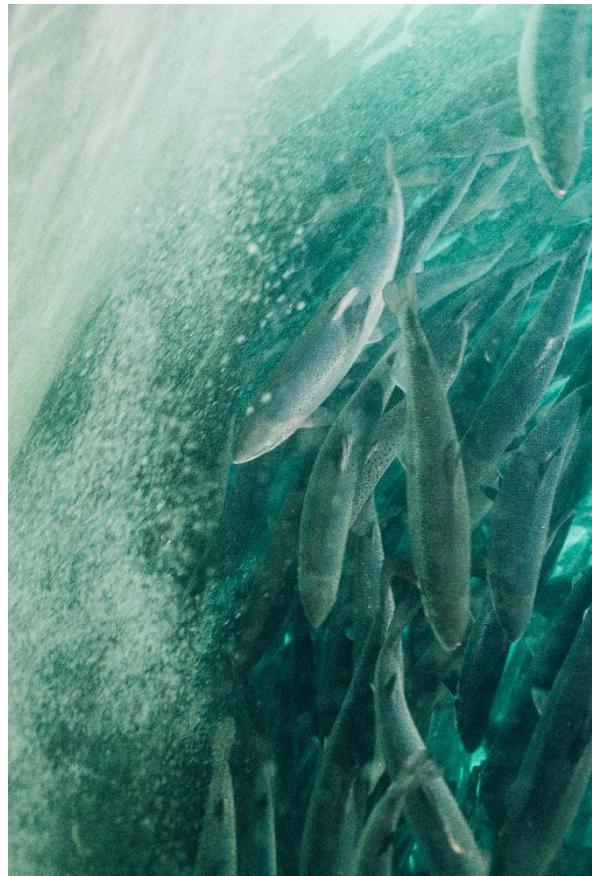
Fish welfare

The healthier our fish, the stronger the company performs. Atlantic Sapphire Bluehouse technology brings unprecedented measurements and control for critical aquaculture factors.

To ensure optimal fish welfare, Atlantic Sapphire constantly monitors parameters such as oxygen, carbon dioxide and ammonia levels.

Over time, we have also continued to increase data collection, both in quantity and quality, to support ongoing improvements in water quality, the general health of our fish and their growth performance.

Further, Atlantic Sapphire uses leading information and biotechnology companies to analyze fish welfare parameters to corroborate internal measurements and results.



Reducing Energy Consumption

In 2019, the company adopted an innovative technology approach to optimize the cooling and ventilation systems in its facilities, as well as minimizing energy loss in piping of water. Recirculating units and heat exchangers enable the company to maintain steady temperatures in the aquaculture systems.

As an example, the Miami Bluehouse uses a closed-loop cooling water well system for operation of water-to-water heat exchangers to dissipate heat produced by the chillers. The water-to-water heat exchange is more efficient than the conventional water-to-air exchange. The process uses groundwater pumped from shallow water table wells constructed in the Biscayne Aquifer. After passing through the heat exchanger, the groundwater is returned into the aquifer and there is no consumption of groundwater in the process.

This use of technology reduces the need for electrical cooling, and hence the energy use and potential related GHG emissions. Being at the forefront of sustainable aquaculture, Atlantic Sapphire must continue to develop technologies and implement process enhancements to increase the performance and sustainability of its operations.

Interview with Christi Dimon, Farm Operator, Miami Bluehouse



A marine biologist and fish passionate with experience in the Alaskan Pacific salmon fishery, Christi joined Atlantic Sapphire in 2019 to be part of a project that will change the way that people eat seafood in the US.

What do you think are the most pressing issues in aquaculture and how can we solve them?

I think currently people have the wrong idea of aquaculture and farmed fish. Aquaculture, particularly salmon farming, despite being a young industry, has come a long way in farming practices, technology, nutritional improvements and sustainability awareness. I think Atlantic Sapphire is an example of how an aquaculture company can be future-oriented and help protect the environment.

What do you think are the most important factors to ensure that the fish is healthy?

We are constantly taking the time to observe the behaviors of the fish and monitoring the factors that we can control. We make sure that they have enough space, enough oxygen, and that the water flow is strong enough to keep them actively swimming as they would in the wild. We also ensure that the water quality is kept in the best conditions for the development of the fish for their stage of growth.

Can farmed fish be happy?

Yes, under the right conditions they are. Of course, we have the idea that everyone is most happy in their natural environment, and this is to do with the conditions in which we develop. When I see our fish, I think of when I was working in Alaskan wild fisheries and I saw fish jumping all the time and swimming in large schools. This is exactly how fish behave in our Bluehouse, schooling together and leaping like they jump in the ocean.

How do you measure fish health and how can you be sure that all the fish in the farm are swimming in good conditions?

Beyond the veterinary and technical lab work, when you take a fish out to sample it you check that the body has a nice shape, not too skinny or too fat, the scales must be in good condition, no abrasions or missing scales, and no deformities or abnormalities. But the easiest thing to observe their wellbeing is monitoring their eating patterns and making sure that they have a healthy appetite. From experience, this can tell you a lot about how the fish are feeling and their health status.

What do you think are the benefits of Bluehouse salmon from a health and wellbeing perspective?

Bluehouse salmon is going to make healthy proteins more available to societies that might not otherwise purchase fish. When we harvest our fish, customers will be able to trace their origin all the way back to when and where they were spawned until they get to the store where they are sold.

Currently, it is difficult to know how old the salmon you're purchasing is. The traceability and sustainability of Bluehouse salmon will allow many families to buy domestically raised fish, which is one of the best things we can do for ourselves, our families and our communities.

Sustaining Trust in Our Product

Growing a brand on a promise of sustainability does not happen by accident. In bringing Atlantic Sapphire product to market, the company has engaged with a range of carefully selected clients and business partners, building trust and working hard to maintain such trust through transparent communication, and only associating with organizations who share the company's commitment to sustainable aquaculture and product safety. Domestically raised salmon will contribute to food safety in the value chain, and further consumer trust. Ensuring the safety of our product from 'egg to plate' is paramount.

Product Certifications

To date, Atlantic Sapphire products are carried by a broad range of retailers in North America and Europe, from small to large scale. The growing demand for healthy and sustainably produced proteins means that retailers of every category are looking to promote sustainable food products. Although the company is producing a premium salmon product, it does not target only high-end supermarkets.

Atlantic Sapphire believes its product also fits in with a broader product category offering. In some retailers, Bluehouse salmon will be the only salmon sold due to its health and sustainability characteristics; in other retailers Atlantic Sapphire accounts for a smaller share of the product category or our salmon is marketed as a separate product type alongside other categories such as conventional, organic farmed or wild salmon.

Consumer trust in Atlantic Sapphire's product is vital to our business and position as a leader in the marketplace. For that reason, the company is mindful to ensure the accuracy of every sustainability-related claim it makes on the product labelling and in our marketing.



Since inception, Atlantic Sapphire has reviewed a range of potentially relevant certification schemes and quality standards. Atlantic Sapphire Denmark is audited and certified Whole Foods Market Responsibly Farmed under the control procedures outlined in the Whole Foods Market Quality Standards for Farmed Salmon.

Further, Atlantic salmon grown in indoor recirculating tanks worldwide such as our Bluehouses are rated Green – Best Choice by Seafood Watch, and Atlantic Sapphire Danish salmon is recommended by Ocean Wise. These third-party verifications affirm the quality and high standards of our Atlantic salmon.

Processing and Packaging Solutions

Atlantic Sapphire's Denmark production includes primary processing only. All secondary processing is carried out by contractors compliant with all European health and safety regulations. Until 2020, Atlantic Sapphire's full salmon production has come from its Danish operation and sold from this facility into Europe, the United States and Canada.

In the United States, we expect our production will combine both primary processing, which will consist of slaughtering and gutting, and secondary processing focused on filleting and some value-added products. The products will be head-on gutted (HOG) salmon, fillets and value-added products stored and transported to the end market at a temperature between 0 and 2 degrees Celsius. In the United States, Atlantic Sapphire will be able to use more sustainable packaging, as there is no need to meet packaging requirements necessary for the duration of airfreight. In the US, Atlantic Sapphire's main packaging material for HOG salmon and salmon fillets is expected to be made of fully recyclable or biodegradable material for domestic transportation. Together with a sustainability-minded supplier, we have developed boxes using 90% cellulose fiber and will only use sustainable material such as soy ink for prints. Inside every box, we anticipate there will be a 100% biodegradable bag containing all fillets or HOG fish packed in bulk.



Product Responsibility

Selected Targets for 2020

Consumer Safety

- Continued 100% compliance with all food quality standards
- Obtain BRC certification (US)
- Obtain American Heart Association 'Heart-Check' food certification

Packaging

- Roll-out of biodegradable packaging for the transportation of harvested salmon (US)



Selected Targets for 2024

Consumer Safety

- Introduce an Atlantic Sapphire Bluehouse certification program

Production Responsibility

- Process 100% of off-cuts from farmed fish onsite into value-added product, towards achievement of zero waste (US)



2 Economic Responsibility



2 Economic Responsibility

As a business, an investor, a buyer, a supplier and an employer, Atlantic Sapphire creates and contributes economic value to the local societies and communities where it operates and to the business partners it transacts with. The company's most obvious contributions are its payments to employees, suppliers, distributors, authorities and financial partners.

Atlantic Sapphire is fully committed to acting responsibly in all its economic transactions. This means, for example, that the company pays employee wages, supplier invoices, taxes, loan payments and other qualified expenses, in full and on time.

At Atlantic Sapphire, we all have a responsibility not only to act with integrity, but also to protect shareholder value. Each employee creates and increases the value of Atlantic Sapphire by acting in the best interests of the company by properly using confidential information and resources.

Generating Economic Value

The company's primary investment in 2019 has been the ongoing construction of the facility in Miami, Florida. Its indirect economic impacts include investment in building the infrastructure leading to its production facilities, such as a road and in cooperation with the power company, new power lines.

Further, the construction has also benefitted the local suppliers and business partners who the company has engaged. Where possible, the company is committed to using local suppliers and business partners thereby supporting the local economy.

According to an independent assessment conducted by The Washington Economics Group, Inc., of the estimated economic impacts of Atlantic Sapphire's business plans for the State of Florida and Miami-Dade County, the direct, indirect and induced employment impact is estimated to bring over 3,500 jobs by 2021.

Economic Value Generated and Distributed by the Group

In 2019, the economic value generation and distribution from Atlantic Sapphire's international activities is shown below.

2019 Selected Financial Measures	(USD 1,000)
Revenues	5,540
Total Expenses	19,008
Of which, Total Salaries & Personnel Costs	3,795
Total Assets	252,876



Atlantic Sapphire won the 'Star of Innovation' award at the 2019 European Small and Mid-Cap Awards.

The award, granted for the first time to a seafood company, recognizes Atlantic Sapphire's innovative approach in delivering investment returns to shareholders.

Left: Atlantic Sapphire's Director of Finance Karl Øystein Øyehaug receives the award in Brussels, Belgium

Managing Financial Risk from Climate Change

Atlantic Sapphire fully recognizes the potential financial implications for its business from both climate-related physical and transition risks, as defined by the Taskforce on Climate-Related Financial Disclosure (TCFD)⁴.

Both of Atlantic Sapphire's production facilities are located close to coastal areas, and the company has assessed and prepared for the risks of wind and water-related natural disasters (namely floods, tropical storms or hurricanes). The company's emergency preparedness and response plan was put into action in 2019 in preparation for the possible arrival of Hurricane Dorian off the coast of Florida. The facility was undamaged and there was no interruption of production.

Atlantic Sapphire's business can also be impacted by climate change through the sourcing of fish feed. The company depends on fish feed from third parties, and this is the single largest cost item. It is based on raw marine and non-marine materials, and even though these are large, global commodities, their prices may increase in the future due to climate change and generally low supply increase, incurring a financial cost to the business. The company considers this risk to be high, given the growing global demand for key food raw materials, and it is therefore already looking into alternative raw materials to reduce dependence on marine ingredients.

Another important input to Atlantic Sapphire's business is electricity. Any increase in pricing in the local electricity market will result in higher costs for the company. However, Atlantic Sapphire considers the risk of significantly higher energy prices in Florida as low due to the fact that Florida's electricity market is dominated by a monopoly under Florida Power & Light (FPL). Also, the Florida Public Service Commission, to an extent, regulates publicly owned municipal or cooperative electric utilities, and has jurisdiction, regarding rate structure, territorial boundaries, bulk power supply operations and planning. Atlantic Sapphire is evaluating investments in renewable power production from, for example, installing solar panels on-site in Florida or in conjunction with larger solar farms constructed by FPL.

At the same time, if climate change places limitations on sea-based salmon production, Atlantic Sapphire is well-positioned to expand its supply to the market. The company's facilities in South Florida are not dependent on seawater, and by using the unique groundwater resources in Florida its risk exposure is limited. Similarly, if climate risk impacts the cost of air transportation, Atlantic Sapphire expects to be less affected than others in the US market, because we supply that market from local production and use truck transportation.

In Miami, our corporate offices are leased in a Leadership in Energy and Environmental Design (LEED) Gold Certified building.

Raising Capital through Green Finance

In 2019, Atlantic Sapphire obtained a debt facility from DNB Bank and the Danish Export Credit Fund (EKF) to support the construction of our Bluehouse in Florida.

Having undertaken an in-depth assessment of our management of ESG risks for compliance with the IFC Performance Standards (PS), IFC EHS Guidelines for Aquaculture, EHS General Guidelines as well as DNB's Sustainable Product Framework, DNB issued its first Green Loan to a seafood company.

⁴ Financial Stability Board's Taskforce on Climate-related Financial Disclosure www.fsb-tcfd.org

Ensuring Responsible Business Conduct

The success of Atlantic Sapphire depends on maintaining the highest standards of trust and integrity at all levels of the organization, as well as the reputation for honesty and transparency in its business. Atlantic Sapphire released its Code of Conduct in the first half of 2020 to set expectations and provide guidance to its Board of Directors and officers, employees (including part-time, temporary and seasonal), independent contractors and consultants. Company suppliers and other business partners are expected to share our commitment to integrity by following the principles of our Code.

The Code is consistent with the company's core values, which also serve to guide employee actions. Ethical business is our goal. The conduct of employees in performing their respective duties on behalf of the company must always be honest, transparent, lawful and in accordance with ethical and professional standards. The requirement of honest, lawful and ethical conduct is broad and therefore must be stated in general terms. As such, this Code does not cover every issue that may arise, but instead sets out basic principles to guide all employees. Employees are expected to lead by example, seek guidance when necessary to clarify any aspect of the Code.

Financial integrity and fiscal responsibility are core aspects of our Code. This is more than accurate reporting of our financials. The money we spend on behalf of Atlantic Sapphire is not ours; it is the company's money. Ultimately, the company is owned by our shareholders, and it is the shareholder's money. We all have a responsibility not only to act with integrity, but also to protect shareholder value.

Additionally, each employee creates and increases the value of Atlantic Sapphire by acting in the best interests of the company by properly using confidential information and protecting intellectual property. We protect and properly use company assets. All employees are expected to protect the company's assets and ensure their efficient use for legitimate business purposes.

Improper Payments and Anti-Money Laundering

At Atlantic Sapphire, there is a zero-tolerance policy against corruption. Corrupt activities are not only a Code violation, they can also be a serious violation of criminal and civil anti-bribery and anti-corruption laws in the countries in which Atlantic Sapphire does business. Atlantic Sapphire conducts its business in compliance with all laws that prohibit money laundering or financing for illegal or illegitimate purposes.



Fair Competition

Atlantic Sapphire competes fairly, in full compliance with all applicable antitrust and competition laws. Commercial policy and pricing will be set independently and will never be agreed upon or coordinated with competitors.

As part of Atlantic Sapphire's open communication policy, concerns related to possible violations of the Code of Conduct and any violations of applicable laws or company policies. The company provides different channels for reporting and encourages any affected party to report any violations or other concerns as early as possible. The company is not aware of any breach related to anti-competitive or corrupt conduct in our operations in 2019.



Economic Responsibility



Selected Targets for 2020

Economic Performance

- Achieve first commercial harvest in Q3 2020 (US)
- Complete financing towards construction of Phase 2 US operation (completed April 2020)
- Oslo Stock Exchange listing (completed May 2020)

Technology and innovation

- File at least five patents and trademarks

Indirect Economic Impact

- Deliver over 3,500 direct and indirect job impact in Miami-Dade County (by 2021)

Code of Conduct

- 100% of employees trained and tested
- 100% of whistleblower cases followed up on
- Communicate Code of Conduct to suppliers

Selected Targets for 2024

Economic Performance

- Exceed 50,000 tons (HOG) in annual production



3 Environmental Responsibility



3 Environmental Responsibility

Pursuing the most sustainable salmon farming technologies while protecting the environment where it operates is fundamental to Atlantic Sapphire. Our priorities are focused on energy and water use efficiency, minimizing waste and emissions as well as avoiding impacting the surrounding marine and land ecosystems.

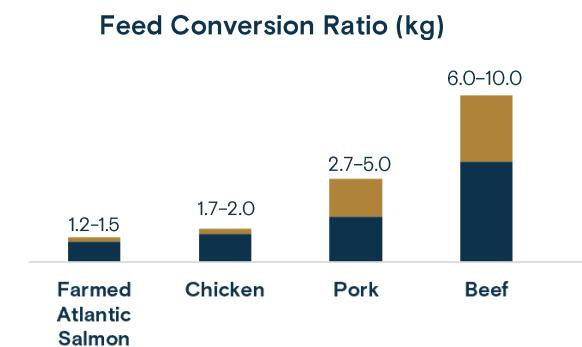
Atlantic performance. Sapphire's Environmental and Social Management System (ESMS) requires all personnel, including Atlantic Sapphire employees and subcontractors, to act responsibly and maintain regard for impacts on the environment and climate. Through the ESMS, the company ensures that its employees receive guidance, support and training to maintain the high standards it has set itself for its environmental

Minimizing the Company's Carbon Footprint

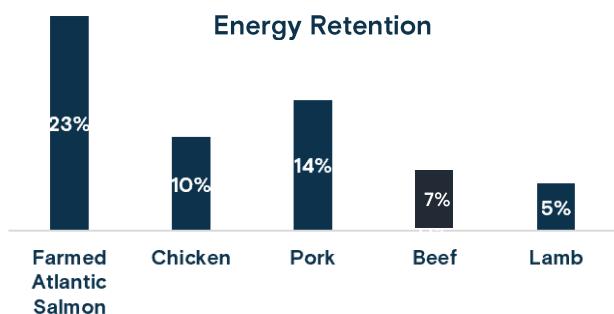
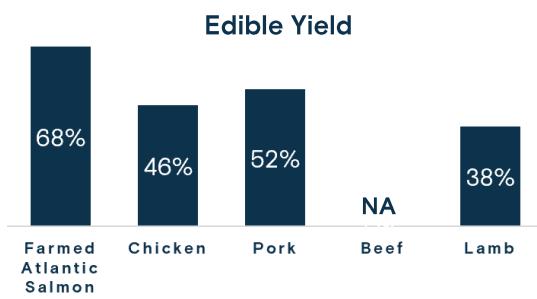
Feed Conversion

Climate change is one of the world's most pressing challenges. Food production plays a major part of the climate challenges and contributes to a significant amount of global greenhouse gas emissions. Emissions from food production and impacts of climate change on agriculture and the food system will deeply affect the way the world produces food in the future, and a failure to manage environmental and climate-related risks could harm the environment, the local community as well as the business and reputation of the company.

Farmed salmon has a low carbon and water footprint compared to other sources of protein such as meat production and can contribute to a solution to the climate challenge. For example, salmon yields 61 kg of edible meat per 100 kg of feed fed compared to 21 kg for poultry and 17 kg for pork, and an energy retention (measured as energy in edible parts divided by gross energy fed) of 23% which is significantly higher than pork and chicken⁵.

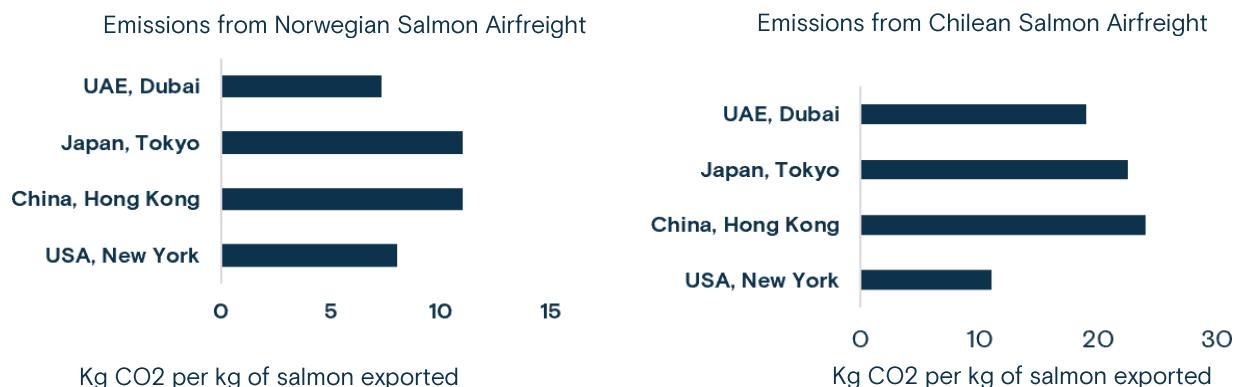


Furthermore, it has a highly favorable feed conversion ratio, which is the amount (kg) of feed needed to grow the body weight of the animal by one kg. Atlantic Sapphire is determined to support growth in seafood consumption as part of lowering the global carbon footprint of the food sector.



⁵ GGN, 2019 <https://aquaculture.ggn.org/en/meat-or-fish-your-choice.html>

The graphs below show a comparison of GHG emissions from airfreight and truck transportation from current producing countries to different markets.



Source: SINTEF and Nordea estimates (2019)

Energy

By producing and selling fresh product 'in-market', close to the end-consumer, Atlantic Sapphire avoids the cost and carbon footprint incurred of using airfreight transportation to reach the end-consumer.

Even though salmon farming emits less carbon as compared to other livestock, Atlantic Sapphire recognizes that the full value chain does leave a carbon footprint, which the company seeks to minimize. We are committed to improving efficiency in the consumption of energy, as well as exploring increases in the use of renewable energy.

Excluding transportation, Atlantic Sapphire's Bluehouse production environment requires a higher use of energy than the production of salmon at sea. It is one of the company's main priorities to explore, develop and implement solutions to reduce the energy consumption of its operations. If one considers the current logistics required to service the US market, Atlantic Sapphire brings substantial reductions in GHG emissions because air freight is not required to transport harvested fresh salmon.

In Denmark, the energy consumed comes from a mix grid including renewable and non-renewable sources. In Miami, the electricity is also supplied from the state grid, which is a mix of nuclear and natural gas generated energy.

In 2019, Atlantic Sapphire Denmark consumed approximately 14 GWh of energy. At steady state production, Denmark Bluehouse energy consumption for all operations is targeted to be approximately 6 kWh per kilo produced.

We continue to monitor energy consumption closely, and to determine the origin and amount of renewable energy used in our operations. We will look into obtaining a Renewable Energy Certificate (REC). Our facility in Denmark currently exports sludge generated from farming operations to a biogas facility that uses it to produce energy.

In the US, Atlantic Sapphire will increase its energy consumption once construction is completed and production reaches full capacity for each of the subsequent phases. The company aims to utilize the sludge it produces as either an energy source, biogas or fertilizer and will be looking at options for this in 2020.

In 2019, the company transported a share of its fish via airfreight from Denmark to market destinations in the US. In the future, the company will reduce or even eliminate airfreight transportation of its salmon by supplying the US market from its Miami operation and the EU market from Denmark.

As part of its plan to strengthen its position as a producer of land-based farmed salmon globally, Atlantic Sapphire is exploring opportunities to invest in renewable energy sources going forward. At the time of publication Atlantic Sapphire is monitoring but has not implemented a mechanism for measuring its carbon footprint as the company is not in production in the US.

Atlantic Sapphire plans to strengthen its methods for measurement and reporting of GHG emissions as well as conducting lifecycle analysis (LCA) in 2020.

Interview with Tanja Charlotte Krogh Sørensen
Deputy Managing Director, Atlantic Sapphire Denmark



Tanja joined Atlantic Sapphire because of the company's vision and approach to sustainability, following years of volunteering with NGOs focused on the development of sustainable food production. Tanja wrote her M.Sc. thesis on sustainable agriculture and the UN Sustainable Development Goals.

How do you think Atlantic Sapphire is contributing to a more sustainable future?

The global population is growing as we see our limited natural resources suffer the consequences of unsustainable growth of protein production and other industrial operations. When I graduated, I knew I wanted to work more with sustainability and food production, which brought me to Atlantic Sapphire.

The main difference between us and companies using open-net pens as production method is that, since our system is completely closed, we manage what goes in and out of the farm. In that way, we can control many parameters in our production system including oxygen, temperature, water quality and the feed that our fish has access to. As there are no harmful pathogens inside our systems, we limit the risk of disease outbreaks and therefore the need to use pharmaceutical treatments such as antibiotics. However, more important for me is that we do not interfere with the marine ecosystems.

What makes you proud of being part of Atlantic Sapphire?

Atlantic Sapphire is a pioneering company with an amazing culture. In my opinion, we must continue to be a frontrunner in the sustainable development of aquaculture. I would never have applied for the same job in the meat industry, for instance, because I care too much about the environment. I am really proud that our salmon is efficiently produced without interfering with our oceans. The values of the company align with my personal beliefs.

Where do you see Atlantic Sapphire in five years?

I see us continuing to drive the discussion and the global visions in sustainable aquaculture. The years of experience and scientific research at our facilities put us in a leading position in the development of recirculating aquaculture systems (RAS) and the land-based salmon industry. We want to lead this sustainability path for years to come through continued innovation and will apply and communicate the progress made not as a sole player but as a contributor to a more sustainable way of farming.

Handling Water Consumption and Wastewater

Through the use of recirculating aquaculture systems (RAS) technology, our water is filtered before it re-enters into a tank system. Over 99% of the water entering our tanks is recirculated and filtered, which significantly limits our water consumption.

There is no risk of water scarcity in either of the locations where Atlantic Sapphire operates. Of all the water used, under 5% is freshwater and over 95% is saline water which is not suitable for irrigation or human consumption.

Water Intake

The Denmark Bluehouse uses sea water for its saline intake water and municipal freshwater for its freshwater requirements.

Thorough biosecurity procedures are in place. The intake water goes through a sophisticated "firewall" system consisting of water filtration and UV disinfection as preventive barriers. This process eliminates parasites and microbes in inlet water, completely mitigating the risk of bringing in any disease, while also maintaining stability within the farm.

The saltwater permits are set at 4,800 m³/d. The company monitors its daily freshwater and saltwater intake, including water used for the farming cycle, the slaughtering/processing, and the office, and it has not exceeded those allowances in 2019 or before.

In Miami, all the water used for farming operations comes from highly productive aquifers with stable brackish and fresh groundwater. The groundwater resources for the farm have been allocated for use by the South Florida Water Management District (SFWMD) under a 20-year water use permit. The permit provides an allocation of groundwater from two subsurface sources:

- The Biscayne Aquifer, which contains fresh groundwater of very low salinity (0.36 parts per thousand (ppt)).
- The Floridan Aquifer, which contains brackish to saline groundwater that varies in salinity from approximately 2.7 to 35.0 ppt.

Atlantic Sapphire Floridan Aquifers Groundwater Allocations

Source	Monthly (MG)	Annual (MG)	Monthly (m ³)	Annual (m ³)
Biscayne aq.	16.5	198.	62,459	749,512
Floridan aq	166.7	5,600	1,766,652	21,198,306
Total	486.2	5,798	1,829,111	21,947,818

MG – million gallons; m³ – cubic meters

Water Recirculation and Filtration

Water recirculation is continuously performed throughout the different farming areas and in independent systems to ensure optimal levels of water containment in line with Atlantic Sapphire's de-risking strategy. Filtration is performed through both mechanical and biological filters.

First, water is treated in mechanical filters (drum filters) that capture the solids generated in the tanks, mainly feces and uneaten feed pellets. Water continues to circulate to biological filters (biofilters) for the nitrification of the water, a process by which

the ammonia generated by fish is converted into nitrite and nitrate in a two-step process.

As a second step, an FDA-approved organic polymer is added in mixers to flocculate the solids. The sludge collected is pumped to a sludge treatment system. Treated sludge is collected and transported to a local waste management facility. In the future, it is our intention to invest in technology to convert all sludge generated in our Bluehouses into a resource such as agriculture fertilizer, soil amendment or biogas energy.

Water Discharge

In Denmark, a water discharge permit is in place for the company's wastewater, which goes through filtration and treatment before it is discharged.

In the US, non-hazardous aquaculture derived wastewater is stored underground through an injection well; domestic wastewater will be disposed of on-site to two permitted septic systems under construction. The treatment of the water consists of the separation of sludge and solids generated during aquaculture operations, and effluent water.

The parameters of aquaculture wastewater discharge are continuously monitored in both locations. In Denmark, the water effluent sampling procedure is highly automated to read key water parameters to ensure we meet local environmental requirements.

In the US, wastewater is stored deep underground by way of an injection well. Regulatory monitoring and reporting associated with injection well system includes both groundwater and wastewater analytical analyses for samples collected at a permit specified frequency; physical data including groundwater elevation from a Floridan aquifer monitor well and the operating flows and pressures at the injection well are continuously recorded. All physical and analytical laboratory data are submitted to the Floridan Department of Environmental Protection monthly.



Protecting Biodiversity and Coastal Areas

Atlantic Sapphire has a limited impact on the local biodiversity in the locations where it operates due to its closed production method and efficient land occupation; for example, it can farm up to 1,000t annually of salmon on one acre of land.

In Denmark, environmental impact assessments are conducted to ensure that our activities do not pose a threat to local ecosystems. The company does not operate near marine protected areas.

In the US, by producing salmon on land using its unique groundwater resources in Florida, Atlantic Sapphire's farming operation has zero harmful impact on the ocean and its biodiversity, except for the utilization of marine ingredients in feed. This means that the fish swimming in Atlantic Sapphire Bluehouses neither will be exposed to parasites (e.g. sea lice) or salmon diseases from the ocean, nor will the Bluehouse salmon contribute to increase the general sea lice or disease pressure for other marine species including wild salmon.

The company is working with its carefully selected feed suppliers to increase the levels of non-marine ingredients in the feed to further reduce its use of marine ingredients. In addition, Atlantic Sapphire requires that its feed suppliers comply with specific requirements to ensure that their marine raw materials are sourced from responsibly managed fisheries.

The ultimate goal is to work with alternative ingredients to be able to produce salmon without using any fishmeal or fish oil, likely through the use of alternative ingredients such as algal oil, insect meal and single cell protein.

Bluehouse farmed salmon cannot escape, which eliminates the risk of interbreeding with wild strains, and any possible transmission of disease or parasites.

Reducing Effluents and Waste

By using a closed system, we maintain a high degree of control of our fish waste. Atlantic Sapphire's US operations do not discharge any waste into the ocean. There are different positive aspects to this, for example, there is no risk of: water pollution coming from antibiotics or pesticides from operations; wild species becoming dependent on eating salmon feed spilled from operations; or solid waste, mainly feces and uneaten feed, settling and solidifying on the seabed, or altering natural ecosystems.

Likewise, Atlantic Sapphire's operations have not had any impact on other fauna such as seabirds or predators, and there is no risk of detachment of farming equipment (nets, plastics or other artifacts) that can be transported by the current contaminating the water, becoming ghost gear and potentially harming marine fauna.

Atlantic Sapphire is committed to ensuring the proper handling, management and disposal of hazardous and non-hazardous waste. This means that the company complies with local, state and federal regulations for the storage, identification, record keeping, prevention, reduction, reuse,

recovery, recycling, removal and disposal requirements, as well as the requirements of international standards, such as the IFC Performance Standards and EHS Guidelines.

The company operates sludge handling systems and mixers; they allow us to keep sludge-containing water mixed in buffer tanks, which ensures that the water that passes through the filtration- and water purifying plant does not clog up or need frequent adjustments and cleaning of filtration equipment.

In Denmark, the sludge is filtered off in the effluent management process and used for biogas production. In Florida, belt presses and a centrifuge will dewater the sludge to 30% dry matter, which is accepted as a solid waste for offsite composting or disposal by commercial or municipal solid waste facilities. The company is actively looking into alternative options for handling sludge in the future. For example, further treatment to 90% dry matter will make it available for disposal at a local commercially run wastewater to energy facility; other options for use as energy or soil amendments are being evaluated.

Environmental Responsibility



Selected Targets for 2020

GHG Emissions & Climate Change

- Complete independent third party GHG lifecycle assessment of the value chain

Local Effluents

- Increase water recirculation efficiency to reduce disposal of wastewater

Packaging

- Use at least 75% biodegradable packaging for the transportation of Bluehouse salmon (US)

Selected Targets for 2024

Feed

- Lower feed conversion ratio
- Lower percentage of fishmeal and fish oil in feed ingredients

Fish Welfare

- Lower mortality percentage

Waste

- Lower percentage of sludge waste sent offsite for treatment and disposal



4 Social Responsibility

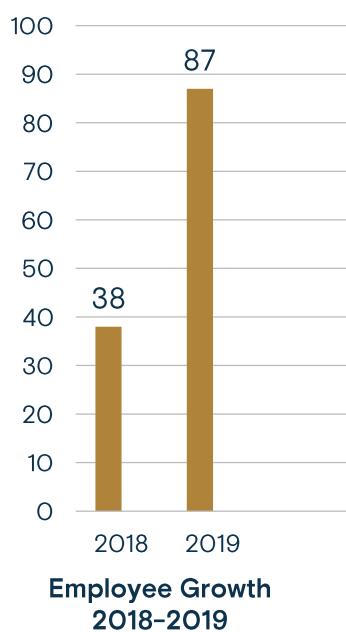


4 Social Responsibility

Atlantic Sapphire is dedicated to fostering a corporate culture that goes beyond regulatory compliance, and the company is determined to be among the industry leaders in tackling environmental as well as social responsibility issues, consistent with the company's core values:

- **Passion:** Purpose, Dedication, Courage
- **Performance:** Initiative, Collaboration, Results
- **Innovation:** Continuous Improvement, Learning, Solutions
- **Integrity:** Accountability, Open Communication, Care
- **Balance:** Healthy Fish, Wellness, Sustainable Planet

Atlantic Sapphire promotes a safe, healthy and fair working environment. The company depends deeply on all our employees' capabilities and contributions, and it is therefore committed to providing an inclusive, motivating and safe working environment, as described in its Human Resource Policy and its Environmental, Health, Safety and Security (EHSS) Policy. Achieving our goals while living our values can only be done if we collaborate and treat each other with respect. Atlantic Sapphire aims to be an open, positive and supportive working environment.



“Atlantic Sapphire's purpose and core values make us who we are. Our values are the words that we live by, how we behave, and how we conduct our business.”

Johan E. Andreassen

Engaged Employees

As of December 2019, Atlantic Sapphire had 87 employees. In 2020, the company expects to continue to increase its headcount, as its Miami facility moves towards full-scale production. In the development phase of its facilities, the company has prioritized skill and experience in staffing teams to ensure that its operations are safe and secure. Over time, the company endeavors to increasingly hire full-time employees from the communities in which it operates.

Atlantic Sapphire is focused on driving innovation by bringing experience from various industries such as conventional sea-based aquaculture, wastewater, engineering, construction, maintenance and fluid dynamics.

At Atlantic Sapphire we believe that a diverse and inclusive workforce is essential to our success. We recruit globally for the talent and experience that may be difficult to find locally, all while emphasizing gender equality and equal employment opportunities.

We onboard people who bring professional experience and fit our company culture, but in whom we see potential for growth. Our goal is to build a diverse workforce as Atlantic Sapphire grows – with both ethnic diversity and gender diversity. Atlantic Sapphire has set representation goals to increase diversity across the company and will focus on three key targeted areas: targeted recruitment, development and retention and promotion paths

Statement by Cristina Espejo, Head of People

At Atlantic Sapphire, we live and reinforce our transformative purpose and core values every day. It is the foundation upon which we perform on our immediate deliverables through to our future goals. Our culture is also built on the highest level of commitment to environmental, social and governance standards.

Atlantic Sapphire is moving to its next stage of growth. A next step will be the establishment of the Atlantic Sapphire Academy, an internal learning curriculum for all employees with objectives including increasing skills and knowledge across the company.

At Atlantic Sapphire, we are providing solutions to several global challenges related to food security and environmental issues. We know it is our people who will lead us to success. This drives our enthusiasm and strong sense of responsibility to build and develop a multi-disciplined and diverse team of committed employees who take the right actions on all fronts: corporate governance, social, fish welfare, environmental and financial.

At Atlantic Sapphire, sustainability is in our DNA. We strive to be an example for how companies take on more responsibility and demonstrate that good business leads to a better future for all – why work to keep the world the same when we can make it better?

Atlantic Sapphire manages cross-facility training and knowledge exchange by educating some of its US employees in the facility in Denmark. This builds up competence and know-how that may then be transferred to our Miami Bluehouse.

Ensuring Occupational Health and Safety

Atlantic Sapphire works to ensure a safe and healthy environment for all employees. To do so, we rely on proactive and consistent leadership throughout the organization, providing adequate protective equipment, information and signage in all venues.

The Environmental and Social Management System (ESMS) helps ensure that the company takes extensive precautionary measures to reduce the risks. These include training of employees and a relentless focus on personal protective equipment and safe handling of hazardous materials together with systematic controls of its working processes.

Employees are encouraged to always speak up and raise a concern and refuse to perform work if:

- asked to do a task you consider unsafe;
- asked to do a job you think you are not properly trained to perform and that may harm you or others;
- they see someone performing a task that you think is unsafe or that the person is not properly trained to do;
- they suspect that a piece of equipment is not operating properly and may be unsafe;
- they observe or are made aware of an unsafe condition or a potential danger to yourself or others.

Atlantic Sapphire actively manages and mitigates health and safety risks in its production facilities; these include accidents, injuries and occupational diseases, as well as exposure to chemical hazards. The company designs and operates its production facilities with an emphasis on effective process safety programs to maintain a safe work environment and prevent accidents.

The company maintains general oversight of the health and safety of its employees predominantly through ongoing auditing, monitoring and evaluation of activities to ensure compliance, and it actively promotes a strong safety culture with its suppliers, vendors and contractors.

The company established in 2019 Total Incidents Recorded (TIR) measurement, promoting a thorough reporting culture where all incidents are recorded. A tracking tool for this has been implemented in Denmark and the US. We ended 2019 with a Lost Time Incidence rate (LTI) of 2.19.

Atlantic Sapphire offers comprehensive medical insurance plans for its employees. Employees in the US are covered under the Group Medical Plan including in-patient and out-patient services covering medical, dental, vision, life, as well as short and long-term disability insurance. Employees in Denmark are covered for different kinds of hospital treatment including intensive health problems, out-patient examinations, as well as physical and mental treatments. All employees are entitled to include members of their families in their insurance coverage in both locations.

Investing in Training and Education

Safety

We believe that training and education can help reduce the risk of workplace accidents and encourage safe behavior in our facilities. As part of our onboarding, all employees working in operational areas are required to complete our Occupational Health and Safety (OHS) induction training.

This teaches our employees about the minimum safety, environmental and security precautions required before gaining access to our facilities. Employees are also, as a minimum, informed of the hazards and controls, the location of firefighting and first aid equipment, and our emergency response and evacuation procedures.

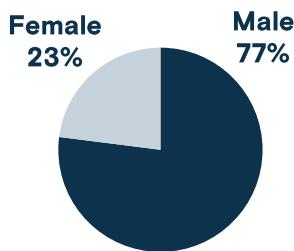
Employee development

Our People department administers a training register that includes mandatory training requirements for each position as well as a record of training undertaken by each employee and the expiration dates of licenses.



Fostering Diversity and Inclusion

Atlantic Sapphire increased its percentage of female employees from 13% in 2018 to 23% as of December 31, 2019. The company is committed to continuing to increase this number; however, aquaculture is a male-dominated industry. Atlantic Sapphire encourages diversity of thought to foster an inclusive workplace.



Through our leadership and culture and, more concretely, through policies, Atlantic Sapphire is committed to providing equal opportunity to all employees and applicants for employment without regard to gender, sexual orientation, race, creed, color, national origin, religion, ancestry, gender identity, marital status, familial status, or any other basis protected by law of US, Denmark or Norway, as applicable. We are committed to fostering a work environment that is free from harassment of any kind and offensive or disrespectful conduct. Atlantic Sapphire is committed to human rights and the abolition of child labor and all forms of forced or compulsory labor.

Engaging Local Communities

By pioneering full-cycle salmon farming on land, Atlantic Sapphire is spearheading the development of an entire new industry. Building and maintaining its social license to operate is a critical success factor. Stakeholder engagement is based on open communication with neighbors and other stakeholders to promote sustainable production of salmon, to create quality jobs and to educate communities on the importance and possibilities of aquaculture.

In Denmark, our company organizes visits to the farm by schools, university students, researchers, local neighbors and authorities wanting to learn about Atlantic Sapphire's operations. The company also participates in local events in support of the community. The company participates in several initiatives to contribute to the economic development of local communities in Miami Dade County.

Through 2019, in the US, the company has presented to and engaged with numerous community organizations, including South Dade Chamber of Commerce, Miami Waterkeeper, University of Miami, University of Florida Tropical Research Institute and Homestead Hospital. Company employees have also collaborated with universities and presented in classes in different academic fields related to the business. Community engagement is also closely linked to our employee recruiting efforts.

In Miami, an area of our Bluehouse is designed to receive visitors and provide tours through the facilities without interrupting operations or compromising safety. This facility design provides unparalleled transparency into our operations for the community and includes a reception room for presentations, and walkways with windows overlooking various stages of the salmon growth cycle. Although still under construction, we estimate that over 1,000 visitors came through our Miami Bluehouse in 2019.

Atlantic Sapphire continues to extend its stakeholder engagement plan that includes educational activities for students from schools and universities, researchers, NGOs and the public. It also includes participation in local events whose principles and objectives align with the company's values, such as initiatives focused on the oceans.

Atlantic Sapphire in the Community



In 2019, a large group of employees volunteered to help alleviate the impact of the devastating Hurricane Dorian by sending supplies such as non-perishable food to the neighboring Bahamas.

The employee-led initiative was aimed at helping those affected by the events and served as a call for wider action from other groups to achieve stronger results in helping the Bahamas community.

Participation in local initiatives is crucial to Atlantic Sapphire as an active member of the community and neighboring areas and will continue to be a priority as we grow.



Social Responsibility

Selected Targets for 2020

Diversity

- Increase the percentage of female employees represented company wide
- 100% follow up on diversity issues identified from employee engagement survey
- Review employee incentive compensation tied to diversity targets

Occupational Health & Safety

- Drive strong health and safety culture, including 100% employee training
- Experience zero fatalities or serious work-related injuries
- Reduce number of Total Incidents Reported by 15% compared to 2019

Training and Education

- Launch Atlantic Sapphire Academy as part of the integrated learning management system
- Minimum 40 hours of training and development per employee per year

Community Engagement

- Receive over 1,000* visitors, across all stakeholders, to the US Bluehouse (*subject to COVID-19 developments)
- Continue to actively educate key stakeholders on the benefits of ESG, SDGs and Bluehouse farming
- Support local community development, including involvement with additional organizations and events

Selected Targets for 2024

Diversity

- Minimum 25% women in leadership roles

Occupational Health & Safety

- Maintain low employee absenteeism

Affiliations and Recognition

We are committed to continuous improvement in our operations, and the pursuit of our sustainability goals. We aim for transparency and ongoing engagement with our stakeholders, including customers, seafood industry colleagues, as well as the local and global community in which we serve. Selected stakeholder affiliations, endorsements, and voluntary initiatives are listed below:⁶



UN Global Compact

Atlantic Sapphire is a participant in the UN Global Compact (October 2019)



DNB & EKF

In June 2019, Atlantic Sapphire received a Green Loan classification for its DNB & EKF debt facility, verified by DNV GL. This was the first green loan in the DNB's seafood portfolio



Responsibly Farmed

In 2019, Atlantic Sapphire Denmark was certified according to the control procedures as outlined in the Whole Foods Market Quality Standards for Farmed Seafood



European Small and Mid-Cap

Atlantic Sapphire won the "Star of Innovation" category at the 2019 European Small and Mid-Cap Awards.



Beacon Council

Atlantic Sapphire was awarded a Key to Miami-Dade County by the Miami-Dade Beacon Council in 2018 in recognition of its contribution to the county's economy.



Fresh from Florida

Atlantic Sapphire is registered with the Florida Department of Agriculture and Consumer Services, Division of Aquaculture



Ocean Wise

Atlantic salmon farmed worldwide in land-based, recirculating aquaculture systems (RAS) are recommended as a sustainable seafood option by Ocean Wise



Seafood Watch

Atlantic salmon farmed worldwide in indoor recirculating tanks with wastewater treatment is a Monterey Bay Aquarium Seafood Watch® program Best Choice

⁶ All logos, registered trade and service marks are used for supporting informative purposes only and are property of their respective owners.

About This Report

This is Atlantic Sapphire's first ESG Report. It presents the ESG performance of Atlantic Sapphire AS from January 1 to December 31, 2019. It complies with the statutory reporting requirements of the Norwegian Supervisory Authority ("Finanstilsynet"), and for companies listed on the Oslo Stock Exchange regarding corporate social responsibility, as well as in accordance with the Norwegian Accounting Act ('Regnskapsloven') and the Norwegian Corporate Governance Code. It is also Atlantic Sapphire's first Communication on Progress to the UN Global Compact and represents the company's commitment to the principles of the UN Global Compact and its endeavor to impact the Sustainable Development Goals. Atlantic Sapphire intends to publish this ESG Report annually.

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. The analysis in 2019 of material ESG topics and stakeholder expectations has informed the content of this report. It has been prepared on the basis of the GRI reporting principles and guidance on topic boundaries, considering for each topic where the impact occurs and Atlantic Sapphire's involvement with the impacts (for example, did the company cause or contribute to an impact or is it directly linked through its business relationships). The GRI Content Index at the end of this report provides references to sections in this report where GRI disclosures are presented.

Atlantic Sapphire continues to work on improving data quality and related processes to enhance reporting and comprehensive disclosure going forward. Unless otherwise stated, data and statements in this report cover Atlantic Sapphire's activities in Norway, Denmark and the US.

Feedback or questions on this report should be sent to esg@atlanticsapphire.com.



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102-49	Changes in reporting	None – this is our first report
102-50	Reporting period	January to December 2019
102-51	Date of most recent report	June 2020
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	esg@atlanticsapphire.com
102-54	Claims of reporting in accordance with the GRI Standards	51
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GRI 103 MANAGEMENT APPROACH		
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GRI 205 ANTI-CORRUPTION		
205-2	Communication and training about anti-corruption policies and procedures	35
205-3	Confirmed incidents of corruption and actions taken	We are not aware of any incidents of corruption
GRI 206 ANTI-COMPETITIVE BEHAVIOR		
206-01	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	We are not aware of any legal action for such breaches during the financial year.
GRI 302 ENERGY		
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GRI 303 WATER		
303-1	Interactions with water as a shared resource	41-42
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GRI 306 EFFLUENTS & WASTE		
306-1	Water discharge by quality and destination	42
GRI 307 ENVIRONMENTAL COMPLIANCE		
307-1	Non-compliance with environmental laws and regulations	We are not aware of any non-compliance with environmental laws and regulations
GRI 403 OCCUPATIONAL HEALTH & SAFETY		
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	47. We track multiple metrics on safety and aim to report more fully in next year's report
GRI 404 TRAINING & EDUCATION		
404-3	Percentage of employees receiving regular performance and career development reviews	100 %
GRI 405 DIVERSITY & EQUAL OPPORTUNITY		
405-1	Diversity of governance bodies and employees	See Annual Report
GRI 406 NON-DISCRIMINATION		
406-1	Incidents of discrimination and corrective actions taken	We have not encountered any incidents of discrimination within our company in 2019
GRI 413 LOCAL COMMUNITIES		
413-1	Operations with local community engagement, impact assessments, and development programs	48-49
GRI 416 CUSTOMER HEALTH & SAFETY		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	We are not aware of any non-compliance with health and safety standards for our products



For the Health of People and Planet

atlanticsapphire.com