



Sustainability Policy

Aquaporin A/S, CVR-no. 28315694

1 Introduction

Aquaporin's core values can be summarized into seven words: sustainability, pioneering, excellence, influence, grow, pride and open-mindedness. These values characterize our organization and are weaved into the way we work - and, ultimately, the products and solutions that we deliver.

Sustainability is deeply embedded in Aquaporin's DNA. The aim of our technology is to contribute to a more sustainable world by focusing on better utilization of water. Aquaporin works with partners, industry players, customers, and investors to create solutions in support of this.

Water is essential to all life on Earth. Access to safely managed drinking water is a human right. Sadly, water reserves become sources of conflict in many communities, and the preservation of these play a central role in solving socioeconomic problems. To protect our planet and societies, we must turn our attention towards how we utilize our water.

Global freshwater consumption has increased significantly during the past 75 years. At the same time, freshwater reservoirs are threatened by pollution, climate change and a growing world population, creating one of the major threats to humanity and thereby also to businesses worldwide (UN Global Compact, 2021).

Aquaporin builds upon a commitment to drive change and fight these water resource challenges by introducing sustainable water purification technologies to industries and households to better utilize one of the world's most precious and vital resources. Sustainability is thus an integrated part of Aquaporin's value proposition, and all Aquaporin's solutions contribute to one or more of UN's Sustainable Development Goals ("SDGs").

Sustainability is not only deeply integrated in Aquaporin's solutions but also in the way it conducts its business with respect to strategy, production processes, working environment and business ethics. In operating its business, the Group is particularly mindful to ensure that its production, logistics and administration processes are sustainable.

2 Our technology

Aquaporin encourages responsible consumption of water. Aquaporin's technology offers multiple and diversified options for reducing water and energy consumption, and Aquaporin works with partners, industry players, customers, and investors to maximize utilization of its technology, and is in continuous dialogue with its customers to minimize wastewater, improve production efficiency, and provide cleaner drinking water to households.

Therefore, Aquaporin received a score of 8 out of 10 in 2020 from MJ Hudson Spring (an independent consultancy firm that provides ESG ratings), with an impact score of 5 out of 5 and a ESG mgmt. score of 3 out of 5.

3 Our operations

At Aquaporin, we do not only consider the direct impact of our technology. We also wish to ensure that our production is sustainable, and that our suppliers and customers act in a responsible way. Together with our customers, partners, and suppliers we act sustainably, and our Code of Conduct ensures responsible sourcing.

We have signed on to the UN Global Compact, thus taking us a step closer to forming a superior and sustainable value chain together with our customers, partners, and suppliers.

4 Our products support the SDGs

Aquaporin creates products and solutions aimed at achieving UN's SDGs.



- The drinking water product portfolio contributes to SDG 6: Ensure access to water and sanitation for all.
 - The drinking water products supports the SDG targets 6.3 (safe treatment of wastewater), 6.4 (increase water-use efficiency) and 6.a (cooperation to support developing countries in water-related activities like wastewater treatment).
 - Further, it indirectly supports the targets 3.3 and 3.9.2 addressing the elimination of waterborne diseases.



- The industrial water pipeline contributes to SDG 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development.
 - The products supports the SDG targets 6.4 (increase water-use efficiency), 12.2 (sustainable management of natural resources), 12.4 (environmentally sound management of waste and reduce release to air, water and soil), 12.5 (reduce waste generation through reduction, recycling & reuse) and 14.1 (marine pollution).



- The food and beverage products contributes to SDG 12: Ensure sustainable consumption and production patterns.
 - The products serve the purpose of concentrating foods and natural flavour, minimizing the need for transportation of foods, and reducing energy consumption in connection with the concentration of taste within industries like the coffee industry. It therefore supports the SDG target 12.2 (sustainable management of natural resources).



- The medical devices pipeline contributes to improved water reuse in dialysis clinics along with simplified in-home dialysis treatment.
 - The product pipeline ensures significantly reduced energy and water consumption linking the products to SDG 6 and 12. Further, the compact intensive care unit simplifies in-home treatment by being a simpler, smaller, more energy-efficient and cheaper machine. These qualifications support SDG 3: Ensure healthy lives and promote well-being for all at all ages and supports SDG target 3.8 (achieve universal health coverage) by easing access to treatment.



- The desalination pipeline contributes to SDG 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development.
 - The pipeline of desalination products supports the SDG targets 6.a (cooperation to support developing countries in water-related activities such as wastewater treatment), 17.6 (science/technology North-South cooperation agreements) and 17.17 (public-private partnerships).

5 UN Global Compact

Aquaporin is a United Nations (“UN”) Global Compact signatory and is committed to its ten principles. Aquaporin supports UN Global Compact to drive business awareness and action in support of achieving the SDGs by 2030. The ten Global Compact principles frame Aquaporin’s ambition of contributing to a more sustainable future and integrating the SDGs in the way it operates.

In working with sustainability, Aquaporin will track its Environmental, Social and Governance (“ESG”) performance and progress from 2021. This will be linked with UN Global Compact’s four categories of Human Rights, Labour, Environment, and Anti-corruption.

A specific Environment & Climate Policy is currently under development. The Group aims at monitoring greenhouse gas emissions, energy sources, water consumption and waste. Further, engagement in green activities on board and senior management level will be implemented by addressing climate risk at Board Meetings and internal management meetings.

6 ESG framework

Aquaporin’s ESG approach is captured in three categories:

Environment

Environmental perspectives cover our business practices in the production, logistics and administration. We strive to minimize emissions from our production. At our headquarter and production site in Lyngby, we have shifted the energy sources to renewables only, and we continuously review our production steps to eliminate the CO2 footprint of our products.

Social

Social covers our terms of employment, working conditions and labor rights. Our employment terms are non-discriminating, fair to all, and in compliance with international labor rights. We support a safe and healthy work environment for all employees anchored in our occupational safety and health group.

Governance

Governance covers anti-corruption and bribery. We have developed policies and business practices to comply with all relevant laws.

7 Circular Economy

During 2021, it is one of the Group’s key sustainability objectives to integrate circular economy thinking in the way that Aquaporin operates. The Group is addressing circular economy across various business functions in three steps (i) mapping in-house activities (ii) analyzing product use and (iii) mapping and analyzing raw material input. The initiative is striving to rethink the three stages of take, make and waste and replacing them with recycling and reusing products and their components. Being an ongoing improvement process, the internal circular economy working group will define an overall strategy, short-term goals and activities, and report on its progress through the Aquaporin’s Global Compact Communication on Progress, of which the first one is due in January 2022.

8 Social Impact

The employees are one of Aquaporin’s main assets. Aquaporin is aware that a safe, creative, and stimulating work environment is essential for the future development and competitive position of Aquaporin. Therefore, Aquaporin regularly conducts surveys to better understand how it can improve the current working environment and ensure an open and flexible workplace, where employees are able to grow and develop.

8.1 Aquaporin Academy

Aquaporin offers students a chance to become part of its development through Aquaporin Academy. The academy offers students real life case studies to further explore their interest in membrane development and

membrane manufacturing. The program is offered to students at both bachelor's and master's levels. The students contribute to Aquaporin's research, while the students are able to explore new areas of study related to Aquaporin's core technology. The program also serves the purpose of identifying talented new employees for the Group. The Aquaporin Academy supports SDG Goal 4 of Quality Education and SDG target 4.4 (increase number of youth with relevant skills for employment, decent jobs and entrepreneurship).

8.2 Garage

Aquaporin has established Aquaporin Garage upon the belief that sustainable solutions are best created in a mix of technological innovation and entrepreneurship. This initiative offers small pioneering start-ups an office space at Aquaporin's headquarters in Denmark to allow Aquaporin to interact with like-minded innovative start-ups. When entering each such collaboration, Aquaporin is particularly mindful to ensure its proprietary technology remains protected.

8.3 Aquaporin Art

Through Aquaporin Art, Aquaporin offers exhibition space in collaboration with the Danish artistic, curational and research collective Primer, which centres on the convergence of climate research, scientific and technological developments and their societal effects, both present and future. Via this initiative, artists are offered a chance to take part in the company's development. Amongst other projects, the artistic collective explores climate-related issues and are working on creating an exhibition, where art and climate research meet. The art group is excited to work in a space like Aquaporin's with a venue of scientific research, open space and a creative touch. The initiative provides inspiration to visitors and employees, while encouraging everyone to reflect on their daily work from new perspectives.

9 Policies

The Sustainability Policy is supported by the following set of subject-specific policies, of which Aquaporin's operations are guided by on a daily basis, including but not limited to:

- Diversity Policy
- Sanctions and AML Policy
- Anti-corruption Policy
- Code of Conduct
- Tax policy

-oOo-

This Sustainability Policy has been prepared with reference to recommendation 1.4.1 in the Danish Corporate Governance Recommendations and is made available on Aquaporin's investor website.

Moreover, Aquaporin will be subject to the Danish Financial Statements Act §99a, which requires that ESG reporting is done as a part of the annual financial reporting process going forward. Aquaporin intends to report on annual progress towards its targets and ambitions going forward and publish its ESG reportings on its website.

-oOo-

Approved by the Board of Directors of Aquaporin A/S on 7 June 2021.