



AquaSpark
> *Investing in the Future of Aquaculture*

Sustainable Blue Economy Finance Initiative

Annual Report - 2021

Background

With our growing world population we are placing Earth's natural resources under severe pressure. One of our most pressing challenges will be to feed everyone a balanced and nutritious diet while keeping our effects on the environment to a minimum. Although aquaculture is, in many ways, more resource efficient than other animal production systems it still has a long way to go. We need to do much better. We believe that reliably meeting the world's growing demand for fish, while simultaneously sustaining our environment, will require a radical transformation of global aquaculture.

This is why Aqua-Spark exists.

Aqua-Spark is a global investment fund based in Utrecht, the Netherlands, that is developing this optimal aquaculture food system by investing in companies all along the aquaculture value chain working to solve industry challenges, with a shared vision of a sustainable future. We are building a portfolio ecosystem of companies working toward healthy, transparent, resource efficient, resilient aquaculture production that will act as a blueprint from which to scale this industry to meet growing demand. Our ultimate goal is moving the commercial aquaculture industry to one that is truly sustainable.

We believe that partnerships are key to achieve this ambitious and compelling goal. That is why in January 2021 we joined the Sustainable Blue Economy (SBE) Finance Initiative. The Sustainable Blue Economy Finance Principle are a natural fit for Aqua-Spark. Below it is why.

How we applied the Sustainable Blue Economy Finance Principles

In 2021 we made four new investments, three of which were in aquaculture farming operations. Our new portfolio farms are:

- [Lake Harvest](#), a long-time leader in African tilapia farming and distribution, with a well-established brand for African tilapia.
- [Oceano Fresco](#), a Portuguese clam producer and distributor that will change the traditional clam farming industry, into highly professional, data and science-driven industry.
- [Sea6](#), who cultivates and harvest seaweed at scale and engineers innovative byproducts supporting our greater food production systems.

We adopted the SBE FI Guidance (Turning the Tide) to guide the investment process for the two investments for which the due diligence was conducted after the issuance of the Guidance. We also assessed the compliance to the Guidance of the one investment for which the due diligence occurred before the issuance of the Guidance. The assessment revealed that in average the companies were in compliance to:

- 100% of the Avoid (red) indicators
- 92% of the Challenge (yellow) indicators
- 74% of the Seek out (green) indicators

Our ambition

In 2021 we applied the Guidance as an add on to our investment processes. In future we aim to structurally integrate the Guidance in our processes as to ensure that compliance to the SBE Finance Principles is a key factor in our investment decisions.

As Aqua-Spark invests only in best in class farms which have sustainability at the core of their operations, we are confident that all our existing farms are top performers on sustainability indicators such as the ones set in the SBE Guidance. Nevertheless we aim to assess all our existing portfolio farms against the Guidance, as to identify any areas of improvement.