



# Fish For A Better Tomorrow

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*SUSTAINABILITY REPORT 2019*



# Message from the President

CHRIS PERRY, OPEN BLUE CEO / PRESIDENT

Since our first sustainability report in 2014, Open Blue has continued to make progress in strengthening its position as a global leader in economic, environmental, and social responsibility. As we worked to finalize our 2019 report earlier this year, little did we know how disrupted our world and lives would become due to the global COVID-19 pandemic. As we move to share our 2019 Sustainability Report, our world today bears little resemblance to a few short months ago and anything in the past hundred years.

In challenging times like these, we are measured by the actions we take. We are guided by our values and always putting our employees first. We used the Ten Principles of the UN Global Compact and the values of our company to provide alignment with our actions through guidance and inspiration. We remain committed to the Global Compact Principles and the overall goals.

We put employees first by prioritizing their wellbeing. Our company puts a strong focus on worker protection. Where possible, we sent workers to work from home in advance of the government directives. We followed the guidance of the national health authorities and WHO to contain the virus and further identified opportunities to take additional measures that went beyond those recommendations. We raised awareness of transmission and prevention and placed immediate guidance on travel and physical distancing.

Our business continuity plans were critical in ensuring we were prepared to navigate these types of situations. Our internal coordination and collaboration with our external suppliers and government relationships have been crucial in our ability to maintain continuity. We are being flexible with employees about their need to spend time with their families. Our internal teams, especially the Health & Safety team, have been working overtime to ensure that workers are safe. We are providing personal protective equipment for all our front-line workers. For those staff that are working from home or working at our operational sites, we have provided resources to them and their families to support them with challenges during the quarantines.

The community and government relationships we have forged over the years also have proved to be invaluable. We have seamlessly stayed in close contact with local community leaders and provided reassurance about business continuity as our workforce is an important part of our business and the community economy.

We encouraged our government to maintain open trade. We have supported the government to ensure accessibility of medical treatment to all our employees. We have supported the efforts of our team to make contributions to vulnerable people in our society.

We are refocusing our products to meet rapidly changing customer and consumer needs. We are critical to the food supply chain and providing high quality, safe and nutritious products and especially in times of crisis. These new retail friendly products are validated by the American Heart Association as we are certified as a heart healthy food.

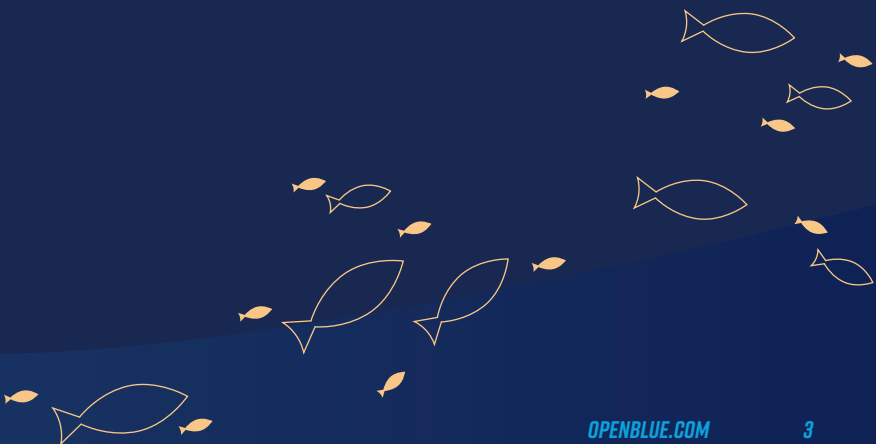
While we are in unprecedented times, we are unwavering in our sustainability commitments and continuing to create value through our actions. It is who we are and our teams around the world will ensure we succeed.

## REPORTING NOTICE

The 2019 Sustainability Report has been built using the widely accepted Global Reporting Initiative reporting principles and standard disclosures. We are keenly interested in setting goals and measuring our long-term performance in a way that combines social responsibility, and care and protection of the environment with business profitability. The Report is intended as a key platform to describe our approach to managing our social and environmental performance, reflecting the progress we are making and highlighting areas that require additional focus for our company in the future.

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# Fish for a Better Tomorrow

## VALUES, PRINCIPLES AND BELIEFS

### CARE AND RESPECT :

We are committed to taking care of the delicate ecosystem of fish, ocean and people, and to doing no harm. We also feel a great sense of commitment to the communities around us:  
[We add value to and enrich the lives of the people who work and live near our operations.](#)

### RESPONSIBLE LEADERSHIP :

We operate at the cutting edge of the aquaculture industry, and we take our role seriously as a global leader, a cultivator and purveyor of open ocean seafood. We have created a new paradigm in the industry, one that allows fish to thrive in their natural environment, so that we can guarantee the best tasting, healthiest fish possible.

### INTEGRITY :

We believe that by striving for better health for our seafood and the ocean, we can provide better food for humans. Our company has taken a unique approach to raise fish in a responsible way. This approach rests on three main pillars: innovative technology and siting; monitoring and measurement; full traceability and the type of species we responsibly nurture.

### EXCELLENCE :

We focus relentlessly on excellence and innovation in everything– from our state-of-the art hatchery and processing operations, to our network of open partnerships and alliances with full traceability. Our operations meet the strictest environmental, quality control and regulatory standards. We never cut corners. We protect the well-being of our people and fish, and the ocean environment.

### CUSTOMER FOCUSED :

We produce the purest, healthiest, best tasting white fish on the market. Our open ocean harvested Cobia is an impressive fish, both in quality and taste. With a rich buttery flavor, it is uniquely delicious, cooked or raw. We work closely with our customers. The easy to work with texture makes for an incredibly versatile and simple to prepare fish, perfect for sashimi, fillets, and steaks. Available all year round, it is nutritious, and high in protein and omega 3's.



# A Year in Review

## 2019 SUCCESSES AND CHALLENGES

### SUCCESSES 2019 :

- Antibiotic use significantly reduced in sea operations
- Increasing role for women in our workforce
- Open Blue Leadership in ASPAC Panama Aquaculture Association
- Open Blue innovation with Partners in the marketplace
- Recognition and Awards from the global aquaculture community

### CHALLENGES 2019 :

- Gas pressure degasser issue identified and resolved
- BFCR cross functional team created to Identify solutions
- Developed new processing protocols and ozone machine Installed



# Open Blue 2020

## GOALS AND CHALLENGES

### SEAFOOD STAR AWARD FOR OUR SUSTAINABLE OCEAN RAISED COBIA FISH PRODUCTS:



#### Frozen-Fish Category Award:

For the company's new Cobia Super frozen Loins



#### Self-Service Retail Products Award:

For Wechsler's Feinfisch smoked Cobia medallions



### ENVIRONMENT :

- Publish Wild Fish Monitoring Paper in 2020
- Chemical free in secondary processing plant (2020)
- Chemical free in primary processing (2021)
- Chemical free at sea operations (2024)
- End 2020 with 2.5 closed Sea Stations™ (bFCR)
- Improve feeding methodology and establish effective feeding controls
- Design and produce new sustainable packaging



### SOCIAL RESPONSIBILITY :

- Construct primary processing plant in Miramar establishing 30 new jobs in region  
- Priority: Hiring of women
- Addition of drilled well in Cuango to the Well Project
- Continue the Well Project with Viento Frio, Playa Chiquita and Nombre de Dios wells functioning
- Continue scholarships for 45 students in 9 schools
- Starting in Miramar, partner with communities on garbage removal and recycling



### FINANCIAL ACCOUNTABILITY :

- Strengthen Quality Control procedures to assure zero complaints related to spec non-compliance  
- 100% QC results analyzed in real time to detect non conformities; quickly take actions as required
- 100% certifications achieved and complexity reduced by consolidating audit approach using single service provider
- Economic Development Paper linked to decade census taken in 2020
- Continue strong linkage to United Nations Sustainable Development Goal



THE CHALLENGE FOR ALL OF US,  
AS A PLANET, IS:

# Can we feed a growing population without destroying the planet and ourselves?

## The Food Challenge

*The way we eat is ruining our health, the health of others, and health of the planet itself.*

### OBJECTIVES:

- Determine what a healthy and sustainable diet is?
- How to get there?

### OUR HEALTH

- 2.1 billion are overweight
- More sugar, red meat, and fat in our diet than ever before

### HEALTH OF OTHERS

- 1/3 of all food is wasted

### HEALTH OF THE PLANET

- 821 million go to bed hungry every night
- Our food is the cause behind species extinction
- Our food is the cause of one-third of all greenhouse gas emissions

*So can we feed the world without harming us or the planet?*

EAT-Lancet Commission Says **YES** ...If... we change the way we produce, consume, transport and waste food, **Then**... we can feed everyone a healthy diet while improving the health of everyone on the planet.

How ...

- **Replace** meat as a main course with healthier sources of protein
- **Choose** unsaturated fats
- **Stay away from** refined grains, highly processed foods, added sugars
- **Waste** no food

## The Food Solution

### EAT MORE FISH

EAT-Lancet Commission Says **EAT FISH** ...Fish is considered an emphasized food ... along with vegetables, fruit, legumes, whole grains, and nuts.

### OPEN BLUE'S COBIA: EXCELLENT PROTEIN ALTERNATIVE TO RED MEAT.

- Cobia benefits coalesce with EAT-Lancet Commission
- Cobia lowers the risk of cancer, stroke, diabetes
- Cobia has no saturated fat
- Cobia is not highly processed
- Cobia has no added sugars

### OPEN BLUE'S COBIA: HONORED FOR ITS PREMIUM QUALITY AND VERSATILITY.

- Seafood Star Award for our sustainable ocean raised cobia fish products
- Frozen-Fish Category Award - Cobia Superfrozen Loins
- Self-Service Retail Products Award - Wechsler's Feinfisch smoked Cobia medallions





# Open Blue Research Project

## ALLOWING COBIA TO THRIVE

Open Blue sources compound feeds produced by reputable feed suppliers. Our fish have a balanced diet through feed that contains highly digestible protein and energy, minerals, lipids, carbohydrates and vitamins. We strictly require that our feed suppliers source their fishmeal and fish oil from well managed fisheries. The fishmeal and oil currently used in our feeds are not sourced from any fishery in the IUCN Red List of Threatened Species.

Our participation in Global GAP and BAP certifications requires that our feed suppliers also be fully certified so that we can have confidence in their products and the information they are providing to us. Global GAP and BAP feed mill standards are based on HACCP and other widely recognized food safety principles and programs and impose significant sustainability requirements on feed mills including sourcing raw material from responsibly managed fisheries. These programs also require a series of substantive requirements on Open Blue that call for our company to use feed in accordance with strict good management practices and maintain 100% traceability on all feed used at our sea operations and hatchery sites. Open Blue tests our feeds to ensure that the feeds are not adulterated or contaminated.

### OUR CURRENT DIET CONSISTS OF:

- Fish meal and oil
- Crustacean meal
- Non-GMO plant-based proteins
- Vitamins and minerals

Reliance on sourcing ingredients from capture fisheries is an industry concern with which we empathize. Our goal is to develop feeds that meet all the nutritional requirements of Cobia while still allowing our animals to thrive.

The refining feed formulations process involves finding new sources of protein to replace some of the fishmeal and fish oil in our feeds. We believe it is possible to continue to source responsibly produced proteins that will provide necessary nutrients to our fish without compromising their health or well-being. Responsibly produced proteins may be:

- Plant-based,
- Derived from fish processing by-products,
- Or, derived from responsibly produced alternative proteins.



# The Overall Challenge

## CLIMATE CHANGE

Climate Change. Worldwide Food Shortages. Dwindling Sources of Protein. Corruption of Coastal Marine Ecosystems by Erosion and Profound Weather Revolution.

Climate change threatens to increase global vulnerability of both human and ecological systems. The agriculture, water resources, forestry, coastal zone management and health sectors will be particularly impacted. More frequent and intense storms, floods, and droughts are causing huge economic losses and affecting the livelihoods of the poorest and most marginalized members of society. Locally, the current 0.8°C warming trend significantly impacts climate change and is being felt throughout the Latin American region’s terrestrial and marine ecosystem... especially the coral reefs.

### WORLD FACING GRIM CHALLENGES:

There has been a leveling of agricultural yields worldwide. Concurrently, skyrocketing global populations are being challenged by acidification of the oceans and plummeting global fish stocks.

### AN OCEAN IN PERIL:

A quarter of the atmospheric carbon dioxide commonly associated with global warming is absorbed by the world’s oceans, causing a measurable decline in the water’s pH.<sup>1</sup>

### CORAL REEF DECLINE:

Coral reefs have been considered the “bustling Metropolises” of the marine ecosystem: home to more than 25% of all marine species and vibrant hubs of marine productivity. In the lower pH conditions, corals stop working (the colored algae living in their tissues abandon their symbiotic relationship, consequently leaving the coral white, or “bleached”) and, eventually, they die.<sup>2</sup>

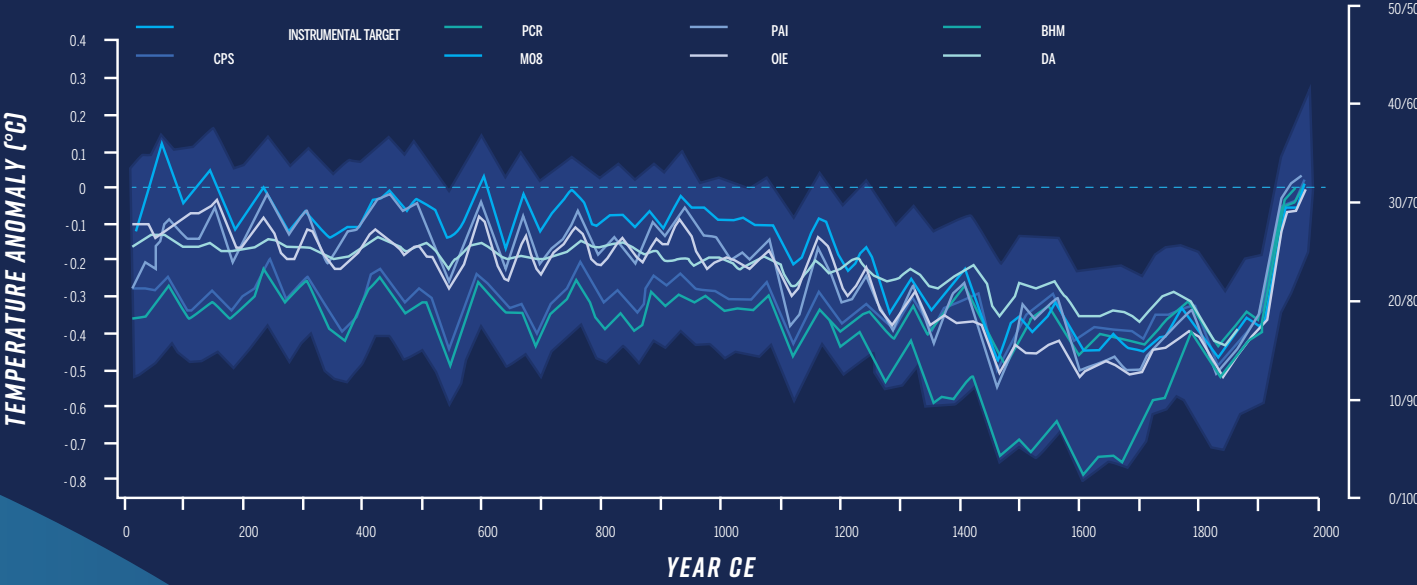
“The sea is the great unifier, is man’s only hope. Now, as never before, the old phrase has a literal meaning: We Are All in the Same Boat.”  
- Jacques Cousteau -

### FISHERIES DEPLETION

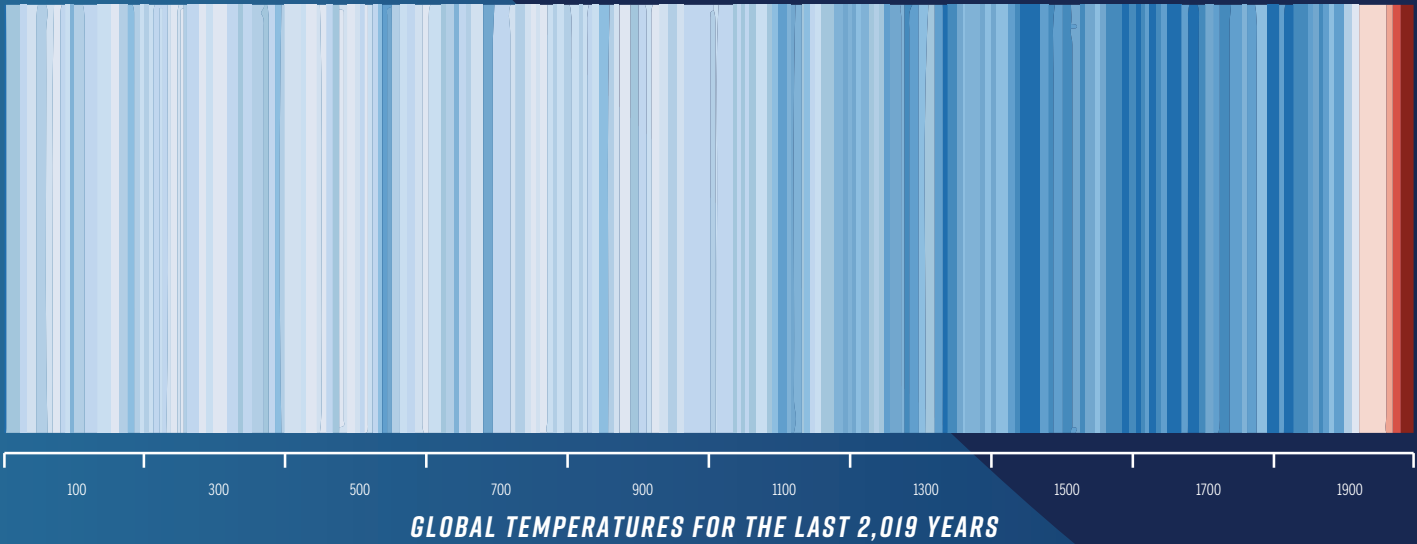
Fishery declines happen when species are taken from the sea faster than they can replace themselves.

- Growing demand, poor fishery management, and declining ecosystem health each play a role. Today, nearly 90% of the world’s marine fish stocks are fully exploited, overexploited or depleted.
- Nearly 60 million people work in fisheries and aquaculture, and an estimated 200 million jobs are directly or indirectly connected with the fisheries sector.
- Fish remains one of the most traded food commodities worldwide, and 54% of this trade comes from developing countries.
- The sustainability of fisheries is therefore essential to the livelihoods of billions of people in coastal communities around the world, especially in developing countries.<sup>3</sup>

### THE PLANET IS HEATING UP



### WARMING TREND IS ACCELERATING QUICKLY



1. Ocean acidification causes bleaching and productivity loss in coral reef builders,- November 2008, [www.pnas.org/content/105/45/17442.long](http://www.pnas.org/content/105/45/17442.long)  
2. Reversal of ocean acidification enhances net coral reef calcification - March 2016, [www.nature.com/articles/nature17155](http://www.nature.com/articles/nature17155)  
3. 90% of fish stocks are used up, July 2018,- <https://www.weforum.org/agenda/2018/07/fish-stocks-are-used-up-fisheries-subsidies-must-stop>



# Fish for a Better Tomorrow

OPEN BLUE SOLUTIONS AND OPPORTUNITIES

***Sustainability. Aquaculture. Ocean Harvesting. Feed the World. Open Ocean Cobia SeaStations™. Life Cycle Custodians from Egg to Market.***

Against this backdrop, sustainability is woven into every aspect of Open Blue operations. Since the formation of the company, Open Blue's commitment to sustainability is driven by a strong belief that aquaculture, done well, presents a great opportunity to sustain future generations. This sustainability vision is buttressed by universal tenets laid down by ancient Iroquois beliefs and the United Nations Global Compact:

***“SEVENTH GENERATION PRINCIPLE” IROQUOIS NATION VALUE SYSTEM:***

The decisions we make today should result in a sustainable world, seven generations into the future.

***SUSTAINABLE DEVELOPMENT GOALS... UNITED NATIONS GLOBAL COMPACT (2017):***

**#14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development.**

- Open Blue PILLAR ONE: Environmental Stewardship

**#3: Ensure healthy lives and promote well-being for all at all ages.**

- Open Blue PILLAR TWO: Social Responsibility

**#8: Promote sustained, inclusive and sustainable economic growth, full productive employment and decent work for all.**

- Open Blue PILLAR THREE: Full Accountability

***COLOMBO SKY / SATELLITE MONITORING***

Another measure of our environmental awareness is our commitment to support the Colombo Sky Project. We worked with Colombo Sky to identify how satellite imagery might assist us in our understanding of the marine environment.

# The Solution

***OPEN OCEAN AQUACULTURE***

Open Blue is the world's largest open ocean tropical fish aquaculture operation. Open Blue's open ocean Sea Stations™ run along Panama's Caribbean coastline, extending seven miles into deep water. With 90% of the world's fisheries nearing collapse, offshore open ocean aquaculture will help reverse the trend by shifting demand from wild and conventional fisheries to raising fish in the open ocean.

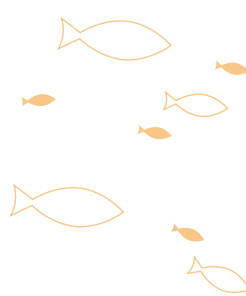
The open ocean environment offers pristine conditions for the development of environmentally friendly seafood products, separated, as it is, from sensitive inshore areas.

Using Panama's coastal oceans for the grow-out areas, open ocean has allowed for the cultivation of Open Blue Cobia as a valuable food product.

***PANAMA'S ROLE***

Panama provides unique properties, making it ideal as Open Blue's Maritime Headquarters. The Panama government consistently supports trade and open markets. Open Blue benefits from stable and consistent government economic policies and its dollarized economy.

*"In its 11,000th year human history, the Isthmus of Panamá has been dominated by its relationship to the sea and the rivers that feed it. A unique marine environment, the land bridge shaped its inhabitants' activities, and as they fulfilled their various needs, those inhabitants shaped the Isthmus—from harvesting resources to physically transforming the land to link two oceans."*





# Open Blue in Panama

## OUR SOLUTIONS

## TRANSFORMATIONAL PIONEERING

The environmental benefits provided by the open ocean Sea Stations™ for Open Blue Cobia along Panama's Caribbean Coast are truly transformational.

## Facts about Open Blue Cobia

- Cobia is a fast-growing, warm water species which can be grown from egg to market in a year's time
- Cobia is an excellent source of protein as well as omega 3 and vitamin D
- Cobia can economically feed the world
- Open ocean fisheries produce happy and healthy fish
  - Open Blue Sea Stations™ are seven miles out to sea
  - Our Cobia are raised from juveniles to adulthood
- Open Blue's sea sites are surrounded by conservation zones supporting wild fisheries, breathing life back into the ocean
  - Our sea site apparatus is born out of innovative design, with our Cobia's health in mind

**OUR GOALS ARE PART OF THE SOLUTION**

At Open Blue, our objectives have been clear since our inception:

i. Transform how the world grows protein [PILLAR ONE]

- Done right, we believe the answer is open ocean aquaculture

ii. Build on Open Blue's contribution to the rural coastal economy of Colón Province Panama [PILLAR TWO]

- a. Job creation
- b. Environmental practices
- c. Responsible sourcing of feed

iii. Maintain Open Blue's Office of Sustainability's overall commitment to continuous improvement in all areas of business [PILLAR THREE]

- Make significant progress where Open Blue can make contributions to advance corporate business in three identified goal areas:
  - a. Economic issues
  - b. Environmental issues
  - c. Social issues



# Pillar One

ENVIRONMENTAL CARE PROGRESS

## Wild Fish Monitoring

OPEN BLUE UPDATE

Open Blue is committed to maintaining the health of our operating environment, which includes our ongoing work to monitor the health of wild fish populations in the farm area.

We conduct our Wild Fish Monitoring Program four times/year.

**Purpose:** understand dynamics of wild fish populations in our operating area

- **Methodology:** Multi-phase research project
  - Extensive literature reviews\*
  - Pathology examination\*\* of wild fish captured under Open Blue Sea Stations™
- **Desired Outcome:** create the knowledge base needed to understand/manage any potential effects of sea operation activities on wild fish populations.
- **Status:**
  - We have sampled 50+ fish captured underneath or around our Sea Stations™ since July, 2017
  - We've conducted regular video surveys of these populations since August, 2017
  - Monitoring is ongoing as we build an extensive database of results

THE WILD FISH MONITORING PAPER IS PLANNED FOR PUBLICATION IN 2020.

### \*Literature Reviews

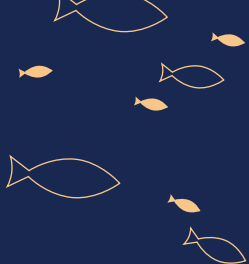
- Identify fish who are either resident or are transitory fish at more distant points on Atlantic Coast of Panama.
- Identify the common diseases and parasites of these wild fish.

These literature reviews are continuously updated and inform our current monitoring work.

### \*\*Pathology Exams

Wild fish are collected and then subjected to the same pathology exam as fish that come from our Sea Stations™. The results of these pathology exams (especially the results of screens for several notable fish pathogens) are compared with the results of our responsibly raised fish analyses, giving us valuable insights into both our sea site stock and the animals living around our Sea Stations™.





# Developing A Cobia Vaccine

## OPEN BLUE PROGRESS

### PROGRESS DEVELOPING A COBIA VACCINE

At Open Blue we are focused on producing healthy fish. We begin in the hatchery by selecting the most viable eggs, larvae, and juveniles to put out to sea. Cobia are a relatively hardy species. Our fish are raised in a healthy and humane way, with careful management of parasites and pathogens.

We consider vaccination to be part of a comprehensive fish health management program. We have worked with specialized vaccine companies to develop a specific Cobia vaccine. The vaccines protect against common diseases naturally found in the Caribbean marine environment.

We have **significantly reduced the need for antibiotics** during the life cycle of the fish with these vaccines in place. In 2019, we observed ZERO grams of AB/MT in the biomass, as compared to an average of 137grams in the previous four years and 1,663 grams when the program began in 2015.

### ANTIBIOTIC USE SIGNIFICANT REDUCED DOWN TO ALMOST ZERO

No use of antibiotics in 2019, except for a small amount in late December 2019. This is due to the success of the vaccine treatments as well as the improved diagnostics used by our fish health team veterinarians.

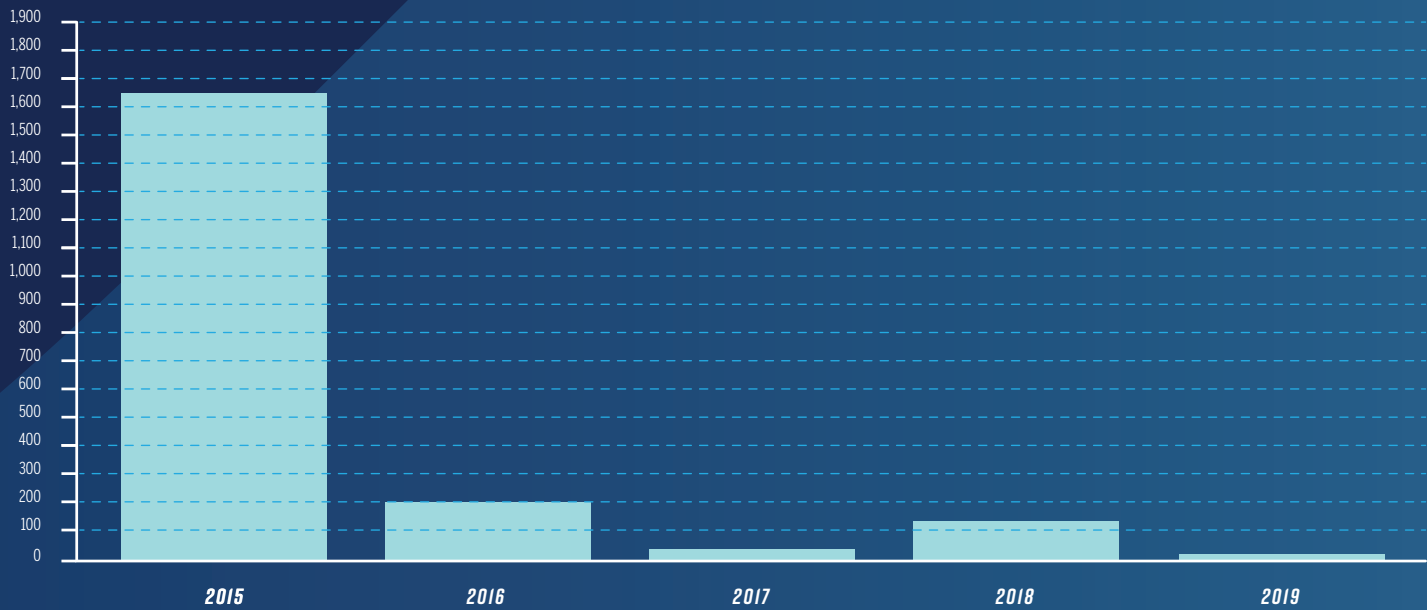
All mandatory withdrawal periods are observed before any fish are harvested. We test our Cobia to ensure they meet or exceed all maximum residue performance limits in all countries in which we sell.

- We do annual antibiotic residue testing.
- Panama government separately tests for antibiotics and toxic residues annually.

When medication is needed, it is mixed in with the feed to ensure maximum uptake by the fish and no waste to the surrounding environment.

- No anti-inflammatory or growth hormone treatments. Ever.
- No antibiotics used prophylactically.

### GRAMS AB/MT BIOMASS



# Benthic Monitoring Program

## OPEN BLUE PROGRESS

Open Blue is committed to monitoring any potential impact on the benthos and invertebrate organisms that form the basis of the ecological food-web in our operating environment. Our Benthic paper was published in 2019 in the Journal of Aquaculture Society. The paper was authored by Dr. Welch from the University of Miami.

Overall Findings validate our assumption that Open Blue's open ocean system is not significantly impacting the benthos and invertebrate organisms in our operating environment.

### KEY OBSERVATIONS

#### Net Effect of Open Blue has Been Minimal:

"While continued monitoring will be necessary to evaluate the long-term effects on the benthic and water column ecosystems, the data reported here indicate that the net effect of the nutrients emitted by the aquaculture facility in coastal Panama has been minimal over the duration of the time that monitoring has occurred."

#### Open Blue is Conducting Innovative, Leading Edge Research:

"First report of its kind from a commercially scaled aquaculture facility utilizing offshore submersible-cage technologies."

#### Open Blue is Responsibly Managing Open Ocean Seafood Facilities:

"This farm is a rich source of data relevant to decision makers and stakeholders in the aquaculture community, especially those interested in the future of offshore aquaculture in the Gulf of Mexico and other tropical and subtropical environments."

# Priorities for 2020

## ENVIRONMENT

- 2020 Chemical free in secondary processing plant
- 2021 Chemical free in primary processing
- 2024 Chemical free at sea operations
- End 2020 with 2.5 closed pen bFCR
- Improve feeding methodology and establish effective feeding controls
- Design and produce new packaging that is a Styrofoam alternative (sustainable options)
- Fish welfare project with fair Fish International
- MarAlliance Shark project

# Pillar Two

SOCIAL RESPONSIBILITY

CREATING SOCIAL LICENSE WITH OUR COMMUNITIES

Open Blue began operating in the Costa Arriba region of Panama in 2012. Costa Arriba is a relatively poor rural region on the Atlantic Coast of Panama. As we began setting up our operations, we quickly realized that social license was critical to our success.

In order to generate social license, we followed a three-pronged strategy in Costa Arriba:

- Deliberate integration of our operations into the local economy
- Understand areas of local community concern / Identify solutions
- Successful engagements of local community with Open Blue sustainability ongoing programs

Results were mutually satisfying:

- Provided economic opportunities to the Costa Arriba community
- Included outreach to traditionally disenfranchised groups
- Created ongoing programs in Costa Arriba designed to promote more sustainable communities:
  - Collaborative well drilling
  - Scholarship to local students
  - Improving local School Buildings

## Priorities for 2020

SOCIAL RESPONSIBILITY

- Construct primary processing plant in Miramar establishing 30 new jobs in region
  - Priority hiring of women
- Engaged government measured by approvals on time
- Community engaged and supportive through regular outreach
- Continue well project with one additional well in Cuango
- Continued scholarships for 8 schools 45 students
- Roadside clean up and garbage pick-up project in partnership with communities. Starting in Miramar

# Pillar Three

FINANCIAL ACCOUNTABILITY

PRIORITIES FOR 2020

- Strengthen Quality Control procedures to assure zero complaints related to spec non-compliance
- 100% QC results analyzed in real time to detect more quickly any weaknesses and take actions as required
- Ensure market access
- 100% certifications achieved and complexity reduced
- Paper on economic development linked to decade census 2020
- Continue strong linkage to United Nations Sustainable Development Goals
- Provide insights into social responsibility actions to stakeholders





# Accomplishments in 2019



## OPEN BLUE SOLUTIONS AND OPPORTUNITIES

### ACTIVE LISTENING FOR SOLUTIONS

In our effort to “actively listen” for challenges and opportunities in local communities in Costa Arriba, we discovered the preponderance of algae blooms during the rainy season. Local citizens were concerned that an adjacent Open Blue aquaculture facility would exacerbate the problem. We retained the services of the University of Panama to assist in engaging the community in the collection and analysis of different types of algae found in this location, as well as in the open ocean.

Mutual involvement in ongoing sustainability programs had the effect of connecting Open Blue to individual community members and giving our employees a reciprocal stake in the area.

### OPEN BLUE LEADERSHIP IN ASPAC

Open Blue is a Sponsoring Member of The Panamanian Aquaculture Association (ASPAC) and occupies a leadership position in the trade organization:

- Leadership role as Vice President of the Executive Committee
- Responsible for Mariculture sector within ASCAP
- Representative of all member producers on the Aquaculture Commission

Accomplishments in 2019 were significant and covered endeavors central to ASPAC mission.

- Submitted new aquaculture law to the Assembly
- Implemented a national Aquaculture Commission
- Included aquaculture in government’s 25-Year Agriculture Plan
- Integrated the aquaculture sector into government’s incentive plan

The plans for 2020 activities are to leverage ASPAC’s momentum and to continue developing new tactical tools for the membership:

- Advocacy on Assembly’s new aquaculture law
- ASC certifications
- Tax exemptions for aquaculture imports



### OPEN BLUE INNOVATION WITH PARTNERS IN THE MARKETPLACE

- Soft launch of retail skin packs at Seafood Expo North America and Seafood Expo Global
- Pilot food truck campaign with Publix Greenwise market building “sustainability focus”
- 1st successful 4oz frozen retail sales promotion in Stop & Shop (200+ locations)
- Launch 6oz portions with Delta Airlines
- Transitioned EU customers to 100% frozen VAP

### RECOGNITION FROM THE GLOBAL AQUACULTURE COMMUNITY

The Open Blue team was honored to receive the prestigious Seafood Star Award at the 2019 Hamburg Seafood Show in Germany in two categories: the new concept category as well as in the frozen fish category.

- Seafood Star Award for our sustainable ocean raised cobia fish products:
  - Frozen-Fish Category Award for the company’s new Cobia Superfrozen Loins
  - Self-Service Retail Products Award for Wechsler’s Feinfisch smoked Cobia medallions

The two awards validate the premium quality and versatility of our sustainable ocean raised Cobia white fish.



THE CHALLENGE FOR ALL OF US, AS A PLANET, IS:

# Open Blue at a Glance

## CARING FOR OCEAN AND HUMAN HEALTH

### Purpose-driven

- Achieve better health for fish, better food for humans

### Human health

- Nurturing and caring for human health today and tomorrow

### Pioneering new industry standards

- Open ocean aquaculture systems;
- Sourcing;
- Product taste;
- Nutrients;
- Food safety;
- Health for fish & humans

### Responsibly raised

- In open oceans without compromising the health of the ecosystem

### Broader product offering

- Focused on meeting customer needs

## OUR VITAL STATISTICS: HISTORY AND OPERATIONS

### How Old are We?

- 9 years since we first began selling Cobia in 2010

### Where are We Registered?

- USA and Panama City, Panama

### Where do We live?

- Headquarters: Albrook, Panama City, Panama
- Other Panama Locations: Miramar, Llano Bonito and Viento Frio
- Fort Lauderdale, Florida

### Why do we base our company in Panama?

- Panama provides a great place to grow our fish, clean water, protected coastline
- Panama has protective guard rails for foreign investment
  - Civil Code, Constitution, and its Foreign Investments Act
- These factors enable Panama to enjoy the strongest economic growth in Latin America
  - "Panama boasts the highest per capita income in Central America" - Source: World Bank
- Open Blue benefits from stable and consistent government economic policies and its dollarized economy

### Where do We Sell our Cobia?

- USA, Canada and European Union

## Part of Something Bigger

### OPEN BLUE AT A GLANCE

Cluster development is one of the most effective strategies for assisting with rural poverty. It moves communities out of hardship by providing a stable economic base for residents and their families. Open Blue is causing a ripple effect that is helping to shore up coastal communities in Costa Arriba, Colon Province in Panama.

More than 600 companies are providing services or supplies to our sea operations, hatchery and processing plant – from many parts of Panama and all around the world. This type of development helps strengthen both our company and the communities we serve by building concentrations of expertise, deepening labor pools, and focusing on regional growth. Each related activity spurs on more economic strength so that everything from local schools to scientists to specialty product suppliers can succeed.

## OUR VITAL STATISTICS: GIVING BACK

### How many 2019 Dollars went to Charitable Contributions?

- \$21,300

### How many 2019 scholarships awarded to rural Panamanian schools?

- 48 scholarships to 9 rural Panama schools

### How many Panamanian suppliers supported by Open Blue?

- 2019 = 608 suppliers

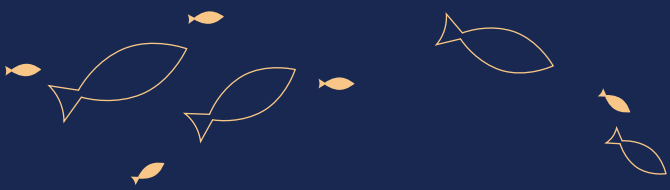
### How many 2019 Dollars contributed into Panama's and rest of the worldwide economy?

- \$24.5 Million, in total
- \$12.5 Million - Panama;
- \$12 Million - Rest of the World

### Does Open Blue use child labor?

- Zero use of child labor at Open Blue.
  - In Panama there are an estimated 28,855 children (between 5 and 17 years) in child labor.





# Power of Partnership

## OPEN BLUE AT A GLANCE

In partnership with the world’s leading scientific laboratories, universities and our technology partner InnovaSea, Open Blue has pioneered research and new technology to develop scalable solutions in offshore operations.

Valuable insights include:

- Offshore technology suitable for deep water, open ocean aquaculture
- Technological solutions for submersible feeding, inspection and cleaning
- Sea operation location siting and requirements
- Species selection
- Brood stock selection
- Environmental monitoring
- Fish health management
- Fish diets, optimal formulation at different stages of growth
- Wild fish monitoring

# Our Vital Statistics

## OUR 2019 PARTNERS

Stakeholder Outreach

As an important part of our company’s commitment to sustainability, we have prioritized stakeholder outreach. The communication links opened through a proactive approach to working with stakeholders requires openness and resolve.

Building on our four-year successful government relations strategy through two changes of government, we have applied many of these insights to our commitment to working with our stakeholders.

Some of our Government Advocacy principles:

- Open Blue commits to a good working relationship with the Panamanian government. Aquaculture is a new industry in Panama, and we take a leadership role within our industry.
- We strive to never be in conflict with the government; even if we face challenges; we work in a collaborative way to provide information and our perspectives.

Stakeholder Advocacy Principals

- Open Blue commits to a positive relationship with our employees, our customers and the people in our communities. We seek out key allies in the business, non-governmental organizations and not for profit sectors that share our values of responsible leadership, care and respect and integrity.
- We focus our efforts in two principal areas:
  - Supporting projects to provide clean drinking water in the local communities,
  - Enhancing/supporting rural schools in Costa Arriba Colon.
- We strive to be responsible, credible, predictable, conscientious, helpful and forward thinking. We work in a cooperative way to solve challenges and we accept responsibility when we make a mistake.
- We respect and support the role of local government.
- We provide information proactively in ways that are suited to the stakeholders to build awareness and support for our activities on the coast and in other parts of Panama.
- We take feedback into consideration and adapt plans to meet community needs when possible.
- We have fun.



ORGANIZATIONS

INDICASAT  
  
FCDS  
  
Let’s Do It Panama



UNIVERSITIES

UTP: Universidad Tecnológica de Panamá  
  
UP: Universidad de Panamá  
  
UMIP: Universidad Marítima Internacional de Panamá  
  
UM: University of Miami



CHAMBERS

PANAMCHAM: Panama American Chamber of Commerce  
  
APEX: Asociación Panameña de Exportadores  
  
Panama Cámara De Comercio Industrias Agricultura



TECHNOLOGY

InnovaSea  
  
SENACYT



# Nurturing a Proactive and Caring Workplace

OPEN BLUE AT A GLANCE

AT OPEN BLUE WE CREATE A POSITIVE WORKPLACE CULTURE.

Our dynamic work team blends worldwide expertise with a passion for excellence. We appreciate the importance of families, which is critical to the Panamanian character, where we do most of our business.

Our workforce consists of leading experts from around the world. Our workers have a wide range of education and expertise from veterinary science to marine biology to engineering. We are growing – both in size and learning – as we continue our commitment to enhance workplace culture, increase productivity and improve operations. We support diversity and inclusion. Hiring locally is a key commitment for our Panama operations.

Having a young workforce (57% of the workforce is under the age of 35), we provide internship and partnership opportunities with local universities. We are focused on increasing the number of women in our workforce. Since 2014, we have been actively working with our people and talent team to link employee engagement and worker satisfaction with our goals.

Through these efforts, we have seen significant changes in improving career planning paths for employees and reducing the turnover of staff. We continue to work on strengthening our teams and providing more opportunities for collaborative exchange.

AT OPEN BLUE OUR WORKFORCE MIRRORS THE GENDER CONFIGURATION OF THE WORLDWIDE FISHING AND AQUACULTURE SECTOR:

Worldwide:

- Primary fisheries sector: women workers account for about 15 percent of those engaged;
- Fish processing business (labor intensive:) women dominate representing 85% to 90% of the total in the worldwide workforce.
- Managerial end of the seafood value chain: men dominate with 90% CEO’s, 90% Board members and leaders of professional organizations.

Open Blue:

- Predominantly male workers at our sea operations and hatchery operations
- An even gender split in our processing plant.

OUR VITAL STATISTICS: OUR WORKFORCE

- 312 Employees
- 17 Sales Staff
- 101 Sea Operations
- 63 Hatchery
- 9 Fish Health
- 85 Processing Plant
- 37 Leadership and Administration
- Gender- 25% (F) and 75% (M)



# Opportunities for Women at Open Blue

PROVIDING EQUAL OPPORTUNITIES

COSTA ARRIBA SUCCESS STORY

Encouraging women to accept positions that are non-traditional is a challenge but we have had some successes. In Costa Arriba, Colon Province, the challenges experienced by this remote area’s residents were well articulated in a 2012 paper written by the International Community Foundation:

“Using local connections and with the full support of the Hatchery Director, 4 women were identified, trained and started work. They have been very successful in this role. Their ability to manage and care for the fish during this critically important early stage of their life cycle has resulted in major benefits for them, their families and the company. Recently they were upgraded to hatchery technicians and enjoy increased pay and a full benefit package.”

The head of the Office of Sustainability for Open Blue, Mary Ellen Walling, a Canadian now a resident in Panama encouraged and challenged the local Human Resources specialist, to recruit more women into traditional men’s roles. Mrs. Walling puts it this way:

“By identifying the company need and finding a creative solution we strengthened the team, benefited Open Blue and demonstrated tangible results for this group of women. Through their effort and hard work these women achieved benefits for them, their families and the community. Together we are stronger.”







We use disclosures identified as of interest to our company and stakeholder groups and building our internal processes to illustrate how our performance supports our goals to improve economic, environmental and social conditions, developments and trends at the local and global level.

The Guiding Principles of balance, comparability, accuracy, timeliness, clarity and reliability are all considered when reporting.