

2021

MARTEC

SUSTAINABILITY REPORT

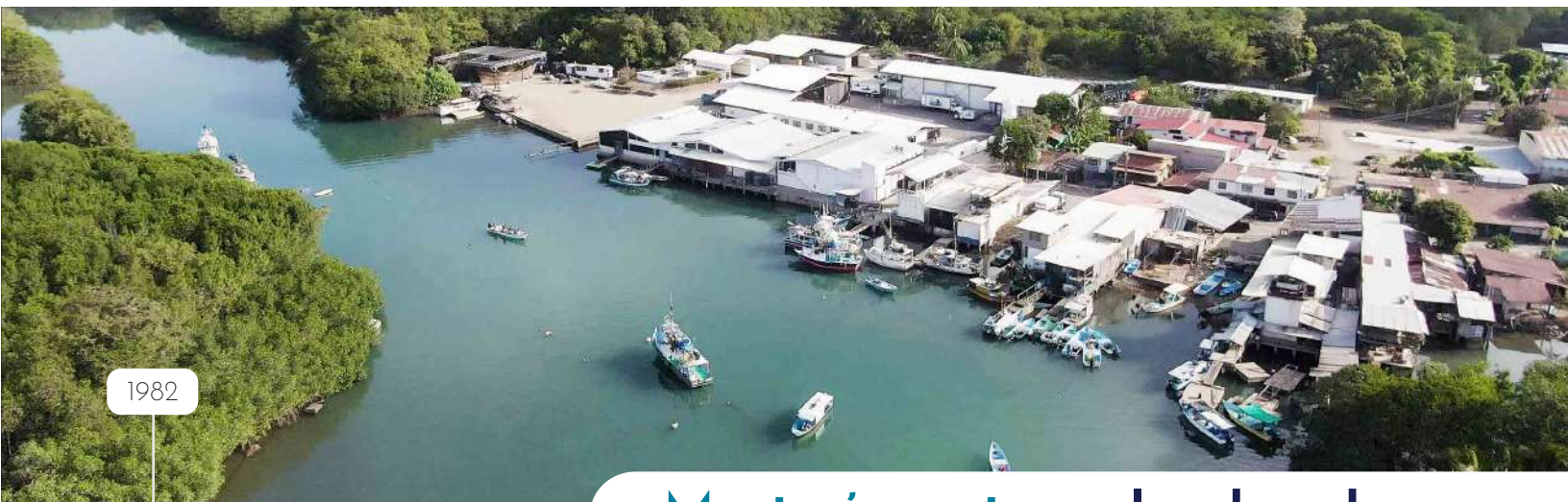
About Martec

We are a company with 40 years of operation in Central America, recognized as a leader in the processing of marine fish, a pioneer in tropical snapper mariculture, the largest Costarican exporter of wild fish, and an outstanding example of responsibility and commitment to the environment, the life of the ocean, human beings and sustainability.

Purpose and Vision of our Sustainability Department

» To establish Martec as the most sustainable aquatic protein producer in the world.

» To generate a Net Positive Impact, wherever we operate.



1982

Martec is born as a small family business in the coastal area of Quepos, Costa Rica.

1984

Construction of the first part of our operations plant.

2002

Enlargement of the premises of the headquarters.

2008

Development of an innovative snapper farming plan.

2014

First snapper exports to the United States.

2015

Capital increase and growth of our operations.

2019

Change of administration and development of a new corporate brand.

2021

Continued growth in leadership, innovation, use of technologies, environmental protection, project management and sustainability commitments.

Martec's route on land and sea

Fields of action

Our work takes action in 3 different specialized areas and goes through constant review, improvement and innovation:



Wild Catch: The fish we source comes from the oceans of Costa Rica, Panama and Ecuador. The vessels that fish for it are mostly small and medium scale, and comply with our sustainable sourcing policies.



Mariculture: We are pioneers in the farming of Rose Snapper (*Lutjanus guttatus*). Our integrated model is composed of a hatchery, a fish farm and a processing plant. Our Rose Snapper is raised 3 miles offshore in the pristine tropical waters of Quepos, Costa Rica.



Retail stores: We have four retail stores in Costa Rica which are located in Pinares, Escazú, Jacó and Quepos. We are proud to offer the best quality seafood, both fresh and frozen.

Where we are?



- **Quepos** (Costa Rica): Headquarters, processing plant and marine concession.
- **Bejuco** (Costa Rica): Hatchery and Laboratory.
- **Puntarenas** (Costa Rica): Sourcing Station.
- **David** (Panama): Sourcing Station.
- **Ecuador:** Sourcing Station.
- **Stores** (Costa Rica): Pinares, Escazú, Jacó and Quepos.
- **San Diego** (USA): Commercial Office.



In Martec we are proud to say that we are making sustainability the lifeblood of our company. Leaving the well-beaten path of only focusing on profitability to adventure and pioneer into the murky waters of fishery transformation. We believe that through innovation, commitment, and well-planned execution, the audacious goals we have placed upon ourselves to achieve regarding sustainability are just within our reach. This report is presented to share our story. Where we come from, what we've done so far and where we are heading to. My hope is that our work as a company can inspire each one of its readers as much as it does everyone who is part of the Martec family. We look forward to linking arms with all of those out there who, like us, dream of a better world, healthier ocean, and delicious guilt-free seafood".

Patrick Roulet - CEO Martec.



Introduction

At Martec we are committed to being a regenerative company. We seek to have a net positive impact in each of the places where we operate.

Our Company and its people have great respect and love for the ocean. This allows us to genuinely and consciously comply with our sustainability strategy.

Our strategy integrates: impact measurements, data and statistics, state of the art technology, innovative practices, research and development, alliances, policies and commitments.

For this reason, and much more, is that in this great Martec family we state that:

Sustainability is part of our DNA.

Sustainable Development Goals (SDG)

In September 2015, the United Nations Organization approved the 2030 Agenda, with the aim of ensuring some global changes for a sustainable future. These social, economic and environmental goals pose a challenge for governments, private companies and civil society.

The Agenda has 17 SDG and at Martec we managed to align ourselves with 12 of them, related to our business model.

<p>1 NO POVERTY</p>	<p>2 ZERO HUNGER</p>	<p>3 GOOD HEALTH AND WELL-BEING</p>	<p>4 QUALITY EDUCATION</p>	<p>5 GENDER EQUALITY</p>	<p>6 CLEAN WATER AND SANITATION</p>
<p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>10 REDUCED INEQUALITIES</p>	<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>
<p>13 CLIMATE ACTION</p>	<p>14 LIFE BELOW WATER</p>	<p>15 LIFE ON LAND</p>	<p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<p>17 PARTNERSHIPS FOR THE GOALS</p>	<p>MARTEC</p>

Sustainability Projects

Our Sustainability Strategy is executed by the implementation of these projects:



» Division: Corporation



Project: Footprint.

Objective:

To leave a place better than how we found it by identifying, minimizing and reverting our impacts.

Achievements:

- ✓ Mapping 100% of our impacts.
- ✓ Collecting and monitoring more than 40 Key Performance Indicators, in our 5 main areas of operation.
- ✓ Developing our Minimization and Offsetting Projects (to be executed in 2022).

See more information on page 8.



Project: Certifications.

Objective:

To prove our actions with globally recognized certifications.

Achievements:

- ✓ BAP - Best Aquaculture Practices (4 star certification).
- ✓ BRCGS - Brand Reputation through Compliance of Global Standards.
- ✓ Esencial Costa Rica License.
- ✓ ISO 50001 (Energy Management).
- ✓ SMETA - Sedex Members Ethical Trade Audit.

Investment: \$40K.

» Division: Wild Catch



Project: Pesca+ Supplier Development Program.

Objective:

By engaging and collaborating with our sourcing partners, we aim to:

- Achieve the MSC certification of our fleet.
- Create and implement innovative financial mechanisms for our suppliers.
- Increase technology and traceability in the fisheries we operate.
- Provide technical assistance to our suppliers.

Achievements:

- ✓ 70% of our fish purchases are from active suppliers on the Pesca+ platform.
- ✓ 60% of our suppliers operate under a new and agile payment model.
- ✓ Launch of Pesca+ Panama.

Investment: +\$130K in incentives.

People benefited: +600 crew members and boat owners.



Project: Minimum sizes.

Objective:

Apply statistical models to achieve the conversion between the minimum length accepted by species and its weight, in such a way that we can facilitate control in the reception process.

Achievements:

- ✓ Complete conversion studies for Mahi Mahi, Yellowfin Tuna and Red Grouper species.

Investment: \$3K.



Project: MSC Pioneers.

Objective:

By identifying the most committed fishermen, we can guide positive change at a faster pace, reaching the MSC Certification in a shorter period of time.

Achievements:

- ✓ Official launch of the MSC Pioneers group in Costa Rica and Panama.
- ✓ Boat audits to determine compliance with conditions for release of by-catch.
- ✓ Cost of Opportunity Financial Model developed in alliance with The Nature Conservancy and Stanford University.

Investment: \$15K

People benefited: 25 boats (80 crew members and boat owners).



Project: State of Stock Data Collection.

Objective:

Compile verifiable data that supports the generation of stock assessments of the main species with the highest commercial value, and improve management decisions regarding target stocks and other endangered or threatened species.

Achievements:

- ✓ Launch of the Mahi Mahi Tagging Project.
- ✓ Launch of our Electronic Monitoring Program, with 5 EM systems in Costa Rica and Panama.

Investment: \$15K.



» Division: Operations



Project: From waste to value.

Objective:

Upcycle 100% of our fish subproducts.

Achievements:

- ✓ Development of 2 new products based on fish waste (silage and fish oil).
- ✓ +38 tons of upcycled waste.



Project: Marathon for the Environment.

Objective:

Identify and execute projects with a high environmental impact in our operations.

Achievements:

Some of our main **Minimizing Projects** that have been launched:

- ✓ **Fly Light:** We revolutionized our packaging materials and logistics systems, allowing us to be more efficient in export processes. By reducing the weight of our packaging, we reduce the carbon footprint in the logistics area.
- ✓ **Less Plastic:** We reduced the amount of plastic packaging in our products, which translates into a cost reduction and an impact on waste generation.
- ✓ **Efficient energy:** We installed solar panels in order to obtain clean energy for the consumption of our operation.
- ✓ **Gas LP Fleet:** We modified our outboard motors, so that they could work with LP Gas. In this way we increase energy efficiency and reduce our carbon footprint.




Footprint Martec

Our impacts: We invest and rely on data to measure our impact and how good we are at reducing it. On a monthly basis, we analyze 40 plus indicators of impact in different areas of our operation. Some of these indicators are:

Wild Catch	Mariculture	Operations	Social	Finance
<ul style="list-style-type: none"> • ETP • By-Catch • MPAs • Minimum Sizes • Fishing Arts • Fishing Gear • Bait • Documentation 	<ul style="list-style-type: none"> • FCR • FIFO • Feed Composition • Effluent Nutrient Load • Dissolved Oxygen • Hormones & Antibiotics 	<ul style="list-style-type: none"> • Energy Consumption • Energy Sources • Water Consumption • Residual Waters • Packaging Materials • Waste Management • Subproducts • Greenhouse Gases 	<ul style="list-style-type: none"> • Scholarity • Age ranges • Gender • Community Projects • Claims 	<ul style="list-style-type: none"> • Financial Investments • % of Revenue • Fundraising Efforts • % of Budget


Minimizing Projects: Understanding our impacts is step one. In order to achieve our goal of becoming a Regenerative Company, we have to act on those impacts. Minimizing projects are oriented to reducing our current impacts. (Please visit page 7 for more details).

Offsetting Projects*: With these projects, we aim to revert our main impacts and set the way for a net positive impact.




One in One out.

For every fish we extract from the ocean, we want to bring one back in. This will be done through coral reef restoration and fish re-stocking in the communities we operate.




Multi-trophic Aquaculture.

Understanding that our fish farm generates residues, we aim to farm both tropical seaweeds and oysters to upcycle these nutrients.



Business Empowerment.

Coastal communities need more work opportunities. We are in the process of identifying which services could be outsourced to local companies, indirectly benefiting the towns we operate in.



CO2 Neutrality.

This project aims to neutralize our carbon footprint. The plan is to accomplish most of the sequestration of GHG in ocean related ecosystems.

* These projects are in development stage and will be executed in the upcoming years.

Corporate Social Responsibility

Commitment, investment and innovation are present in the development of our operations and internal projects, but our contribution, responsibility and solidarity in favor of the communities surrounding our operation cannot be lacking.

Some of the social initiatives that we developed during the 2021 period are:



Project: Improvement of public spaces in neighboring communities.

Action: Coordination and implementation of two mural painting campaigns. The goal of these projects was to strengthen local identity and pride.

Location: Boca Vieja, Quepos.

Martec Contribution: Materials and volunteering of our collaborators.



Project: Mangrove cleaning.

Action: Day of environmental cleanup and waste management for the recovery and care of mangroves.

Location: Quepos.

Martec Contribution: Materials and volunteering of our collaborators.



Project: Reforestation campaign.

Action: Planting of native trees in key areas of the beach.

Location: Bejuco, Guanacaste.

Martec Contribution: Materials and volunteering of our collaborators.



Project: Culture and community art.

Action: Creation of extracurricular art and expression sessions for kids in underprivileged areas. Done in collaboration with UNED.

Location: Puntarenas.

Martec Contribution: Financial and strategic resources for the project.



Project: Contribution in times of Covid-19.

Action: Donation of protein sources to the community food bank.

Location: Quepos.

Martec Contribution: Delivery of several species of fish for vulnerable families.

Sustainability milestones 2021

During 2021 we achieved important milestones. These milestones strengthen our commitment to become a regenerative company, and set up a proper balance between our operation, society, the economy and the planet.

Learn about some of these actions and advances:



We mapped the carbon footprint of our current operation.



We launched a program for Energy Efficiency.

We improved our packaging materials and processes, reducing the amount of plastic in our shipping and logistics.



We installed solar panels in our production plant.



We invested \$180K in projects from Sustainability and Innovation Area.



We allocated \$130K in improvement projects and incentives for suppliers.

We launched our new Sustainable Sourcing Policy.



We launched our fish silage processing plant.



We participated in 5 community social responsibility initiatives.



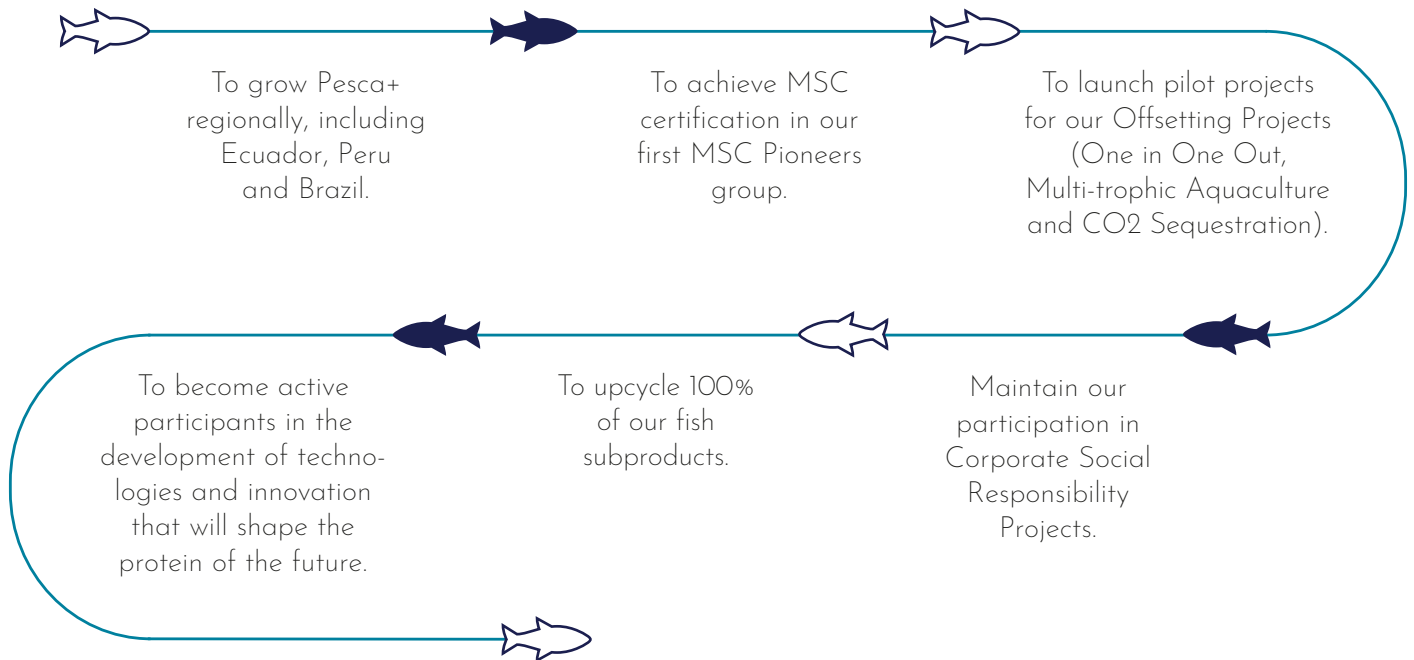
We created 50 new job positions in 2021 and our workforce is represented by: 320 permanent staff 71 temporary staff.

Our commitments in the present and future

The future is possible based on what we do in the present, which is why at Martec we constantly review our challenges in terms of sustainability.

We work according to national and international guidelines, such as the implementation of the common commitments of the 2030 Agenda and the different integrated solutions of the Sustainable Development Goals, in favor of progress, human beings and the planet.

Some of our sustainability commitments are:



Our alliances





MARTEC

Contact

Web: www.martec.co.cr - Mail: sustainability@martec.co.cr

Phone: +506 2777 0122 (Costa Rica)