



Accomplishments 2020

Despite the challenges presented in 2020 due to the outbreak, this was a year of significant accomplishment for Sol Azul:

- Defined long term strategic genetics plan in collaboration with our sister company; the Center for Aquaculture Technology (CAT) to provide a leading genetic broodstock program in the industry
- Produced over 100 M seeds in our Hatchery facility
- Reached a historic production level of 617,000 dozen oysters and highest ever sales revenue
- Supported and maintained good health through our workforce during the COVID 19 pandemic
- Started construction of the new hatchery in December 2020, intended to be the most innovative, highest producing hatchery in the oyster industry

Challenges 2020

- Sales reductions due to COVID-19
- Hot summer weather temperatures resulted in a loss of 6 M juvenile oysters, and delays in harvest time due to the extended summer

Our Brand Promise

- Sol Azul is the leader in sustainable Oyster cultivation of world class oysters
- Our oysters provide our customers with the enjoyment of a high quality and healthy product with impeccably clean tasting oysters in a great selection of sizes, and a guaranteed continuity of supply
- Sound environmental stewardship is at the forefront of our endeavors. We intend to become the world's leading sustainable oyster operation with a zero-carbon footprint

The Cuna del Mar 2020 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.

We welcome your comments at info@cunadelmar.com

Written by Walling and Associates Consulting Ltd

Sustainability
Report 2020

Sol Azul

SOL AZUL
MARICULTIVOS

Cuna del Mar uses environmental, social, and governance (ESG) criteria to evaluate the continued performance of companies in the CDM farm portfolio. Environmental criteria consider how each company performs as a steward of nature. Social criteria examine how our companies manage relationships with employees, suppliers, customers, and the communities where they operate. Governance deals with a company's leadership, audits, and internal controls. We have developed a set of common benchmarks across all Cuna del Mar farm companies. Using the applicable certification framework, we annually assess through audits led by international auditing experts, how our portfolio performs against a set of rigorous standards.

Imagine a pristine ocean location with the sound of the wind and the waves in the background, where oysters can be chosen selectively from the racks stretching far out to sea. Founded in 1994, Sol Azul is Mexico's largest controlled producer and exporter of the Pacific oyster (*Crassostrea gigas*) and the Kumamoto (*Crassostrea sikamea*) variety.

It is a remote site, free of any sources of pollution, ideally suited for the sustainable culture of bivalve mollusks due to its excellent water quality, temperature, tidal range and water currents. "Sol Azul cultivates year-round, the finest export-quality oysters, selectively bred from choice cultured stock, consistent in size and shape with the delightful fresh taste of the sea.

The Sol Azul facilities are located on the western coast of the Baja California Peninsula within the El Vizcaino Biosphere Reserve, a UNESCO World Heritage Site. This is a place where many biological wonders thrive, including nursery pods of grey whales.

In the United States, Sol Azul oysters are marketed under the Sanctuary brand sanctuaryoysters.com. The oysters are celebrated for their superb quality, freshness and impeccable clean taste. Sol Azul organic oysters are the freshest and healthiest, surpassing the most demanding international norms and standards. They are certified organic under the European Community Standards, also with the Monterey Bay Aquarium Seafood Watch, Fish Choice and Fish Wise validation. Aquaculture Stewardship Council certifications provides annual independent audits of the facilities and other recognitions from Sea Choice, the Blue Ocean Institute and New England Aquarium, round out their endorsements. Learn more about Sol Azul seafarms and Sanctuary Oysters on Youtube.

Like all other companies around the world, we saw many challenges with the COVID outbreak. We worked hard to manage the impact on our team and on our customers. We are seeing continued success in managing our teams and maintaining equal opportunities across the business for our qualified workforce. Our care and attention extends to our workforce. We have an almost equal distribution of jobs between men and women (30 females and 54 males) and providing child-care to our working families is an important part of what makes this successful. We are actively involved in the local community, where we support mangrove planting in the area, and we serve as a member of the Technical Committee for El Vizcaino Biosphere Reserve with a group of dedicated people to preserve the thoughtful management of this important area." Philippe Danigo, founder of Sol Azul was born in Bretagne, France, where his family has been culturing oysters for four generations.

"Our activity naturally leads to protecting the environment. If we wish to obtain a healthy product, it has to be developed in a healthy environment. Our oysters and our facilities grow hand in hand with the protection and care of the environment."

*Phillippe Danigo, Founder,
Sol Azul*

Goals for 2021

- Build the most innovative, highest producing hatchery in the oyster industry, ready for full operations by December 31, 2021
- Advance our genetics program with CAT for the development of new strains resistant to temperature increases, and to the herpes virus
- Quantify the carbon impact of our activity and define mitigation measures
- Strengthen gender equity within the company, particularly in decision-making positions

