



ANNUAL REPORT



2020



A message from **ELLEN SCHUTT, EXECUTIVE DIRECTOR**

As I wrote the introduction for last year's Annual Report, the COVID-19 pandemic was just starting and there were many questions about the future. Now, one year later, the pandemic remains an issue and while we have more answers, there is still uncertainty in the market.

Overall the omega-3 industry fared well in 2020, influenced to a large degree by increased demand for supplements due to COVID-19. For omega-3s the year was a bit of a roller coaster, with huge spikes in demand in the March/April time frame – when panic buying was the order of the day – followed by a sharp decline in the next few months and a leveling out by the end of the year. Most of GOED's members reported positive sales results for the year, despite bureaucratic challenges and shipping delays that stressed the supply chain.

The lack of business travel also played a role in 2020, as all trade shows and conferences were cancelled, postponed or went virtual. GOED members reported challenges with generating new business over Zoom and we may still see the repercussions of this in the months ahead.

On a positive note, the current atmosphere is one of cautious optimism, with most of our members reporting strong forecasts for 2021. The availability of multiple vaccines has heightened the feeling of hope.

It's also worth mentioning that there are dozens of clinical trials in progress right now analyzing the prospect of omega-3s preventing or reducing the severity of COVID-19. Once these trials are complete and the research published, we will be better able to determine the market impact.

For GOED in 2020 it was business as usual, with our team operating remotely from around the globe. We maintained our day-to-day activities on the industry's behalf on a variety of technical, regulatory and scientific fronts, and continued our efforts to educate consumers and healthcare practitioners about the benefits of omega-3s. (For a full list of 2020 accomplishments, turn to page 5.)

GOED also undertook a strategic planning exercise in conjunction with our board of directors and emerged with an exciting new plan we are calling GOED 2025. We firmly believe that the groundwork we have laid will help position the industry for continued growth through the next five years and beyond. For more details, see "Looking Ahead: GOED 2025" on page 8.

We sincerely wish all of our members good health and a prosperous year ahead.

A message from
JORGE BRAHM, CHAIRMAN OF THE BOARD

GOED was founded in 2006 by a group of pioneering companies with the aim to further develop the omega-3 industry. With an initial small team and a tremendous amount of determination, talent and hard work, GOED has managed to grow and become the global advocate for EPA and DHA omega-3s. As of today, the organization has more than 170 members from 30+ countries and six continents and develops activities that support the whole value chain of the omega-3 industry.



But as in many aspects in life, things change and this has not been the exception for the omega-3 industry. We are facing new challenges and disruptions which, at a first sight, look complicated and even terrifying. But if we analyze them carefully with an open mind, we realize that there are plenty of opportunities. To take advantage of those opportunities, we need to evolve and to adapt our strategies. And this is what GOED did in 2020.

With the help of a qualified strategy consultant, the GOED Board and the GOED staff engaged in a very interesting and productive process to define our renewed strategy up to 2025. During this work, it was great to see how aligned we were about what needs to be done in the next five years. The 2025 GOED strategy has been finalized and its execution has started. I invite you to review it in this annual report and to accompany us on this exciting journey.

Looking ahead, we hope that during 2021 the COVID-19 pandemic will start to slow down and we will be able to resume some of the in-person activities we missed so much during 2020. I hope your families and communities will continue to have good health and I express my deepest feelings to any of you who may have faced a loss during this pandemic.

SAVE THE DATE!

GOED EXCHANGE 2022

Fort Lauderdale, Florida | February 15-17, 2022

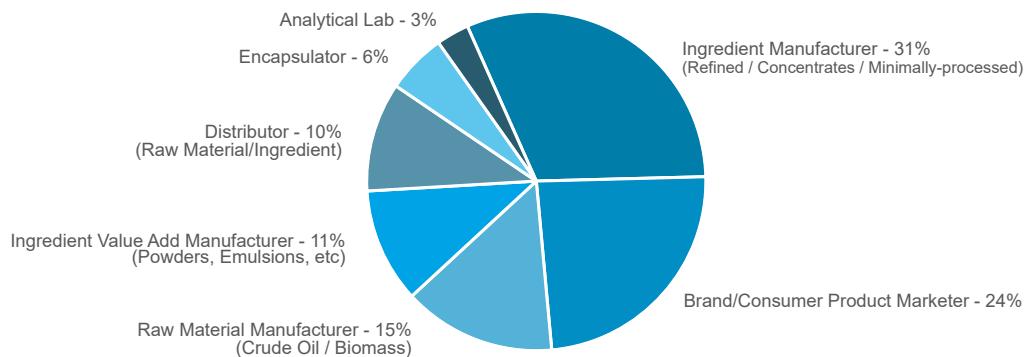
www.goed-exchange.com

GOED MEMBERS BY CATEGORY

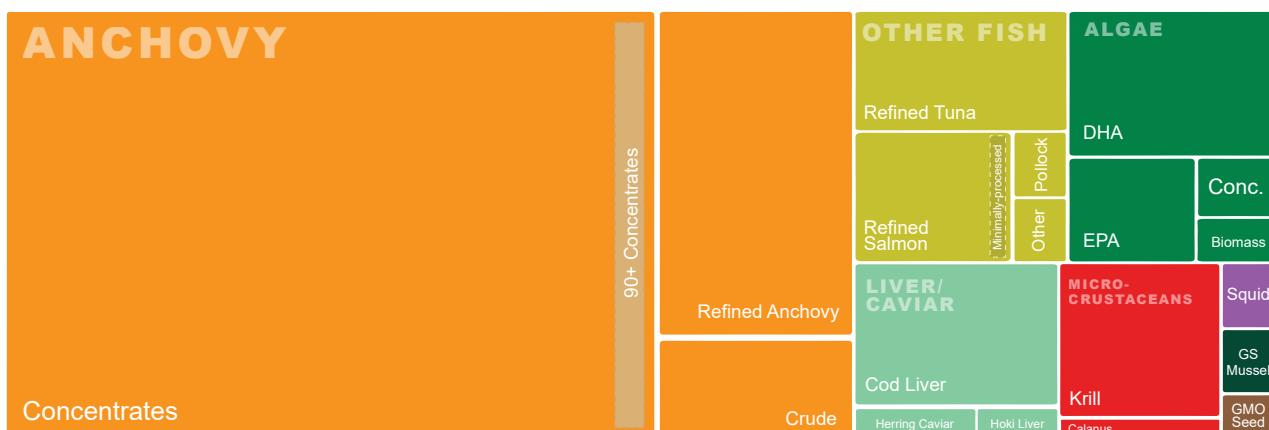
(as of March 1, 2021)



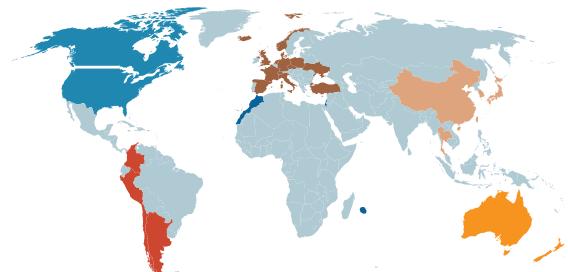
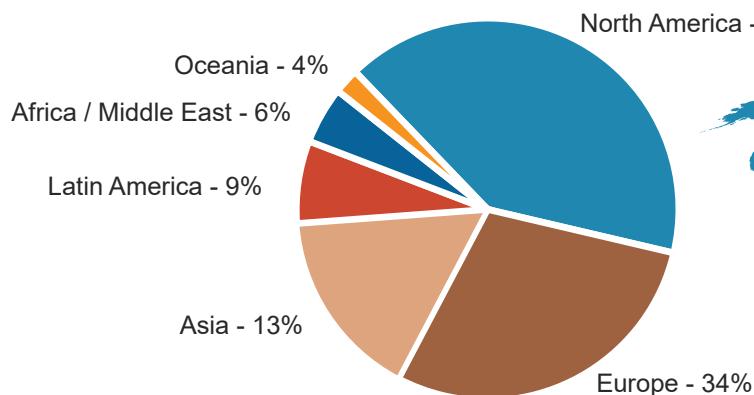
GOED Member Value Chain Positions, By Percentage



GOED Member Product Categories, By Proportion



Headquarters of GOED Members, By Region



GOED ACTIVITIES IN 2020

ALL YEAR LONG

- ▶ Made more than 100 member-to-member introductions throughout the year.
- ▶ Provided commercial sourcing leads for more than 100 member inquiries from the Solutions Needed section of *The GOED Current*
- ▶ Hosted virtual member meetings in June and December to share industry updates, market data and information about the influence of COVID on the omega-3 industry.
- ▶ Continued consumer social media promotions on [Facebook](#), [Twitter](#) and [Instagram](#) throughout the year.
- ▶ Published *Omega-3 Insider* monthly newsletters for consumers
- ▶ Published *Just the Fats* quarterly newsletters for healthcare practitioners
- ▶ Continued work building GOED's Clinical Study Database, which will catalog all human studies on EPA and DHA.
- ▶ Provided multiple sets of comments regarding the 2020-2025 Dietary Guidelines for Americans with a focus on pregnancy-related outcomes, including reducing risk of preterm birth.

Q1

- ▶ Hosted GOED Exchange 2020, GOED's biennial professional conference, in Barcelona, Spain.
- ▶ Wrote to the European Commission regarding the use of omega-3 rich oils in the production of processed organic food.
- ▶ Published "Ingredient label claim compliance and oxidative quality of EPA/DHA omega-3

retail products in the US," a technical paper analyzing the oil quality of the 50 top omega-3 products sold in the US.

- ▶ Published an industry advisory on omega-3 immunity claims in the wake of the COVID-19 pandemic.
- ▶ Coordinated two RD podcasts — with doctor Michael Lewis — on the benefits of omega-3s for brain health.

Q2

- ▶ Held a webinar with FMCG Gurus on "Understanding the Omega-3 Consumer."
- ▶ Submitted comments to the US National Organic Standards Board (NOSB) regarding proposed changes to its fish oil annotation.
- ▶ Presented the benefits of EPA and DHA consumption to a Registered Dietitian (RD) audience of more than 4,400, coordinated with *Today's Dietitian* magazine.
- ▶ Gave a similar presentation to the Norwegian marine products industry with GOED member Blue Legasea.
- ▶ Published the *2020 Omega-3 Finished Product Report*.
- ▶ Completed the annual Randomized Testing Program of GOED member products.
- ▶ Submitted a letter to the editor of *Advances in Therapy*, which was subsequently published, in response to an anti-supplement article by pharmaceutical company Amarin.
- ▶ Submitted comments on the Codex Standard for Fish Oils to the Codex Committee on Methods of Analysis and Sampling.

Q3

- ▶ Published a paper on omega-3 dosage and cardiovascular outcomes in *Mayo Clinic Proceedings*. Resulting mainstream media coverage of the study reached an audience of more than 287 million with more than 1,000 media placements.
- ▶ Produced two infographics on the dosage paper in different levels of detail — one for consumers and another for health practitioners. Posted to AlwaysOmega3s.com and FatsOfLife.com.
- ▶ Updated GOED's healthcare practitioner-facing educational site, FatsofLife.com
- ▶ Updated the Technical Guidance Documents, a companion document to GOED's Voluntary Monograph.
- ▶ Submitted written and oral comments to the European Commission regarding the addition of DHA to complementary foods for infants.
- ▶ Published [a video](#) promoting GOED's mission and role in the omega-3 space.
- ▶ Created Hebrew translation of GOED's pre-term birth infographic.
- ▶ Published Chinese language versions of GOED's [Voluntary Monograph](#) and [Code of Ethics and Business Practices](#).
- ▶ Submitted comments to the US Federal Trade Commission regarding "Made in the USA" claims.

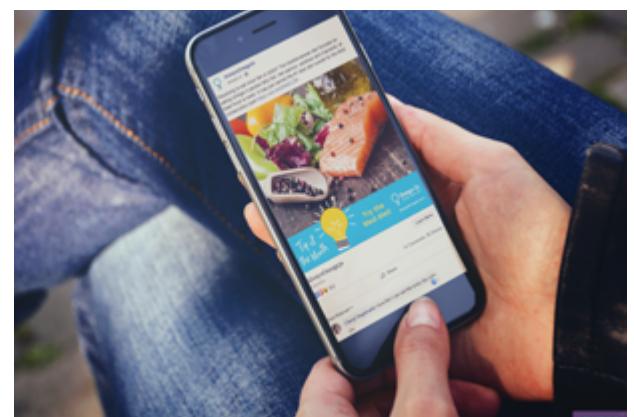


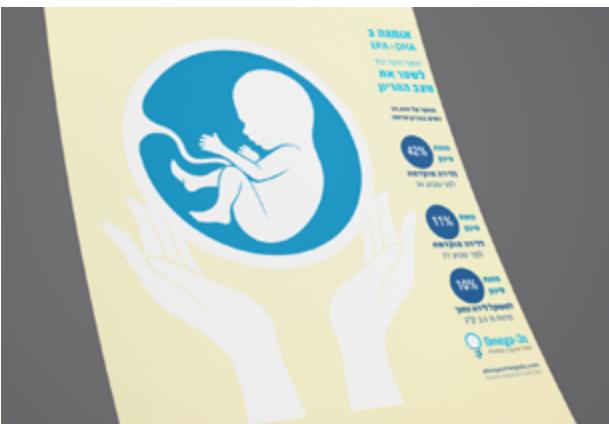
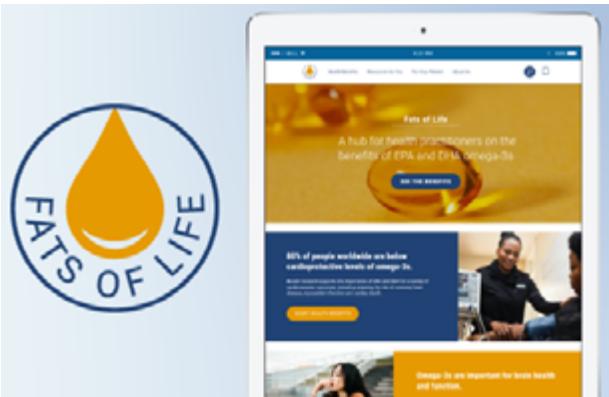
Q4

- ▶ Updated [GOEDQuality.com](#), the consumer-facing page that explains the GOED Proud Member logo.
- ▶ Submitted comments to the Taiwan Food and Drug Administration supporting the removal of the 50% EPA and DHA concentration restriction.

Images (From top to bottom)

1. [GOED Exchange 2020](#)
2. [Infographics explaining GOED's dosage meta-analysis](#)
3. [Example of coverage of dosage meta-analysis in mainstream news](#)
4. [The 2020 EPA+DHA Ingredient Market Report](#)
5. [Social media work promoting EPA and DHA](#)





- ▶ Published a study in the journal *Foods* addressing the chemical changes that occur in fish oils when exposed to conditions that cause massive over-oxidation.
- ▶ Published the 2020 edition of the *Global EPA and DHA Ingredient Market Report*.
- ▶ Published a new web page on AlwaysOmega3s.com and a companion infographic that teaches consumers how to extend the life and quality of their omega-3 supplements.
- ▶ Submitted a letter to the editor of *Nutrition Reviews*, which was subsequently published, in response to an article characterizing dietary supplement marine oils as oxidized and not delivering the amount of EPA+DHA claimed on the labels.
- ▶ Submitted comments to the South Korean government regarding the revision of the arsenic standard in fish oil.
- ▶ Launched an educational campaign for nurse practitioners about the findings of GOED's dosage paper on healthcare practitioner platform Medscape.
- ▶ Worked with a nurse practitioner/registered dietitian to publish a bylined article on omega-3s and dosage in *Clinical Advisor*, a publication for practitioners.
- ▶ Gave a presentation to registered dietitians that work in grocery stores and other retail settings titled, "Why you need to be educating your customers about omega-3s."
- ▶ Moved offices and memorialized the old office's "Omega-3 Museum" of more than a decade's worth of omega-3 products from across the world. [[Watch now](#)]

Images (From top to bottom)

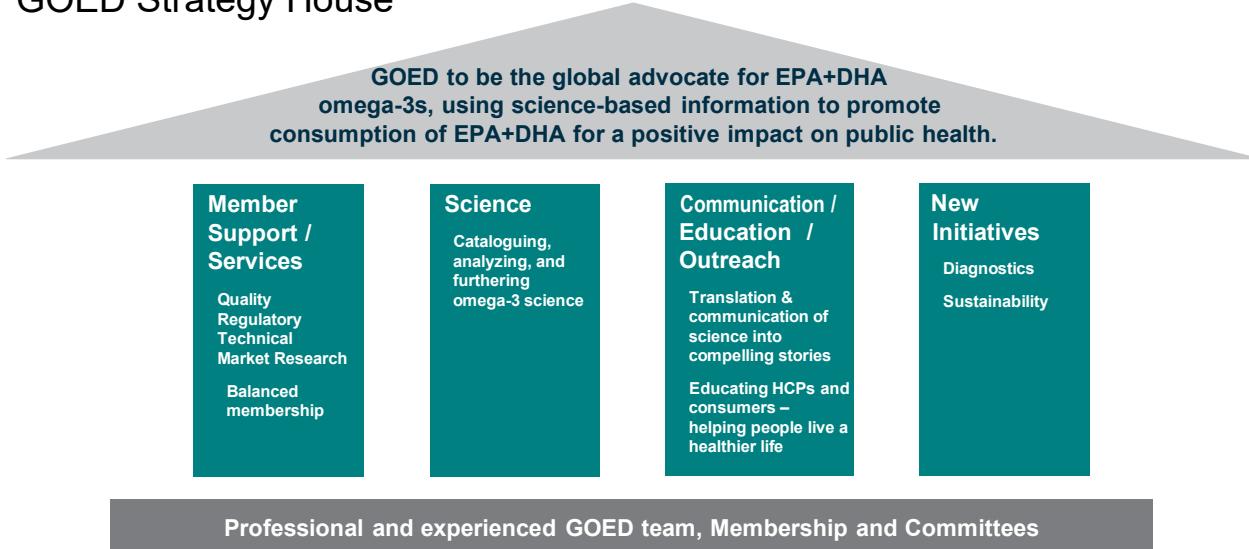
1. Infographic on taking care of omega-3 supplements
2. Updated FatsofLife.com website
3. Chinese translation of GOED Monograph and Ethics Guidelines
4. A Hebrew translation of GOED's pre-term birth infographic
5. Omega-3 museum



LOOKING AHEAD : GOED 2025

In the fourth quarter of 2020, GOED and its board of directors undertook an extensive business review and strategic planning exercise, examining GOED's current activities, analyzing market issues and opportunities, and reflecting on where the omega-3 industry is going and GOED's role in supporting that direction. The initiative resulted in GOED 2025, a strategic plan that incorporates a series of projects between now and 2025 to drive future growth in the omega-3 industry. As you can see from the resulting GOED 2025 "strategy house," we have defined four key pillars upon which to focus.

GOED Strategy House



- ▶ **Member Services:** The work that GOED is already doing on members' behalf — working on regulatory, technical and scientific issues and continuing to provide market research to help members make solid business decisions — remains an important component of our strategy. We have also prioritized growing our membership base in Asia, which is a key growth area for omega-3s, and among brands, a category that is close to the consumer and can help us better understand the ultimate customer.
- ▶ **Science:** The omega-3 industry is based on a solid body of evidence supporting the benefits of EPA and DHA, and GOED needs to play a key role in analyzing, disseminating and building on that science. Our first priority is the completion of our clinical study database — which catalogs all human studies on omega-3s — and turning this science into consumer-friendly messages for members and the industry to share.
- ▶ **Communications:** Tied into both of the above pillars is a focus on communications, and expanding our outreach to more geographies as well as a wider demographic audience. The Communications plan involves consumer segmentation exercises in various geographies, as well as expanding our key messages and determining consumer influencers and tactics that will resonate in new geographic markets.
- ▶ **New Initiatives:** Our strategic plan also includes two new areas of focus, Diagnostics and Sustainability. In terms of Diagnostics, the importance of educating consumers about the fact that they do not get enough EPA and DHA cannot be emphasized enough and we see having a diagnostics strategy to drive this education as vital to future success. The Sustainability pillar goes beyond simple fishery sustainability and encompasses examining the whole social responsibility paradigm and the metrics connected to a true environmental stewardship platform. The action plan includes understanding the current situation, making recommendations and establishing goals, and then communicating these developments to industry and consumers.

GOED FINANCIALS



GOED Omega-3

Profit and Loss

January - December 2020
In US\$

Income	
Dues Revenue	
Existing Members	2,126,162
New Members	95,950
Cancellations	(143,000)
Total Dues Revenue	\$2,079,11
Non-Dues Revenue	<u>34,668</u>
Gross Profit	\$2,130,029
Expenses	
FIXED EXPENSES	
Dues, Publications, Books	10,228
IT / Newsletter / Website	38,745
Other Admin Expenses	23,822
Professional Fees	4,290
Rent	13,610
Salaries, Wages and Benefits	1,074,615
Travel & Meetings	14,452
Total FIXED EXPENSES	1,179,765
VARIABLE EXPENSES	
China Outreach	12,000
Contingency Expenses	23,098
DRI's & Lobbying	3,500
HCP Outreach	85,748
Market Research	22,767
Public Relations	146,726
Randomized Testing Program	15,360
Science	463,490
Total VARIABLE EXPENSES	<u>722,690</u>
Total Expenses	\$1,952,455
Net OPERATING Income	\$177,574

GOED Exchange 2020

Profit and Loss

In US\$

Revenues <i>(Registrations & sponsorships)</i>	460,660
Exchange expenses	(418,425)
Net Profit	42,235

NOTES

2020 was a solid year for GOED financially. While we had concerns about member dues payments as a result of COVID, we had strong member retention and members continued to pay dues in a timely fashion. As a result, Existing Member Income was above the budgeted amount while Cancellations were lower than budgeted. GOED also made the decision not to implement a second planned dues increase due to uncertainty in the market because of COVID-19. We will reassess the dues structure later this year.

New Member revenue lagged behind budget, due at least in part to the cancellation of multiple trade shows and conferences, which typically provide new member leads and offer opportunities for conversations with potential members.

On the Expenses side, the lack of business travel due to COVID meant we spent considerably less on Travel and Meetings as well as HCP expenses (we had planned to participate in several health practitioner events) and this allowed us to reallocate funds to other strategic line items such as Science, which funds the building of our Clinical Study Database.

GOED Exchange: We were able to host the biennial GOED Exchange event in February in Barcelona, Spain. Approximately 250 omega-3 industry executives attended the 2020 event, which had a net profit of \$42,235.

GOED STAFF

- ▶ **Ellen Schutt**, Executive Director
 - ▶ **Harry B. Rice, PhD**, Vice President of Regulatory and Scientific Affairs
 - ▶ **Aldo Bernasconi, PhD**, Vice President of Data Science
 - ▶ **Mike Roberts**, Director of Business Development
 - ▶ **Gerard Bannenberg, PhD**, Director of Technical Compliance and Outreach
 - ▶ **Chris Gearheart**, Director of Member Communications & Engagement
 - ▶ **Elana Natker, MS, RD**, Director of Consumer and Healthcare Practitioner Communications
 - ▶ **Mark Myers**, Controller
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