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Communication on Progress no. 003

Participant: Royal Danish Fish Group A/S

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Format: Stand alone document – Basic COP Template

Differentiation Level: This COP qualifies for the Global Compact Active level

Self-assessment:

- Includes an explicit statement of continued support for the UN Global Compact and its ten principles
- Description of actions or relevant policies related to Human Rights
- Description of actions or relevant policies related to Labour
- Description of actions or relevant policies related to Environment
- Description of actions or relevant policies related to Anti-Corruption
- Includes a measurement of outcomes

Statement of continued support by the Chief Executive Officer

Statement of the company's chief executive (CEO or equivalent) expressing continued support for the Global Compact and renewing the company's ongoing commitment to the initiative and its principles.

To our stakeholders

I am again pleased to confirm that Royal Danish Fish Group A/S still reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. This is our second Communication on Progress; we express again our intent to advance those principles within our sphere of influence. We are still committed in making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company Groups, and to engage in collaborative projects that advance the broader development goals of the United Nations, particularly the Millennium Development Goals. Royal Danish Fish Group A/S wants to make a clear statement of this commitment to our stakeholders and the general public.

Still, even in this year, our primary focus has been on CSR. Both in Denmark and especially in Ghana we have been working on how to develop this area. And we have made many progresses. With business comes great responsibility, particularly in a developing country. As one of the leading fish producers in Ghana, West African Fish strives to be a leader in social and environmental performance. Our stakeholders rely on us to protect and preserve the natural environment. We believe that everyone must do their part. We are convinced that we do ours. Our intention is to keep focus on



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environmental issues, concerns on sustainability and efforts to make the best possible conditions for our employees.

We inform all our employees ongoing about the importance of the Company strategy concerning these Global Compact principles and the CSR activities.

Royal Danish Fish and West African Fish are trusted names in our industry and we take that trust very seriously. It is important for us also in regard to our development in the future.

We are very proud of the goals we have achieved also this year, but we will strive to still stay on the forefront in our line of business. In our name, logo and in our daily work we keep focus on balance between quality and efficiency in our production on one side - and environmental issues, the welfare of our employees, CSR and sustainability on the other side.

This CSR strategy in our organization gave big results in the year 2012, as we were chosen between many Danish companies to be the winner of a special CSR strategy award. By receiving the very special CSR award due to our strategy we have the confirmation from external observers that all our work with these values gives results.

We are considering making a new project to be certified by one of the famous certificates that are e.g. GLOBALGAP, BRC Global Standards or ISO, FSSC.

There are lots of challenges but with all the progresses we make every year we believe that we can make a difference and be part of a good development.

Sincerely yours

Royal Danish Fish Group A/S

Mogens Mathiasen

Chief Executive Officer



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Human Rights Principles

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

Principle 2: make sure that they are not complicit in human rights abuses

Assessment, Policy and Goals

Royal Danish Fish Group A/S approves and respects the Universal Declaration of Human Rights. Moreover, we have established some core values that underline the company's devotion to the Human Rights principles. Since we are operating internationally the conditions are diverse. In our Danish factories as well as in our African fish farm we live up to any law as well as ethics concerning these matters. In Denmark there is high level of control and we assess to have low risk for violation of these areas due to code of conduct and legislation. But we do not accept any kind of child labour, forced labour or other violations of fundamental human rights.

Implementation

In Ghana our company, West African Fish Ltd. has joined the Ghana Business Code. On the African continent the best thing we can do for human rights is to establish long term collaborations - and try to move things in the right direction, one step at a time. We make sure in all our companies that our employees are treated equal and have the same conditions independent of sex.

Measurement of outcomes

We try to monitor the welfare for our employee and the people we are doing business with, and will not accept any kind of human rights abuses. We choose other business partners if they not are working after our standards. We have never been involved – neither directly nor indirectly in any issues regarding human right abuses in our business affairs. In our organization everyone can talk free and have the right to express themselves in any situation.

Labour Principles

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the Right to collective bargaining

Principle 4: the elimination of all forms of forced and compulsory labour

Principle 5: the effective abolition of child labour

Principle 6: the elimination of discrimination in respect of employment and occupation

Assessment, Policy and Goals

We have a strong focus on ensuring the best possible work environment and conditions for our employees. That includes the freedom to organize themselves as they wish. We respect the ILO Core Conventions and any local and international standard on this issue. We want every employee to feel comfortable and to have ownership in our corporate culture. Furthermore we try to make room for everyone. In Denmark our employees are covered by one of the major national collective labour



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agreement (Danish Industry) which demand that we as employer follow certain rules. In Ghana we provide for documentations from our business partners that they do not use for example child labour. We have a good and a secure working place in Ghana. The CSR activities in Ghana are very different from Denmark due to the level difference between the two countries.

Implementation

In our Danish companies we have some employees, who despite lesser handicaps, prove to be important members of our team. That is part of a long term strategy to give a large group of people, who is often underrated, an opportunity to show their worth. Furthermore we participate in education and self development programs. Last year all the employees in Denmark based factory participated in an ambitious project aiming to implement an understanding on sustainability in our corporate culture. We have furthermore enrolled the Danish staff to a special health insurance to help them fast in case of illness. We have a code of conduct which our employees are committed to follow with policy made by themselves. We have policy to handle any kind of reduced labour, alcohol, absence, pregnancy and so on.

In Ghana we have done several things for our employees for making better condition for them. We have secured the employees a minimum salary which is about twice normal. Built kitchen and canteen to make sure the employee has proper conditions while eating. Furthermore our entire stab can all eat free to avoid any discrimination. We have built hygiene lavatory and bathing facilities to minimize bacteria.

To make sure our key account employees have a proper place to stay we have built 10 bungalows. Furthermore there is apartment in the main building for employees. To help our employees maintain their work we arrange transport to and from the farm every day. This is to secure that all of them have the same opportunities.

Measurement of outcomes

We feel that the approach we have made to give our Danish employees ownership of our corporate culture has been a success. They take pride in their daily work and understand that focus on sustainability, environmental concerns and welfare is a common task. We have a stab in Denmark where illness is much minimized and our employees are quarantined help in case they need it no matter what situation it is required. Currently we create jobs and livelihoods for about four hundred families I Ghana, which benefit either directly, or indirectly, through spin-off in resale of our fish or similar practices. We give due to our many CSR projects lots of opportunities to the people in Ghana.

Environmental Principles

Principle 7: Businesses should support a precautionary approach to environmental challenges

Principle 8: undertake initiatives to promote greater environmental responsibility

Principle 9: encourage the development and diffusion of environmentally friendly technologies



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Assessment, Policy and Goals

Environmental concerns and focus on sustainability are still among our highest priorities. Right from the start we knew, that we wanted to do everything possible to act responsible regarding the environment – on a local basis as well as a global. Fish farms can have a major, negative impact on the ecosystems in which they are placed. We do not want to be part of that problem. Instead we want to be part of the solution. Furthermore we feel worried by the decline in the population of the European eel, which part of our business is based on. We want to do our best to help the eel back to European waters. Our goal is to still be a big part of the restocking program. We are committed to breeding fish in the best possible conditions. Our goal is furthermore to be more effective on the energy saving initiatives. Due to our competence and knowhow about aquaculture we are also able to advise other producers regarding the way of building and running friendly farms. So in this way our expertise is very useful.

Implementation

Our Danish fish farm, RDF Aquaculture is among the world's largest recirculating land-based aquaculture plants. At present, the company consists of the main department in Hanstholm and a breeding department in Kærbæk, Grindsted. The technology is separate, recirculating tanks with a daily water exchange of less than 2%. About 10.000 m³ of water swirls around the system every hour, and the water is circulated through internal cleaning systems, thus maintaining the recirculation degree of 98%. That all makes up for an absolutely minimum of influence on the environment. The company is Eco-Healthy certified.

In the year 2013 we have replaced 64 water pumps at our aquaculture in Denmark, which gave us a big energy saving (in the level about 250 households' annual energy consumption). In our processing Department in Denmark we have secured that all kind of cardboard and plastic are sent to recycling. Where it has been possible we have sensor-controlled lighting to make sure there is no unnecessary use of electricity.

We have once again in 2012 voluntarily taken big part in the restocking program for the glass eel in Europe. As we still are committed to breeding fish at the highest quality and also to ensure the best possible conditions for the fish we are still a proud member of the Sustainable Eel Group. Which is an organization in where environmental organizations, politicians, NGO's, science and industry are working together to nurture the stock of European eel.

The culmination of a long and determined effort is the launch of the Sustainable Eel Standard - which is a tool designed to ensure a sustainable production of eels. The standard will be followed up by a labeling of products that meet the Sustainable Eel Group's requirements for sustainable production.



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The label will guarantee that:

- The most gentle methods are used to catch elvers
- There is a low mortality rate during rearing
- Fish meal / oil in the diet comes from a sustainable resource
- Food is used optimally
- Environmental impact meets statutory requirements
- Handling, transport and slaughter of fish meets fish welfare requirements
- The company actively helps nurturing fish stocks, which could be used by restocking programs

Our breeding facility in Ghana is based on a lot of the same principles. The farm is built as environmentally friendly as possible, and makes use of modern technology and equipment.

On shore are the hatcheries, where we grow our own fingerlings, that is, fish about the size of a finger. Those are bred from our own broodstock. Currently we only produce fingerlings for our own use; however, soon we will be able to provide top quality fingerlings for other fish farmers, and for restocking Lake Volta. This will benefit the dwindling tilapia stock that is causing great problems for local fishing communities. The hatcheries are constructed with state of the art recirculation technologies. This allows us to produce fingerlings with almost no water exchange, which reduce our effect on the environment to a minimum. At the farm we use the most ecologically friendly floating fish food.

Measurement of outcomes

Any test made by local water authority in Denmark shows fantastic positive results. We have never had any remarks regarding the quality of the water that leaves our fish farm.

Our Aquaculture in Denmark achieved the honor of being the first eelfarm in the world able to meet the stringent requirements of the prestigious Sustainable Eel Standard. The certification for Sustainable Eel default is handled by an independent third party, namely MacAlister Elliott & Partners Ltd. in Hampshire.

Both our aquacultures are a very controlled process that allows us to grow and harvest fish, which is of consistently good quality, having the following characteristics:

- A healthy fish that has been reared in the best possible conditions
- A protein source of high dietetic quality
- A nutritious source of food
- Available continuously throughout the year
- A consistently high quality product



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Anti-Corruption Principles

Principle 10: Businesses should work against corruption in all its forms, including extortion and briber.

Assessment, Policy and Goals

Our policy is clear on this matter. We adhere to the strongest anti-corruption principles – and will work against corruption in all its forms, including extortion and bribery. We fully support the UN Convention against Corruption. We refuse to work with anyone who takes part in such matters. We believe that running a successful business is to run it properly.

Implementation

Royal Danish Fish Group A/S has a zero tolerance for any form of corruption and tries to educate all employees in this regard. We have a string policy regarding this matter which we inform our partners and customers about before we are doing business.

Measurement of outcomes

We do not have any problems with our policy in Denmark. In Ghana it can be a slightly different matter. It can cause some delays, but this is the price we are willing to pay. We feel that our anti-corruption attitude in the long run is met with respect. We have never been involved directly or indirectly in matters of these issues neither in Denmark or Ghana. We act in accordance with applicable legislation and rules where we operate and we do business with partners who have the same policy regarding anti-corruption.



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact**.

We welcome feedback on its contents.