



SUSTAINABILITY STRATEGY 2015-2018

For the benefit of Greenland and Royal Greenland



Introduction

- Balanced growth for Royal Greenland

Royal Greenland has been working with corporate social responsibility for many years and since 2012 has adopted a structured approach to CSR. We now want to simplify our CSR activities and focus more on sustainable fisheries and employee development.

Royal Greenland – local and global

Royal Greenland is a very important company for the Greenlandic community. It is Greenland’s largest employer, and the way in which the company manages its resources and creates working environments for employees and suppliers has large impact on the development of a sustainable future for Greenland.

Royal Greenland operates globally and also has an influence on the societies in which we operate outside of Greenland. We want to assume responsibility for our activities and contribute to the positive development of the societies of which we take part in.

Sustainable development

In 2012, we decided to structure our CSR work and drew inspiration from both the UN Global Compact’s ten principles and the ISO 26000 standard, which offers guidance on social responsibility. Royal Greenland’s CSR themes outlined in its 2012-2015 strategy reflect this connection and contain relatively many focus areas.

During the period, we have launched a broad range of measures which are now beginning to take effect. We are therefore allowing three of the themes to transfer to daily operations while strengthening our efforts in the two most important areas which remain. In other words, we are seeking to simplify and strengthen our efforts.

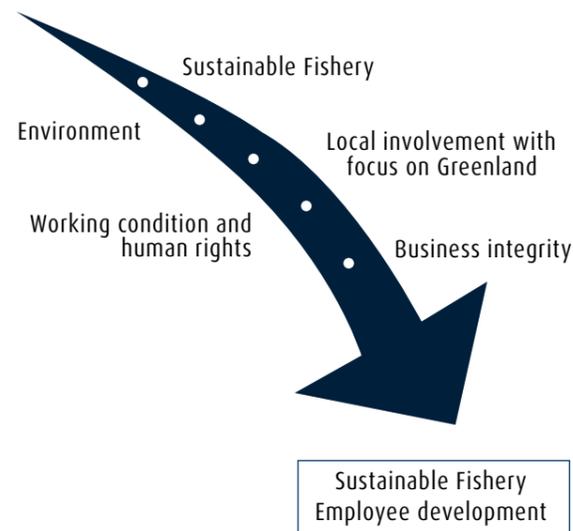
At the same time, we want to tie the company’s CSR work more closely with our business mission, which is based on the principles of People – Planet – Profit.

Thus, we expect to achieve a better and simpler structure which can lead to significant results.



“CSR is all about balancing economic, social and environmental sustainability: Planet – People – Profit.”

Mikael Thinghuus,
CEO, Royal Greenland



Assumptions and method

- Building on our experiences and simplifying

Taking the Planet – People – Profit idea as our starting point, we will develop our business and social commitment.

Planet – People – Profit

Using the three Ps, we will facilitate an understanding of the CSR concept and draw attention to the fact that the link between the three themes is necessary to achieve a sustainable society and a profitable, competitive company.

In focusing on this, we want to adhere to the basic principles of our strategy by developing the business with respect for social and environmental aspects. Our focus areas are thus being set out on the basis of the following overriding principles:

Principle 1:
Environmental and social development and initiatives must support economic growth.

Principle 2:
Business growth must support environmental and social development in the local community.

Selection of focus areas

Royal Greenland is a vertically integrated company with activities throughout the value chain from fishing to sales. In selecting our sustainability initiatives, we have taken the whole chain as our starting point and listened to our stakeholders.

In spring 2015, we conducted a survey among our customers and end users to find out more about what they require with respect to CSR when choosing suppliers and products.

In the survey, sustainable fishing and working conditions were designated as the most important parameters.

Working conditions and human rights were one of the five focus areas in the first version of our CSR strategy. This has now been implemented with workplace assessments and safety groups, and is therefore very much a part of operations.



It follows that sustainable fishing will remain the area with the highest priority on Royal Greenland’s agenda.

Based on our own materiality analysis, the following themes have therefore been chosen as key points for the 2015-2018 strategy:

- Sustainable fishing
- Employee development, training and education

Focus areas 2015-2018

Fokus	Planet	People	Profit
Areas	Sustainable fishing	Employee development – training and education	Long-term economic stability

PLANET - Our future

Royal Greenland manages the resources we have access to and on which our future depends in a sustainable way.



Background

Fish and shellfish are our most important natural resource. We want to fish while respecting the sustainability of the stocks and their future balance.

We listen to scientific advice and research, fishermen's observations and the experience of fishing fleets, and through open dialogue with decision makers seek to exploit the marine resources available

Focus on sustainable fishing

The work to sustainably develop stocks in our own fisheries is achieved by heading or participating in projects which are relevant for promoting know-how and improving fishing methods.

Fish stocks can be sustainable without being certified, but MSC certification is an approval standard which commits to stock management and to making broader environmental efforts.

In addition, we want to optimise yields in both the fishing and production of fish and shellfish. This will involve experimental projects with new fishing equipment, the commercialisation of by-products and exploring new technological possibilities in production.

Royal Greenland focuses on:

- cooperating with scientific institutes to increase our knowledge about fish and shellfish
- promoting the sustainability of Greenland fish and shellfish
- maintaining MSC certification of prawns and lumpfish
- achieving MSC certification of the key species Greenland halibut and cod in Greenland
- utilising the by-products from the primary production of fish and shellfish.



Benefits to society

Fishing is by far the most important source of income in Greenland, while fish and shellfish (in contrast to, for example oil, gas and minerals) is a renewable, yet limited resource. If resources are managed with long-term solutions, fishing will continue to be a key industry in Greenland.

Increased yields from the fished resource in turn increases the likelihood of an improved return – both in terms of employment and economically, which is why the benefits accrue to both the individual and society as a whole.

Optimal management guarantees stability

We expect more know-how about the behaviour, life habits and development of fish and shellfish to result in positive and stable management. This will improve the stability of the fishing, production and the company's financial return.

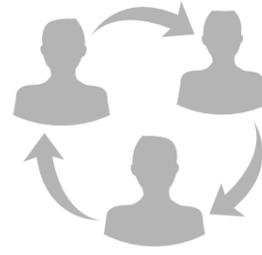
We expect to be able to keep on supplying our customers with prawns, Greenland halibut and other species from the Arctic, and we will also bring new and potentially interesting and profitable species to our customers.

Finally, we expect that, in spite of logistical and climatic challenges, in the long term, we can create a sound basis and a successful business for the efficient use of by-products from production and fishing.



PEOPLE - Together towards the goal

Royal Greenland runs its business while respecting the individual and society at large and acts with integrity and transparency.



Background

Skilled employees and managers at all levels are essential for the business. Therefore, it is the company's task to ensure the recruitment, retention and training of a competent and diverse workforce made up of individuals with the right professional and personal skills.

Focus on training

To ensure the continued growth of the company, further training is required for employees and managers. This is ensured through participation at internal and external courses, as well as on-the-job training.

We want to invest in our employees for the sake of growth and development of the company, society at large and the individual employee.

Royal Greenland focuses on:

- strengthening personal development through courses and mentor schemes
- promoting professional competencies through training
- developing the company's managers.

As the largest company in Greenland, Royal Greenland wields considerable influence in most towns and settlements. We therefore want as many employees as possible to participate in courses at both the personal and professional level. The courses are organised by the Royal Greenland Academy.

Benefits to society

Thanks to Royal Greenland's strong focus on skill development and learning, citizens are to a greater extent more qualified and more highly skilled, which creates the basis for growth and development in society.

The well-being of Greenlandic citizens and their sense of responsibility are thus expected to be improved through the tools which they acquire at courses on personal development.

Being good at your job makes you feel satisfied as a person, which in turn benefits the community as a whole.

A socially sustainable society is created by those living in the community and who work together to ensure its development.

Development in step with changes

With these initiatives, we expect employees to develop in step with the changes which the company is continually undergoing as new raw materials and technologies are tested and introduced.

Through training, we expect to make a difference to the individual through increased well-being, more responsibilities and greater motivation.

For managers, the training is expected to result in them acquiring management expertise as a basis for working with employee well-being.



PROFIT - The existence of the company

We are creating sustainable earnings, potential for growth and long-term economic stability in Greenland.



Background

Royal Greenland has a long history in Greenland and has grown to become a global player. However, the company's focus continues to be on ensuring sustainable earnings for Greenlandic society.

We are thus committed to looking at long-term solutions which take the environment and the surrounding community into account. Therefore, our approach to sustainability is equally focused on Planet - People - Profit.

Focus on earnings

With sustainable resources and well-trained employees, we believe that we can secure stable earnings for the company. It is important to be able to produce consistently high quality to ensure good products for our customers and consumers.

Royal Greenland focuses on:

- ensuring access to resources and generating development throughout the North Atlantic
- buying and processing high-quality products which can be sold to quality-conscious customers
- being a competitive and respected company in the international food industry.

Furthermore, we will ensure that, when selecting 'Planet' and 'People' projects, which, for example, are intended to promote the utilisation of a particular resource or the training of employees, we will also consider the economic dimension to a greater extent through the possibility of long-term earnings and stability. Doing this will secure the third dimension of the three Ps - Profit.



Benefits to society

Earnings are the basis for the company's existence and continued operations. The same applies to society. A healthy economy is based on sustainable enterprises and economically independent citizens.

By focusing on sustainability, where we think long-term in relation to the environment and employees, Royal Greenland will be able to contribute to Greenlandic society, also far into the future.

Where Royal Greenland is present in small communities, we are seeking to improve practical conditions for the benefit of citizens and the factories.

Sustainable development safeguards generations

It is our expectation that a Planet - People - Profit approach to business will result in sustainable development which will ensure the long-term stability of the company for future generations.



Areas transferred to daily operations

Simplification of CSR activities

Between 2012 and 2015, the company has worked with five themes under CSR:

- Sustainable fishing
- Environment
- Working conditions and human rights
- Local involvement with special focus on Greenland
- Business integrity

Each of these themes had several focus areas. In total, fifteen focus areas were addressed.

Some of these themes have now become integrated in the daily operations of the business, enabling us to focus more specifically in the coming years on sustainable fishing and employee development.

Areas being transferred to daily operations

- The environment at factories and on vessels, including the collection of data on water and energy consumption.
- Working conditions are now reviewed via the workplace assessment scheme which is dealt with by the safety groups.
- A code of conduct for employees has been prepared and implemented.
- Supplier management is being transferred to the purchasing function which makes information on Royal Greenland's ethical requirements available to suppliers.
- Communication in Greenland has been greatly improved with a website, intranet and info boards at factories which are updated daily.
- Diversity has been in focus following the adoption of a gender policy.
- An anti-corruption policy has been signed and disseminated.

After the above themes have been implemented in day-to-day activities, there is a good correlation between CSR and the company's business activities.





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