



BY APPOINTMENT TO THE ROYAL DANISH COURT

**Royal Greenland®**

2021



# ANNUAL REPORT

ROYAL GREENLAND A/S

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01.01.2021 - 31.12.2021



ANNUAL REPORT  
Royal Greenland A/S  
  
2021  
1 January 2021 – 31 December 2021

CVR-nr. 13645183  
The Annual Report was presented at  
and approved by the company's  
Annual General Meeting on  
16 May 2022  
  
*Peter Schriver*  
*Chairman of the Meeting*

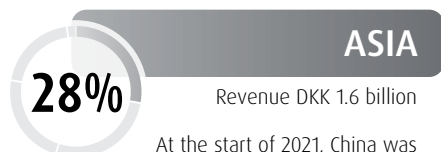
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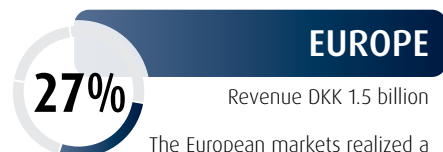
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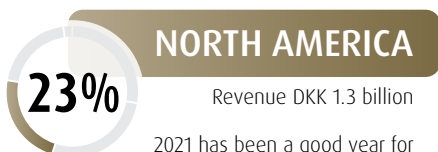
*The pictures in the annual report mainly derive from Royal Greenland's internal archive.*



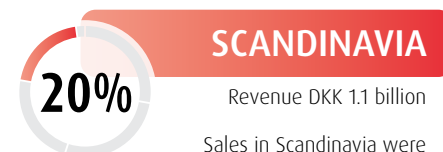
At the start of 2021, China was hit hard by Covid-19 restrictions, but later in the year performed well. In Japan, the sales office managed to generate a 16% increase in sales in spite of many challenges. Both countries are working professionally with e-commerce, which is increasingly important for business.



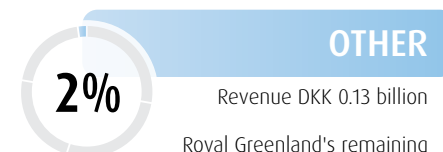
The European markets realized a solid increase on core species such as prawns, cod and Greenland halibut. Brexit has been tough for the UK, where cooked & peeled prawns are charged 20% duty. In Russia, an increase in prawn sales has been realised, sales which have subsequently been put on hold. In Southern Europe, Italy in particular has realized a fine recovery.



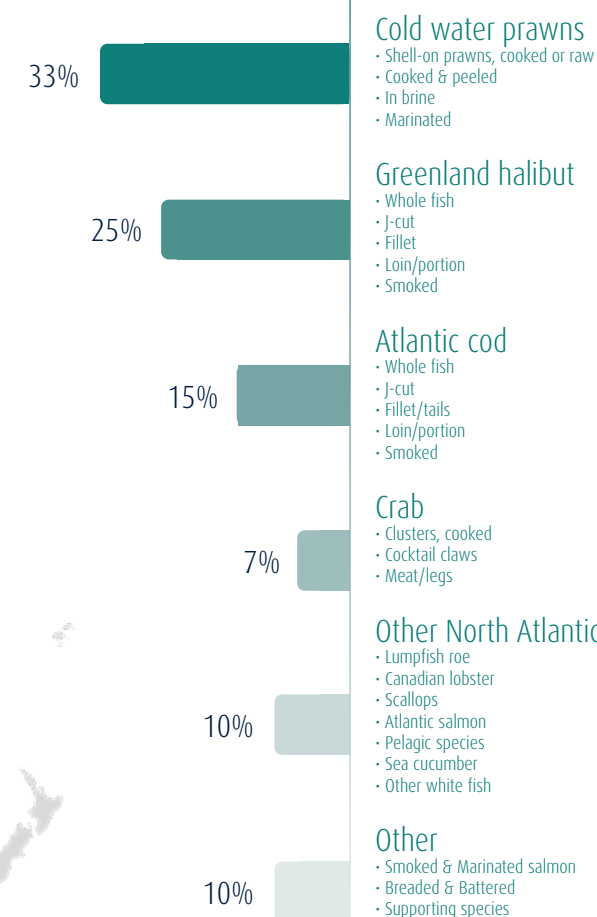
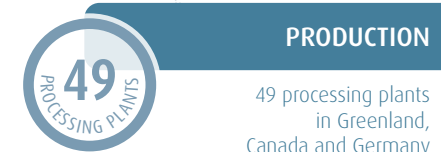
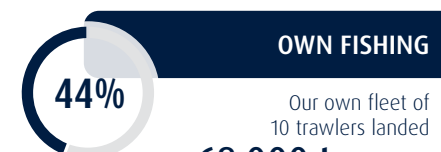
2021 has been a good year for the North American market, with snow crabs in particular driving growth. Investments have been made in expanding the US sales organisation, which, in cooperation with the production units in Canada and the rest of the organisation, ensures a high level of service and competent advice to customers.



Sales in Scandinavia were unchanged from the previous year. Cooked & peeled prawns is a significant business area with sales spread across all Scandinavian markets. In the latter part of the year, the foodservice market has regained momentum in line with the lifting of Covid-19 restrictions.



Royal Greenland's remaining sales are distributed primarily to Australia, local sales in Chile through Royal Greenland's involvement in the country and to the United Arab Emirates, where we see a growing interest in our products.



**Cold water prawns**  
 • Shell-on prawns, cooked or raw  
 • Cooked & peeled  
 • In brine  
 • Marinated

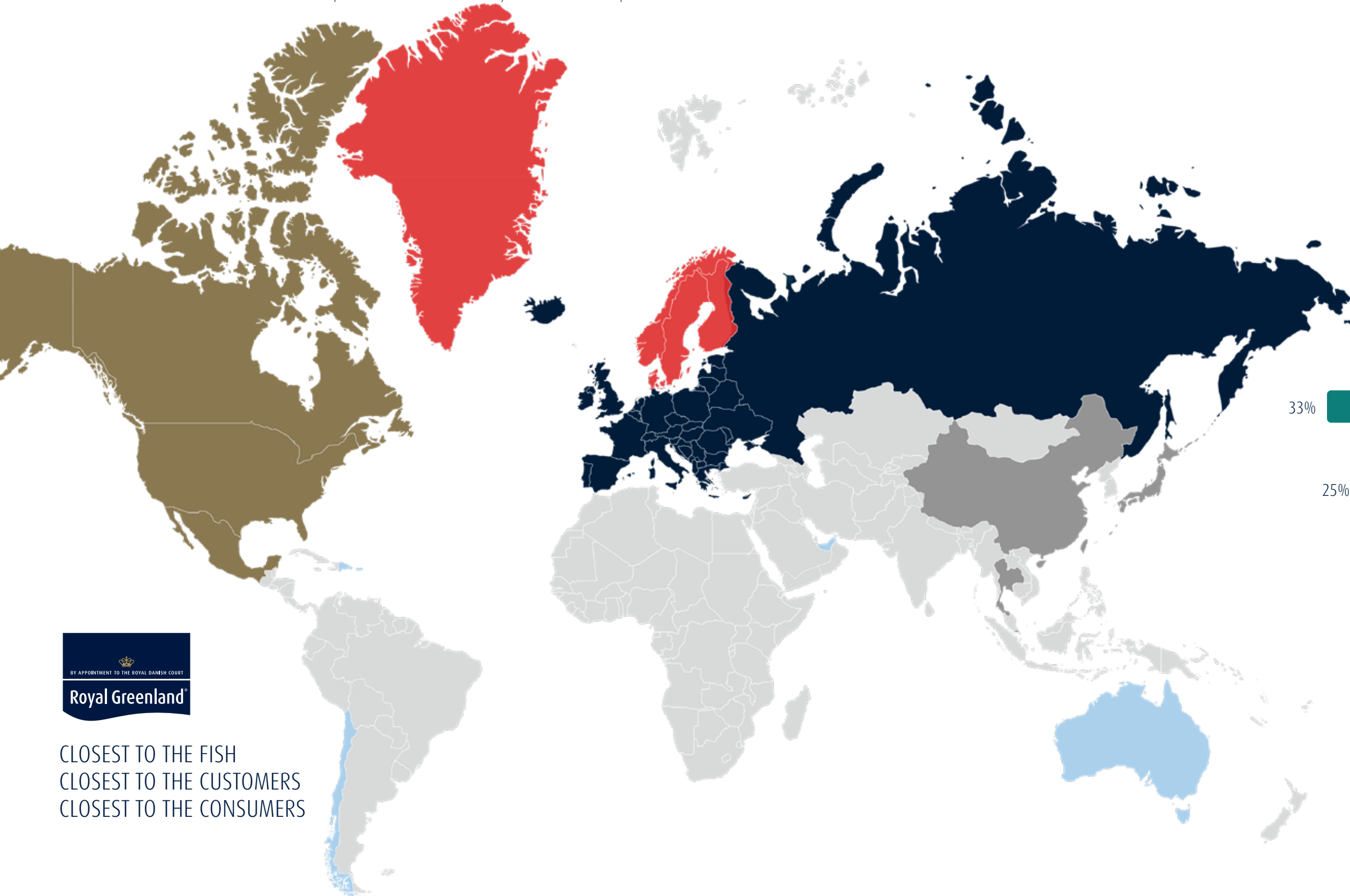
**Greenland halibut**  
 • Whole fish  
 • J-cut  
 • Fillet  
 • Loin/portion  
 • Smoked

**Atlantic cod**  
 • Whole fish  
 • J-cut  
 • Fillet/tails  
 • Loin/portion  
 • Smoked

**Crab**  
 • Clusters, cooked  
 • Cocktail claws  
 • Meat/legs

**Other North Atlantic**  
 • Lumpfish roe  
 • Canadian lobster  
 • Scallops  
 • Atlantic salmon  
 • Pelagic species  
 • Sea cucumber  
 • Other white fish

**Other**  
 • Smoked & Marinated salmon  
 • Breaded & Battered  
 • Supporting species



CLOSEST TO THE FISH  
 CLOSEST TO THE CUSTOMERS  
 CLOSEST TO THE CONSUMERS



## Statement by the Management on the Annual Report

The Supervisory Board and Executive Board have today considered and adopted the Annual Report for Royal Greenland A/S for the financial year from 1 January to 31 December 2021.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and annual accounts give a true and fair view of the Group's and the company's assets, liabilities and financial position at 31 December 2021 and of the results of the Group's and the company's activities and the Group's cash flows for the financial year from 1 January to 31 December 2021.

It is also our opinion that the management's review provides a true and fair review of the development in the Group's and the company's activities and financial affairs, the profit or loss for the year, and the Group's and the company's financial position.

We recommend the Annual Report for adoption by the Annual General Meeting.

Svenstrup, 20 April 2022

## Executive board

Mikael Thinghuus CEO	Bruno Olesen GROUP SALES DIRECTOR
Nils Duus Kinnerup CFO	Lars Nielsen GROUP PRODUCTION DIRECTOR

## Supervisory board

Niels Harald de Coninck-Smith CHAIRMAN	Karsten Høy	Malik Hegelund Olsen <i>Elected by the employees</i>
Maliina Abelsen DEPUTY CHAIRMAN	Tina Lynge Schmidt	Niels Ole Møller <i>Elected by the employees</i>
	Regine Møller	

## The independent auditor's audit report

### To the shareholders of Royal Greenland A/S Opinion

We have audited the consolidated financial statements and annual accounts for Royal Greenland A/S for the financial year from 1 January to 31 December 2021, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes for both the Group and the company, in addition to the cash flow statement for the Group. The consolidated financial statements and the annual accounts have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the annual accounts give a true and fair view of the Group's and the company's assets, liabilities and financial position at 31 December 2021 and of the results of the Group's and the company's operations and the Group's cash flows for the financial year from 1 January to 31 December 2021, in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with international auditing standards and the additional requirements applicable in Greenland. Our responsibility under these standards and requirements is described in more detail in the section entitled "Auditor's responsibility for the audit of the consolidated financial statements and the financial statements" (hereinafter referred to as "the financial statements"). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Group in accordance with the international code of ethics for professional accountants (IESBA Code) and the additional requirements applicable in Greenland, and we have fulfilled our other ethical responsibilities in accordance with these regulations and requirements.

### The management's responsibility for the financial statements

The management is responsible for the preparation of consolidated financial statements and annual accounts that gives a true and fair view in accordance with the Danish Financial Statements Act. Furthermore, the

management is responsible for any internal controls it deems necessary in the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's and the company's ability to continue as a going concern; for disclosing, as applicable, matters related to a going concern; and for using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the Group or company or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibility for the audit of the financial statements

Our aim is to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report with an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Greenland will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Greenland, we exercise professional judgement and maintain professional scepticism during the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circum-

stances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of the auditing policies used by the management, as well as the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our opinion is based on the audit evidence obtained up until the date of our auditor's report. However, future events or conditions may mean that the Group and the company can no longer continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the notes, as well as whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- We have obtained sufficient and appropriate audit evidence for the financial information for the companies or business operations in the Group to be able to form an opinion about the Group financial statements. We are responsible for directing, supervising and conducting the Group audit. We are solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Statement concerning the management's review

The management is responsible for the management's review.

Our opinion concerning the financial statements does not include the management's review, and we do not express any form of opinion or assurance about the management's review.

In connection with our audit of the financial statements, it is our responsibility to read the management's review and in this context to consider whether the management's review is substantially inconsistent with the financial statements or the information obtained from the audit, or otherwise appears to contain material misstatements.

It is also our responsibility to consider whether the management report includes the information required in accordance with the Danish Financial Statements Act.

Based on the work we have conducted, we conclude that the management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not find any material misstatements in the management's review.

Svenstrup, April 20<sup>th</sup> 2022

### EY Grønland

Godkendt Revisionsanpartsselskab  
CVR-nr: 33 94 61 71

Claus Hammer-Pedersen  
State-Authorised Public Accountant  
mne21334

Michael Christiansen  
State-Authorised Public Accountant  
mne34515



# FINANCIAL HIGHLIGHTS AND KEY RATIOS

## PROFIT/LOSS

KEY FIGURES – DKK mill.	2021	2020	2019	2018	2017
Net revenue	5,638	4,849	5,327	5,169	5,613
Profit from primary operations, including associated companies	344	(15)	437	292	290
Net financials	(18)	(44)	(33)	(29)	(35)
Net profit before tax	326	(59)	404*	263	255
Net profit for the year	257	(57)	311	175	187
RG's shareholders' share of the profit for the year	226	(92)	267	148	158

## BALANCE SHEET

KEY FIGURES – DKK mill.	31.12.21	31.12.20	31.12.19	31.12.18	31.12.17
Fixed assets	3,032	2,732	2,679	1,745	1,623
Net working capital	1,388	1,625	1,710	1,597	1,424
Equity	2,011	1,780	1,888	1,601	1,515
RG's shareholders' share of equity	1,797	1,584	1,715	1,467	1,396
Net interest-bearing debt	2,282	2,433	2,195	1,521	1,328
Balance sheet total	5,765	5,430	5,733	4,614	4,358
Investments in property, plant and equipment	360	311	991	222	314

## RATIOS

%	31.12.21	31.12.20	31.12.19	31.12.18	31.12.17
EBIT-margin	6.1	(0.3)	8.2	5.7	5.2
EBT-margin	5.8	(1.2)	7.6	5.1	4.5
ROIC including goodwill	8.4	(0.9)	11.1	9.1	9.1
Return on equity (ROE)	15.2	(3.4)	19.6	12.2	13.5
Equity ratio	31.9	29.8	30.7	32.3	32.2
Net interest-bearing debt / EBITDA	4.1	16.0	3.7	3.5	2.9

## NUMBER OF EMPLOYEES

	2021	2020	2019	2018	2017
Greenland	1,388	1,452	1,432	1,487	1,363
Denmark	156	165	199	205	198
Canada	465	450	371	375	400
Other countries	228	163	198	161	572
<b>Total</b>	<b>2,237</b>	<b>2,230</b>	<b>2,200</b>	<b>2,228</b>	<b>2,533</b>

\* The 2019 profit before tax of DKK 404 million includes extraordinary profit from the sale of trawlers of DKK 141 million.





# ROYAL GREENLAND DELIVERS THE BEST RESULT IN ITS HISTORY

Royal Greenland delivers the best result in the company's history, even though 2020 was affected by Covid-19 and general uncertainty among customers. The profit from primary operations before tax for 2021 sets a new record for the Group's earnings.



The profit from primary operations before tax for 2021 amounts to DKK 326 million, which is a clear improvement from the previous "normal" level of DKK 250 million.

Revenue amounts to DKK 5.6 billion and reflects an increase of 16% as a consequence of higher sales prices for the core species. The sales price performance is related to the partial normalization of market

conditions and thereby sales prices after a year (2020) affected by the pandemic.

In 2021, the markets and supply chains were also affected by Covid-19, but since the world has learned to live with the pandemic to a greater extent, conditions are increasingly normalizing. Royal Greenland managed to navigate the challenges of the pandemic and thereby strengthen its business model.

Royal Greenland's mission is:

"We sustainably maximise the value of the North Atlantic marine resources, for the benefit of our owner and the local communities in which we operate."

Royal Greenland's vision is:

"We are closest to the fish, closest to the customers and closest to the consumers."

In early 2020, Royal Greenland made some crucial decisions to ensure that the Group emerged stronger from the pandemic, so that growth and earnings could be re-established. This proved to be a clear advantage in 2021 as we were able to sell at considerably higher prices already at the start of the year.

Despite declining markets and consequential reduced earnings, in 2020 Royal Greenland decided to continue fishing, landing and producing as originally planned. The company thereby served as a buffer between reduced markets and a normal supply chain, with declining sales prices as a consequence.

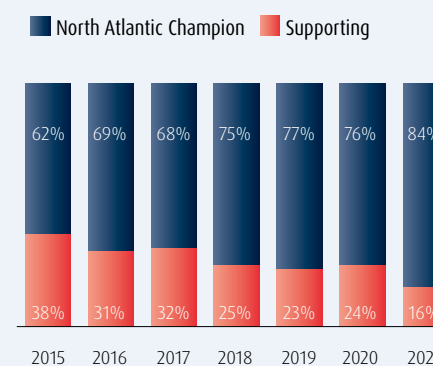
This was obviously based on commercial considerations but also reflects the simple, but decisive, fact that in supply terms Royal Greenland operates in geographical areas where the company's activities dominate employment and economic activity.

Besides potential permanent damage to our access to resources, a drastic reduction of fisheries and production would have entailed significant socioeconomic problems for local communities in both Greenland and Canada.

This decision also meant that, as far as possible, the market impact of the pandemic was limited to one year, as opposed to building up stocks and extending Covid-19's negative impact on earnings for many years to come.

A significant aspect of the profitable performance is related to the favourable snow crab market, particularly in North America, while the other core species such as cold-water prawns and Greenland halibut regained momentum during 2021.

Breakdown of turnover by business areas



The core North Atlantic activities are the foundation for our business, accounting for 84% of revenue, compared to only 41% eight years ago.

Strategic investments also made their mark in 2021.

The investment in the new pelagic trawler, Tasiilaq, has made it possible to utilise an increasing capelin quota and make the pelagic activity profitable.

The joint venture established in Chile contributes positively to Royal Greenland's earnings, and in China,

the e-commerce cooperation with Beiyang Jiamei performed very positively during the year.

In Canada, Royal Greenland has established a joint venture with Clearwater Seafoods concerning a factory for cooked & peeled prawns in St. Anthony, Newfoundland.

At the end of 2020, the new prawn and fishing trawler Avataq was delivered and has fully lived up to expectations, with several catch records during the year. Most recently, the new prawn trawler Nataarnaq was delivered and commissioned in early 2022.

At the same time, a prawn trawler has been added to Royal Greenland's offshore fleet, as the old Nataarnaq, now renamed Kassassuk, has been retained in the fleet in order to expand the fishing capacity to match the larger prawn quota.

It is also planned to start a newbuilding to replace the last prawn trawler in the fleet, after which Royal Greenland's fleet will be 100% renewed and future-proof.

A new North Atlantic Champion 4.0 strategy for the next three years was adopted in 2021. The strategy is based on the same mission and vision and will continue the successful journey, with a focus on creating increased value for core species through commercial initiatives and operational excellence.

There is also a better balance between markets and segments, with continued focus on Asia and Europe, but also greater focus on North America, which matches the strategic investments made in Chile, China and Norway.

Royal Greenland will continue to be open to new acquisitions and joint ventures within selected wild-caught high-quality seafood, with privileged access to the resource.

ESG or "Responsibility", as it is called internally in Royal Greenland, will still be the key focus as an integral aspect of Royal Greenland's business and a natural element of the company's DNA, and is strategically prioritised in line with the market and category initiatives.

The satisfactory result for 2021 should also be viewed in the light of the fact that, in December 2021, Royal Greenland was affected by a comprehensive cyber attack, which meant that all systems were shut down globally.

Thanks to the great efforts of employees across the Group, we nonetheless managed to deliver most sales orders and keep supply chains running, thereby minimising operational losses.

During January 2022, the systems were gradually returned to normal levels, but a lot of work is still underway to re-establish systems and the future IT infrastructure.

Based on a strong global organisation, strategy and business model that have proved their value, Royal Greenland is ready for the future.



# FINANCIAL STATEMENTS

With a profit before tax of DKK 326 million, reduced working capital and lower interest-bearing debt, the financial statements are very satisfactory.

The profit for 2021 sets a new standard compared to the previous "norm" of DKK 250 million, with all core species recovering momentum after the pandemic.

The normalisation of sales prices and an attractive snow crab market are the background to the revenue growth of DKK 800 million.

Shell-on prawns deliver good earnings, but are still somewhat affected by the pandemic in the Chinese and Scandinavian markets. On the other hand, the Russian market performed positively. In operational terms, the new trawlers will ensure savings and an improved operating economy.

Cooked & peeled prawns was the category most severely affected in 2020, with price drops averaging 17% as a consequence of lockdowns in Europe and the uncertainty concerning Brexit.

The markets gradually improved during the year, particularly in the autumn, with good increases in sales prices. Yet the category is still only at break-even level, and there is thus some way to go before previous profit levels are reached. The positive development will continue in 2022.

As the world's largest company for Greenland halibut, and with 90% of sales going to Asia, this product category is still exposed to the pandemic's impact on the Asian markets.

The main markets are China, Japan and Taiwan. Sales are at the same level as in 2020, but with increased

sales to Japan, Taiwan and Europe. Sales prices are rising but are challenged by a lower USD. The category's earnings are improving, but still fall short of previous levels.

Measures to strengthen Royal Greenland's raw materials position in Northern Greenland are continuing, as investments in facilities and the establishment of joint ventures. Most recently, the collaboration within Arctic Fish Greenland has been expanded to three facilities (Kullorsuaq, Nuussuaq and Nutaarmiut), compared to the previous two. The group of owners consists of fishermen, employees and Royal Greenland.

Snow crab has developed into an important cornerstone of Royal Greenland's earnings. The activity is based in Atlantic Canada, but is also supplemented with snow crab from Greenland, Norway, Quebec, the rest of Canada, and most recently from Chile.

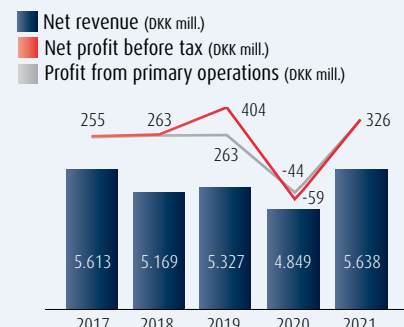
The positive development is driven primarily by the North American market, but Japan is also an important market. The resource is generally performing well, with increasing quotas in Atlantic Canada and Greenland.

The crab activity in Chile also includes king crabs.

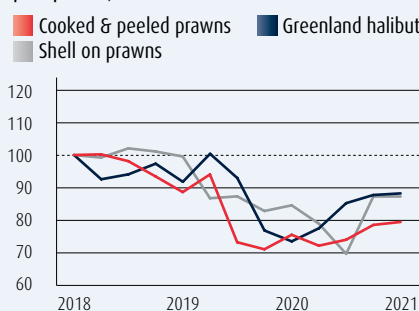
North Atlantic cod is still a loss-maker for Royal Greenland, and the situation is further exacerbated by declining market prices. Even though sales prices are increasing, this is not sufficient to close the gap. The onshore activities present a major challenge. There

The profit for 2021 sets a new standard compared to the previous "norm" of DKK 250 million, with all core species recovering momentum after the pandemic.

Development in revenue and results



Development in sales prices for main species per quarter, 2019 to 2021



is a constant focus on increasing the proportion of Nutaq cod from Maniitsoq, in order to deliver a top-range product at an attractive price. The proportion of Nutaq cod increased from 23% in 2020 to 26% in 2021.

As in the preceding two years, the pelagic season in Greenlandic waters disappointed. On the other hand, fishing in international waters was satisfactory. Together with an increasing capelin quota and a newer ship with greater capacity, this developed the pelagic activity from a loss-making activity to a significant profitable business.

The collaboration with A. Espersen on the flatfish range will continue in 2022, but on basis of a new agreement, which to a greater extent is based on commercial principles. The agreement replaces the previous agreement, which was established in connection with Royal Greenland's sale of its Polish business to A. Espersen in 2017.

The profit for the year after deduction of minority interests amounts to DKK 226 million. Minority interests in Ice Trawl Greenland, Pelagic Greenland, Gaia Fish, Arctic Fish, Inughuit Seafood and St. Anthony amount to DKK (31) million.

Royal Greenland has reduced its working capital by DKK 237 million as a consequence of lower stocks, but also an increased creditor base.

Interest-bearing debt also decreased during the year, amounting to DKK 2,282 million. The reduction of DKK 151 million was achieved despite a sustained high investment level and reflects significantly improved operations.

Debt as a ratio of EBITDA amounts to a factor of 4.2, compared to 16 in 2020. The gearing is high but has improved significantly. Before the pandemic, high gearing was required as a consequence of the high investment levels in recent years, in line with the renewal of the trawler fleet, and the level in 2021 reflects the level planned prior to the pandemic. The target is still gearing at around 2.5.

Available liquidity amounts to DKK 1.2 billion and confirms sound and intact financial reserves.

Cash flows from operating activities amount to DKK 534 million. Total cash flows amount to DKK (18) million after financing.

Equity capital amounts to DKK 1,797 million, while the equity ratio is 32%.

Pursuant to the dividend policy agreed with the owner (50% of the annual profit after tax), DKK 113 million is allocated as dividend to the Greenland Government.

No events have occurred after the close of the financial year that affect the result or the balance sheet significantly.

## Outlook

Before Russia's invasion of Ukraine, the development in 2021 gave grounds for an optimistic outlook for 2022. Covid-19 will still be with us, but the markets' continued normalisation and Royal Greenland's ability to navigate the challenges presented by the pandemic increased expectations of positive sales development for our wild-caught high-quality products.

However, 2% of Royal Greenland's revenue relates to exports of shell-on prawns to Russia. In view of the Greenland Government's appeal to stop all trade with Russia - which Royal Greenland supports - this revenue is uncertain. This uncertainty is, however, less related to sales to Russia and more to how sales prices for shell-on prawns in the global market will develop. Moreover, further increases in energy prices must also be taken into account..

The expectation that the profit from primary operations before tax will be consolidated at this new "norm" level is therefore uncertain. However, it is still expected that while 2021 was buoyed up by snow crab earnings, the other core species will continue the positive development from the second half of 2021, and thereby regain the momentum from before the pandemic.

Snow crab will continue to be a significant activity in Royal Greenland's portfolio, but not at the same level as in 2021.

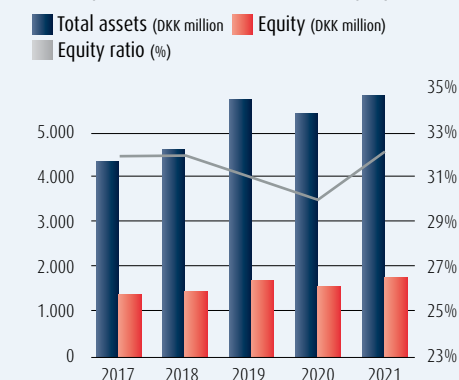
The general development in the world economy, reinforced by the war in Ukraine, rising prices for raw materials, logistics and energy, and the market consequences of Covid-19 and Brexit, still presents very significant uncertainties.

The gearing in the form of interest-bearing debt will continue to decline.

Development in interest-bearing debt and net working capital



Development in balance sheet and equity





# IMPROVED MARKET SITUATION

The second year of the Covid-19 pandemic was very different from the first. While in 2020 there was great focus on retention of sales to support the fished resource, in 2021 demand continued to rise, which pushed up sales prices.



The result is a revenue increase of just over DKK 800 million, corresponding to approximately 16%, even though the volume sold only increased by 4%.

The main reason for the significant revenue increase is strongly rising sales prices for snow crab on the North American market, but also higher sales prices for Greenland's main species, comprising prawn, Greenland halibut and cod, particularly in the second half of the financial year.

As a consequence of the adopted strategy to focus on ensuring sales to support the fished resource, sales to importers and industrial customers increased by 30%, while retail lies at index 98 and foodservice at index 95.

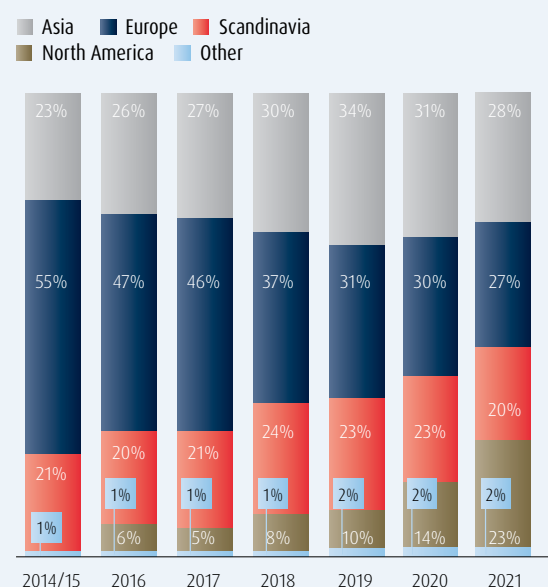
A large proportion of retail and foodservice sales take place in the European markets, where all markets were affected significantly by alternating opening and closing of activities during the year.

Compared to 2019, i.e. before the pandemic, sales to the foodservice segment were 20% lower and to the retail segment 7% lower.

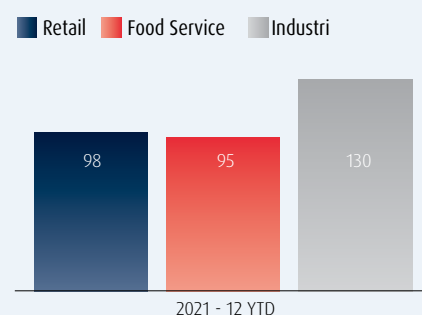
The geographical distribution of revenue has changed significantly. North America now accounts for 23%, compared to 14% in 2020. The reason is increased volumes and higher sales prices for snow crab.

Japan found it difficult to keep pace with the North American sales prices, and snow crab sales were therefore moved to North America. As a consequence of the development in North America, Asia's and Europe's revenue shares fell to 28% and 47%, respectively.

Historical distribution of revenue by regions



Net revenue - December YTD 2021 vs. 2019 (Index 100)



For cooked & peeled prawns from Greenland, the Brexit situation has been difficult, as 20% duty must be paid on imports to the UK.

## Asia

Revenue in Asia increased by DKK 100 million, amounting to DKK 1.6 billion. The revenue increase was achieved based on a slightly lower sales volumes.

There were major changes in the market sales mix, however. Sales fell in China, while Japan and the other markets experienced growth.

The Chinese market started very weakly in 2021. Sales in the first quarter were close to 0. The reason was the very strict lockdowns introduced by the Chinese authorities as a measure to fight the pandemic. In the Chinese authorities' opinion, imported, frozen seafood was a significant factor in the spread of Covid-19, and therefore obstacles to distribution and sales were introduced.

As restrictions were lifted, sales to China improved and the second half of the year performed extremely favourably, with strong demand and rising sales prices. Towards the close of the year, prices began to approach the level from before Covid-19 hit the world.

Royal Greenland's fundamental expectation of a gradual market normalisation is substantiated by the development in the important Chinese market.

One of the positive factors in China is that sales of retail-packaged Royal Greenland-branded products started up again and are achieving a level that exceeds expectations. These products are sold to both traditional supermarkets and e-commerce outlets under the auspices of our joint venture with Beiyang Jiamei.

Sales to the Chinese market mainly consist of shell-on prawns and Greenland halibut. The lower sales of shell-on prawns in China were compensated by sales to Russia, while sales of Greenland halibut instead targeted Japan and other Asian markets.

The Japanese market was also affected by many restrictions and lockdowns, but thanks to the great efforts within the organisation, a revenue increase of 16% was achieved. In particular sales to retail customers expanded, and Greenland halibut has become a popular product.

In the autumn of 2019, the Japanese organisation started up e-commerce sales, in collaboration with some of the major Japanese suppliers. In 2021, these sales reached financial breakeven, and this performance is expected to improve further in the coming years.

Besides the market-related challenges, sales in Japan were also affected by supply chain issues.

The supply chain consists of processing plants in China, Vietnam and Thailand, which process the North Atlantic raw materials into highly processed products for Japanese sushi customers.

The processing plants were affected by lockdowns and labour shortages and were therefore unable to deliver the required volumes to full extent. As a consequence customers experienced shortages during the year.

## Central Europe

In Central Europe, revenue increased by almost DKK 100 million. The increase concerned shell-on prawns, cod and pelagic fish. Revenue amounted to DKK 1.5 billion.

Europe continued to be severely affected by Covid-19 in 2021. With small deviations, the pattern of lockdowns and lifting of restrictions was almost identical in most countries. The year started with strict lockdown measures. In the spring, these were eased, but were then re-imposed at the end of the autumn.

These constant changes made it difficult to take a long-term approach, as new challenges continued to arise.

Maintaining a strong presence in the markets was a key priority, to ensure capacity for rapid re-establishment of sales when the opportunity arose, and to ensure achievement of the more long-term strategy.

The Russian market for shell-on prawns performed very positively in 2021. Sales more than doubled compared to 2020. This background is that Russian prawn fishing in the Barents Sea declined significantly in the preceding two years, creating a need to import prawns.

Together with our Russian partner, Agama, we have secured a good share of this market and thereby compensated for the sales decline in China. However, future development is uncertain due to the war in Ukraine.

For cooked & peeled prawns from Greenland, the Brexit situation has been difficult, as 20% duty must be paid on imports to the UK. A free trade agreement between the UK and Greenland to ensure duty-free access to the British market for Greenland prawns does not yet exist. Royal Greenland assists the Greenlandic government in establishing such an agreement as soon as possible.

Sales to the UK were at an acceptable level, however, which was secured through a combination of a large initial stock in the UK, sale of prawns to industrial customers under an end-use quota, which requires processing of the prawns in the UK, and the sale of prawns from our Canadian factories. Canada, Iceland and Norway have all entered into free trade agreements with the UK and thereby have duty-free access to fixed volumes.

The Brexit situation has led to the establishment of a partnership with a British processing plant that packs Royal Greenland's prawns under the end-use rules. This is particularly important for our foodservice range and sales to retail customers. Normally, these customers have been supplied with products that are packed at a factory in either Greenland or Germany.

Italy, Spain and Portugal are all countries with high consumption of seafood. There is a traditional focus on ensuring high-quality products. In view of the development in the resources available to Royal Greenland, it is therefore natural to increase the sales focus on these markets.



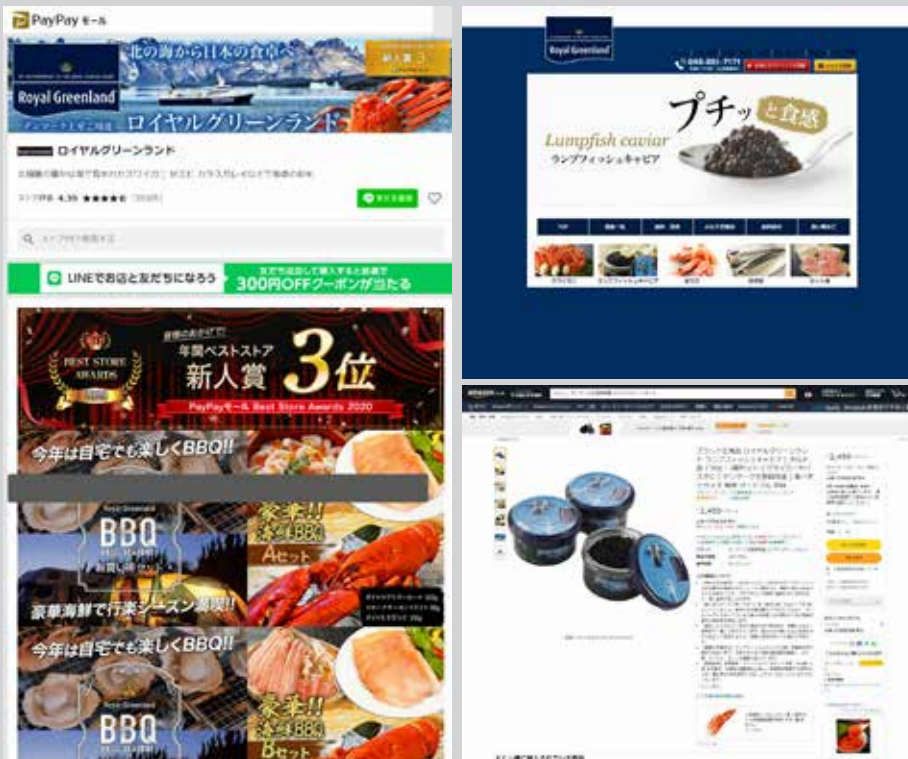




## Solid foundation for e-commerce on the way

Royal Greenland's Japanese sales office has worked intensively in recent years to establish itself on digital sales platforms. Unlike most e-commerce platforms in i.e. Europe, which are mainly run by large retail chains, the Japanese e-commerce market is much more developed. A number of platforms, called malls, allow suppliers to offer direct sales to consumers without intermediaries. It is a complex sales model, where an infinite number of factors come into play and influence the possibility of creating a profitable business.

In 2021, the Japanese sales office focused on improving profits from its three online platforms, Rakuten, Amazon and Yahoo. Distribution and logistics were significantly streamlined through more automated management, and marketing investments were targeted and fine-tuned according to factors such as search engine traffic, higher sales conversion of visitors to the platforms, and repurchases. At the end of the year, Royal Greenland Japan made a healthy profit on e-commerce.



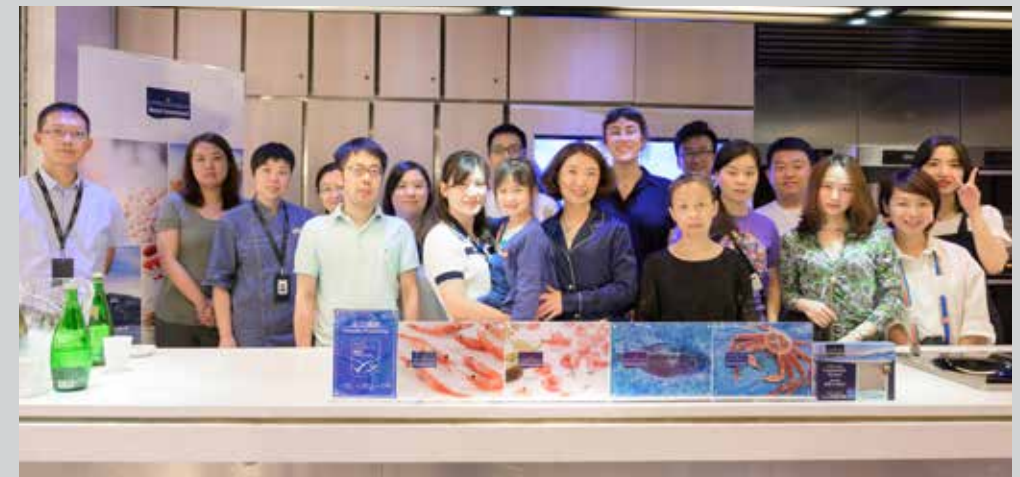
## Learning by doing in Danish e-commerce market

In the growing online food retail market, it is crucial for sales that products look inviting, that buying processes are easy and intuitive, and that as many website visitors as possible add Royal Greenland's products to their digital shopping cart.

In Denmark, nemlig.com is the leading e-commerce company in food sales and Royal Greenland's products are well represented on their e-commerce platform. In 2021, Royal Greenland, together with nemlig.com's optimization team, implemented a process aimed at expanding digital traffic to Royal Greenland's products on nemlig.com. During the process, improvements to

product descriptions found through search engines such as google, compelling product images, inspirational videos and recipes, and better links from various other web platforms were scrutinized and optimised.

By the end of 2021, Royal Greenland's range is prominently displayed on nemlig.com's e-commerce platform, digital traffic increasing and more people add Royal Greenland products to their digital shopping cart. The experience gained from working with nemlig.com is valuable and can be applied to work with other on-line platforms.



## Royal Greenland well established with Chinese retail chains

In the Chinese market, Royal Greenland works closely with the local company Beiyang Jiamei Seafood, of which we bought a small share in 2020. The cooperation has already borne fruit and has resulted, among other things, in the strengthening of Royal Greenland's products in key retail chains.

Sam's Club China is the Chinese version of Walmart's popular membership concept and has a strong position in the Chinese market with more than 4 million members and 36 stores. In 2020, Royal Greenland managed to launch Greenland halibut in all Sam's Club stores. Due to Covid-19, it was not possible to support the launch with product demonstrations in the many stores, several of which have a so-called 'Sam's Kitchen', until 2021. In Sam's Kitchen, we worked with the chain's own chefs in a number of cities to prepare and inspire the

use of Greenland halibut in consumers' own kitchens. Direct customer dialogue and education, while a lot of work, is a valuable way to gain insight into consumer attitudes and returned great sales results.

City-Super in Shanghai is a small retail chain known for supplying premium products from around the world. Royal Greenland launched shrimp, Greenland halibut and snow crab in the chain in May 2021. City-Super's customers often show considerable interest in the products they buy and there was a good attendance at two events hosted by Royal Greenland in cooperation with City-Super in their training kitchen. Both insight into Royal Greenland and curiosity about our products was considerable and led to strong sales afterwards.





## Prawn-to-be-wild

2021 was the year when Royal Greenland UK won the coveted British Sandwich & Food to Go Designer award and secured a major contract with sandwich producer Greencore.

The British Sandwich & Food to Go Designer award gives a select panel of suppliers the opportunity to showcase their products to food industry professionals; both chefs and product developers from small cafes and range planners from large sandwich manufacturers judge the products.

In 2021, despite strict Covid-19 restrictions, the judging panel received around 100 recipes from across the UK. After a thorough selection process and judging from four judging panels, Emma Taylor, NPD Controller at Greencore, won with her "Prawn to be Wild" bao bun recipe. The judges were all impressed with how innovative, commercially viable and delicious her creation

was. When asked where her inspiration came from, she said: "For 'Prawn to be wild' I tried the Royal Greenland prawns and immediately got into the holiday spirit because of the fresh, sweet taste. I knew straight away that it was the right product to work with. I got the idea to give the classic prawn sandwich a twist".

During the period surrounding the completion of the British Sandwich & Food to Go Designer Award competition, Royal Greenland's commercial team worked to secure a major tender with Greencore for the supply of cooked and peeled prawns for the Marks & Spencer sandwich range. Greencore is the largest sandwich manufacturer and supplier in the UK, so winning this contract along with the award was great news for the UK office and a celebration of an excellent team effort!

## Strengthened joint market approach in North America

The promising development of the US market since the establishment of the Boston sales office in 2018 resulted in a further investment in the company in 2021. In the spring, the company was strengthened with a sales director and later during the year the office expanded with more sales consultants and a marketing manager.

In conjunction with Royal Greenland's 9 locations in Atlantic Canada, including 7 under the auspices of Quin-sea Fisheries, Royal Greenland stands with a strong locally rooted service concept to further expand throughout the North American market in both the US and Canada.

The synergies with Greenlandic species are obvious, where a wide range of species such as shrimp, snow crab, lobster, Greenland halibut and cod from both Canada and Greenland are in high demand by North American customers. In addition, Royal Greenland's investment in Chilean species such as crabs and Chilean Seabass also has great potential in North America.

The North American entities serve the market in cooperation. Customers can thus, depending on the product, trade both through the sales office in Boston and the individual locations in Canada, which together offer the market expertise and know-how.





# NEW PRODUCTS AND INNOVATION

Innovation within Royal Greenland's core species is the cornerstone of value maximisation, where research and development are centred on the projects that can ensure commercial success.



For the core species, these measures reflect the importance of the core species to the overall business and for its market potential. Internally within the organisation, the products are optimised continuously in relation to quality, food safety, catch levels, range and flavour varieties.

The more long-term development of the core species is often conducted through involvement in research and development projects in close cooperation with universities and other external partners.

## Commercial research project with shell-on prawns makes promising progress

The prawn category is an important strategic area for Royal Greenland. One of the key ongoing development projects is "Shell-on prawns – new technologies for the management of oxidation, as well as microbiological quality and food safety (NEWSOP)", which is being conducted in close cooperation with the National Food Institute at DTU in Lyngby, Denmark, and is partly financed by Innovation Fund Denmark.

The NEWSOP project adheres to the established plan, as defined on start-up in 2020. The purpose of the project is to optimise a number of measurement methods that primarily analyse quality changes in sea-cooked shell-on prawns during frozen storage and to develop new technologies to improve product quality throughout the value chain. Most of the commercial research project takes place at DTU in Lyngby and is based on the knowledge and expertise available here. In the spring of 2022, M/tr Avataq will tour the west coast of Greenland to conduct controlled product trials on board, with the aim of validating the project's initial results on an industrial scale. These new product samples will be shipped in frozen state to Denmark for further analysis at DTU and at Royal Greenland in Svenstrup.

**nnovationsfonden**



*This project has received funding from the Bio Based Industries Joint Undertaking (JU) under grant agreement No 837726. The JU receives support from the European Union's Horizon 2020 research and innovation programme and the Bio Based Industries Consortium.*



*This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement 817992.*



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## The WaSeaBi project is testing new uses for cod side-streams

For the third year, together with three research institutions and eight European companies, Royal Greenland is participating in the European WaSeaBi research project, which will be completed in 2023. The project is financed under the EU's Horizon 2020 programme.

A number of samples of fresh cod carcasses, heads and entrails from the Nutaag production in Maniitsoq have been frozen for the project. The samples were sent to the National Food Institute at DTU in Lyngby, Denmark, where extensive tests were performed for the further processing and development of ingredients such as flavour enhancers and peptides.

## PROFIUS – new research collaboration on optimising the entire lumpfish value chain

In October, Royal Greenland joined the European research project "Preservation of underutilised biomass for improved quality and utilisation (PROFIUS)", which is led by the National Food Institute at DTU in Lyngby. The EU project has partners in Denmark, Norway, Iceland and Malta and has achieved funding of DKK 10 million during the three-year project period under the EU programme "ERA-NET Cofund on Blue Bioeconomy – Unlocking the Potential of Aquatic Bioresources".

The PROFIOUS project will focus on developing commercial use of lumpfish carcasses. Work is also underway to optimise raw material processing and the conservation of lumpfish roe from catch in Greenland to processing and retail packing at the processing plant in Cuxhaven. Another important aspect of the EU project will be to investigate the technical possibilities of developing alternative product types with lumpfish roe as a raw material, for sale in the world market.

## New tools to improve Royal Greenland's food safety (release of new scientific Cl. botulinum articles in 2021)

For many years, Royal Greenland has participated actively in numerous research and development projects, together with the National Food Institute at DTU, concerning the optimisation of food safety for lightly conserved fish products such as smoked/gravad salmon and Greenland halibut, as well as prawns in brine, which are all sold on the chilled market. To conclude this long-term strategic work, in 2021 the National Food Institute at DTU published two scientific articles, which, for the first time, look at the development and validation of models for the growth of Clostridium botulium (botulism) in fish products.



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Going forward, the growth models will be a very important tool for Royal Greenland in the development of new lightly conserved and healthy fish products. The models will be a vital support in developing market-conforming products for a market where the demand for products with reduced salt content is increasing.

## Development of a brand new Royal Greenland test centre in Denmark

During 2021, a brand new Royal Greenland test centre was established, with equipment for cooking, peeling and packing of primarily prawns. At the test centre, a pilot line has been built to optimise the entire production process for cooked and peeled prawns. The pilot line, which consists of a steam boiler, prawn peeler and freezing equipment, can be used to simulate the entire production process for cooked and peeled prawns on a much smaller scale compared to Royal Greenland's full-scale processing plants in Greenland. The pilot plant gives Royal Greenland unique opportunities to develop the entire extensive production of cooked and peeled prawns, from catch to end-products. Numerous process settings can be investigated at the pilot plant, after which the most promising recipes can be tested in full scale at the prawn factories in Greenland.



Steamer from the pilot line in Denmark

## New and optimised smoked and gravad products from Royal Greenland

During 2021, new and optimised versions of cold-smoked Greenland halibut and cod, as well as gravad Greenland halibut, were launched. The development of the new products primarily concerned process and recipe development, whereby sensory properties such as colour, taste and consistency have been improved. Food safety is crucial for these lightly conserved products, which bring knowledge from Royal Greenland's many years of work with bacterial growth models into play. The new variants have been launched on the



### New convenience variants tested by Danish consumers

Consumer preferences are constantly changing, but a recurring trend is the demand for tasty, ready-made product solutions that are easy to use. In cooperation with customers, Royal Greenland is continuously experimenting with various products within this convenience category. During the spring and summer of 2021, Danish consumers could taste three new flavours of spiced prawns in oil. The three flavours comprising chilli, garlic and lemon/pepper were a new take on prawns in a spicy oil, instead of the well-known prawns in brine. The products were sold in the Danish retail sector as toppings for pasta dishes or as a tapas ingredient.

In accounting terms, the product development costs defrayed for all development activities are recognised in the income statement.



### Presentation of NEWSOP at Arctic Research Days in Nuuk

The Arctic Research Days conference was held in Nuuk in November. The conference takes place in conjunction with Greenland Science Week and is an important conference for a wide range of research disciplines in the Arctic region.

Royal Greenland's industrial research student Hanne Aarslev Jensen participated in the conference, where she presented the three-year project 'Shell-on-prawns - new technologies to manage oxidation, and microbiological quality and food safety (NEWSOP)', which is carried out in collaboration with the DTU Food Institute in Lyngby with support from the Innovation Fund Denmark.

Hanne Aarslev Jensen participated in a session with other young researchers and the project was followed with great interest. The project investigates the cause of quality changes during freezing storage of prawns and also aims to develop new chilled prawn products. During the conference, Hanne experienced how Royal Greenland's activities have a great impact on many areas in Greenland and it was therefore a rewarding experience to meet other researchers and stakeholders in the fishing industry. During spring 2022, analyses will be carried out on board M/tr Avataq.



### Fillet Royal

It is Royal Greenland's objective to pack as many of our products as possible close to where the fish is caught. Fish from Greenland's MSC-certified Greenland halibut fishery is in high demand and the Qasigiannuit factory has been producing halibut fillets and halibut portions for the European retail and foodservice trade for a number of years.

In cooperation with the European markets, which demand high-quality products within narrow specifications, a new, exclusive variant called Fillet Royal has been developed in 2021. The fillet with the royal name is cut exclusively from the top piece of the Greenland

halibut and thorough presorting ensures that finished products can be delivered in the 90-120g and 120-150g range. The limited grading significantly increases the value for customers, who get an easy and convenient preparation as well as easy calculation of the menu price. For European kitchens, it is also essential that the serving is consistent from one occasion to the next. Based on the size consistency and excellent quality, there is already significant demand for the royal fish.

The uniform, boneless fillets are easy to work with and present themselves well in a restaurant setting.



### Annual meeting in Ghent of the EU project WaSeaBi

The European research project WaSeaBi (Waste/Seafood/Bioeconomy), which runs from 2019 to 2023, was physically launched at a kick-off meeting in Copenhagen in May 2019. From 8-10 September 2021, for the first time since its start, some of the consortium's partners managed to gather for an annual meeting in Ghent, Belgium.

Despite Covid-19, the project has had a high level of activity in various production units and laboratories. In 2021, the consortium has, among other things, com-

pleted the development of new solutions to extend the shelf life of cod and herring side streams prior to being processed into new products. Work has also been carried out to improve technologies aiming at isolating protein from raw material side streams, work that shows promising potential.

From Royal Greenland, industrial researcher Niels Bøknæs attended the annual meeting. During the meeting, partial results from the six work packages that make up the project were presented.





# CONTINUED HIGH LEVEL OF ACTIVITY IN FISHERY AND PRODUCTION

Once again in 2021, the Covid-19 pandemic presented major challenges, requiring many practical measures to protect employees and maintain activity levels. Optimising the value of the raw material is still a key focus area for Royal Greenland’s fisheries and production.



## Raw material: Fisheries and procurement Greenland

Privileged access to quotas is vital for Royal Greenland, whether this is ensured with our own fisheries, or by sourcing raw materials from external companies and fishermen for the Group's processing plants.

**Fishermen**  
Royal Greenland’s fleet consists of 9 offshore trawlers to fish prawns, Greenland halibut, cod and pelagic species. Most recently, Royal Greenland acquired Nataarnaq from Icetrawl Greenland A/S and renamed it M/tr Kaassassuk, thereby increasing the prawn fishing capacity. In early 2022, one of the smaller inshore prawn trawlers was sold. It is expected to be replaced by a larger vessel during 2022. To increase the volume of Greenland halibut landed for processing, Royal Greenland has also invested in a number of larger cutters for fishing in Northern Greenland.

The combination trawler M/tr Avataq, which was delivered at the end of 2019, fished both prawns and Greenland halibut in 2021, both with very good results.

M/tr Nataarnaq was delivered at the end of 2021 from Murueta Astilleros Shipyards in Bilbao, Spain, which is the same yard that delivered M/tr Avataq and M/tr Sisimiut.

A contract has also been established for the replacement of the M/tr Tuugaalik trawler, with planned delivery from the same yard in the autumn of 2022. All that now remains is the replacement of the prawn trawler M/tr Akamalik before Royal Greenland’s entire offshore fleet has been renewed and future-proofed. Negotiations are currently underway with the shipyard regarding a newbuilding for delivery in 2024.

In Pelagic Greenland, the company’s new Tasiilaq trawler has been in operation for the full year. Tasiilaq has fished well in international waters for capelin and other species, resulting in a significantly improved financial position for the company. Unfortunately, pelagic fishing in Greenlandic waters was limited.

The Group fished a total of 68,000 tonnes in 2021, which is an increase of 16% from 2020. The increase is primarily due to more extensive fishing of the pelagic species mackerel and capelin, but also cod and Greenland halibut.

There was no fishing off Svalbard or in East Greenland in 2021.

The prawn quota of 115,000 tonnes is stable and has been set at the same level for 2022. With the acquisition of M/tr Kaassassuk, Royal Greenland has expanded its fleet, and thus has better opportunities to fish the entire prawn quota.

**Procurement**  
Royal Greenland’s processing plants in Greenland received 61,719 tonnes of fish and shellfish during the financial year, which is unchanged from 2020.

Even with a small decrease in landing of cod, it is very positive that the landing of live cod for the Nutaq production in Maniitsoq increased.

More than 50% of the year’s cod landing for Royal Greenland was live fish for Nutaq production. There is still increasing interest from fishermen along the entire coast in participating in the Nutaq fishing.

For the second year in a row, the average catch landing price is lower than the previous year, having fallen by 7% in 2021. This development is due to the general slowdown in the markets due to Covid-19. This applies in particular to the price of prawns and cod. On the other hand, snow crab prices rose.

In 2020, payment to inshore fishermen in Greenland totalled DKK 690 million. During a ten-year period, the total payment to fishermen in Greenland increased by DKK 362 million.

## Canada

**Procurement**  
Royal Greenland does not operate its own fishing in Canada. All production is based on procurement of fish and shellfish from independent fishermen and other companies, with which it is therefore vital to have sound cooperation.

In Newfoundland, the principal species are snow crab, lobster and prawn.

The crab stock and thereby the quota continue to develop positively in virtually all areas of Canada, including Newfoundland. Royal Greenland’s subsidiary Quin-Sea Fisheries is experiencing increasing activity, on basis of higher snow crab quotas, but also due to an increasing market share for snow crab, prawn and lobster.

In Quebec/Gulf of St. Lawrence, the prawn stock is under pressure. Fishing in 2021 was unchanged, but a reduction in quotas is expected for 2022.

On the other hand, the supply of snow crab increased, which is expected to continue in 2022.

In Nova Scotia, the crab stock is healthy, and larger quotas are expected in the coming years. In Royal Greenland’s subsidiary A&L Seafoods, activity was high in 2021, and further growth of 25% is expected in 2022, due to expected quota increases in the Gulf.

In overall terms, almost 24,000 tonnes of raw material were purchased for processing at the plants in Atlantic Canada, with increasing snow crab and lobster volumes, but lower prawn volumes.

## Chile

**Procurement**  
As a new activity, we have secured 200 tonnes of snow crab and 600 tonnes of king crab via our Chilean joint venture. We expect increasing volumes from Chile in 2022, supplemented with Chilean Seabass.

## Norway

**Procurement**  
The supply of snow crab in Norway also increased in 2021. Cooperation with the Norwegian crab trawler has given 700 tonnes of snow crab from the Barents Sea. Processing takes place on board the trawler.

## Other procurement

To supplement our own production of cooked & peeled prawns, 2,000 tonnes of MSC-certified prawns were purchased in 2021, for production at the prawn factories in Sisimiut, Greenland and Old Perlican, Newfoundland.

Similarly, from Norway 1,250 tonnes of supplementary quantities of halibut were purchased, in addition to Greenland halibut. The halibut is primarily used for processing in Asia for the Japanese market. A smaller share goes via the factory in Koszalin or as smoked goods to the European market.

Raw materials such as salmon, flat fish and MSC-certified cod are procured in the world market. MSC-certified cod, primarily from Norway, constitutes the largest individual element, at 7,500 tonnes. The cod is a supplement to the Greenland cod and is processed in China into either end-products or as intermediate products in production in Poland and the UK.

Salmon was also an important area for Royal Greenland in 2021. A total of 3,000 tonnes of salmon were purchased, for smoked products, resale and

Catches landed to Royal Greenland in Greenland (tonnes)

	2017	2018	2019	2020	2021
Prawn	26,935	26,852	30,991	29,753	30,384
Greenland halibut	17,591	19,997	22,249	18,141	18,705
Crab	1,330	1,535	1,551	1,581	1,655
Roe	718	685	780	869	733
Cod	19,199	14,028	10,227	10,611	9,741
Other	521	341	947	705	501
<b>Total</b>	<b>66,294</b>	<b>63,438</b>	<b>66,745</b>	<b>61,660</b>	<b>61,719</b>



production in Koszalin. 850 tonnes are delivered via our new factory in Øksfjord, Norway. In Øksfjord, the fish is filleted and transported fresh to the smoke-house in Hirtshals. We expect an even larger proportion to be sourced via the factory in Øksfjord in 2022.

2021 was the last year with procurement of flatfish for the processing plant in Koszalin. The activity was transferred to A. Espersen in connection with a new trade agreement. We bought 2,200 tonnes of plaice and 1,000 tonnes of flounder. Plaice is purchased at auction in Denmark, while flounder is fished by Danish and Polish trawlers in the Baltic Sea.

In addition to flounder and plaice, 1,500 tonnes of Yellow Fine and Yellow Tail were purchased.

## Production

### Greenland

Royal Greenland owns 37 facilities in Greenland, of which five are operated in collaboration with local fishermen and employees. All facilities are in operation. All facilities are operated on a commercial basis without service contracts from the Government of Greenland.

Activities were at the same level as last year, with continued high activity at the prawn factories and an increase in Nutaq production in Maniitsoq.

The investment level was also high in 2021.

The expansion of Greenland halibut capacity in Northern Greenland continued in 2021, with the commissioning of a new factory in Nuussuaq in the Upernavik area.

At the prawn factories in Sisimiut and Ilulissat, investments have been made in continued streamlining and building maintenance.

At the factory in Sisimiut, a new crab processing plant with significantly greater capacity has also been established. A similar processing plant is planned to be established in Qeqertarsuaq in 2022.

Similarly, the new cod processing plant in Sisimiut has been approved and started production in 2021. The factory will also land lumpfish roe.

There continue to be major challenges with achieving a sufficiently large workforce, particularly during high season. The travel restrictions made it particularly difficult to obtain the necessary manpower, which affected production in Maniitsoq, Ilulissat and Uummannaq, among others. It was possible to recruit 63 foreign employees in autumn 2021, so that these problems are not expected in 2022. In total, Royal Greenland has almost 100 foreign employees.

A fast track scheme has been established for Greenland, which will hopefully simplify the recruitment of foreign employees in the coming years. Parallel to this, Royal Greenland has recruited employees from other areas of Greenland with high unemployment, in order to meet the needs of the processing plants in Maniitsoq, Uummannaq and Ilulissat.

### Canada

With nine processing plants in Newfoundland, Quebec and Nova Scotia, Royal Greenland has significant

inshore fishing activities in Canada. Almost 24,000 tonnes of raw material were landed to the processing plants in Atlantic Canada.

Besides snow crab, lobster and prawn, the Newfoundland activities include sea cucumber, cod, halibut and pelagic species.

During the last few years, lobster has become the second most important species. In addition, a fresh range comprising cod, scallops, live lobster and halibut is subject to ongoing development for sale in North America.

Royal Greenland recently supplemented the processing plants in Newfoundland with a plant in St. Anthony, which is owned in a joint venture with Clearwater Seafoods.

In Quebec, the activity concerns cooked & peeled prawns and crab. As a consequence of excess processing plant capacity and declining fisheries, there is intense competition for prawns. On the other hand, snow crab is developing positively, which supports the investment in the processing plant's crab production.

In Nova Scotia, snow crab is processed under the auspices of A&L Seafoods.

### Denmark

Royal Greenland's range of smoked products is produced by a subsupplier in Denmark. The Group has no other production activities in Denmark.

### Cuxhaven, Germany

Royal Greenland operates three processing plants at three locations in Cuxhaven. They produce lumpfish roe in jars, prawns in brine, and packaged frozen prawns, respectively. The factories are subject to shared management and administration.

In 2021, the production of zip-lock/chain pack was closed down, and the fresh activity was transferred to a new company, Royal Fresh Fish, of which Royal Greenland owns 40%.

Cuxhaven is Royal Greenland's European production centre. It is expected that potential new production in Europe will also be located in Cuxhaven.

### China

For many years, Royal Greenland has collaborated with Chinese subcontractors that process raw materials from Greenland into high-quality sushi products for the Japanese market. Cod and salmon are also processed for sale and further processing in Europe. Processing of Greenland cod in China was discontinued and the fish is sold to industrial customers instead. Production of purchased MSC-certified cod is maintained in China.

### Chile

After a difficult start, Royal Greenland's joint venture in Chile had a good year in 2021. There was increasing activity for the core species king crab and Chilean Seabass, just as investments were made in the expansion of the inshore fleet that supplies the processing plant in Porvenir.

Production in Chile primarily concerns crab (king crab and snow crab) and Patagonia Toothfish/Chilean Seabass.

At the factory in Sisimiut, a new crab processing plant with significantly greater capacity has also been established. A similar processing plant is planned to be established in Qeqertarsuaq in 2022.



## New crab factory in Sisimiut

In October 2021, the factory in Sisimiut opened the doors to a brand new crab factory. Since 2015, the Sisimiut factory has been sourcing and packing crabs from a handful of fishing vessels in the area. With stable deliveries and growing interest from fishermen, it became clear after a few years that there could be potential for more and an investment in a state-of-the-art production facility was put in the pipeline.

The technical team started planning already in 2019 and it was a satisfied factory manager, Hans Lars Olsen, who could start production in the new facilities in October 2021. In addition to the capacity increase from

4 to 8 tonnes of finished products from the previous to the new factory, one of the major advantages is that the new factory holds live storage of the crabs. This of course provides very good quality and allows for better planning. For the employees, it is also a big advantage that the process is designed to avoid heavy lifting.

The crab quota in the Sisimiut area was 700 tons in 2021 and is set at 625 tons for 2022. At the end of 2021, about 10 boats landed their crab catches to Royal Greenland in Sisimiut, and the factory management has high expectations for efficient, high-quality production.

## Transformation of the seagoing fleet

By the end of 2021, Royal Greenland was able to add another vessel to the extensive trawler investment programme initiated in 2017. M/tr Nataarnaq, which Royal Greenland operates in cooperation with Ice Trawl Greenland, arrived in Nuuk in December and took off in January 2022 on its first fishing trip. The 'old' trawler Nataarnaq, which Royal Greenland has taken 100% ownership of and renamed M/tr Kassassuk, will continue to fish for prawns.

The new M/tr Nataarnaq will thus be the third in a series

of state-of-the-art trawlers built for Royal Greenland at the Spanish shipyard Astilleros de Murueta in Bilbao. Already in 2019, the fishing trawler M/tr Sisimiut and the combination trawler M/tr Avataq were commissioned as part of the new investment programme. The new trawlers operate an energy-efficient fishery with reduced resource consumption and state-of-the-art equipment and offer comfortable conditions on board for the crews. In 2022, a second fishing trawler M/tr Tuugalik will be commissioned.





# FOOD SAFETY

At Royal Greenland, our vision is to be as close as possible to the fish, as close as possible to customers and as close as possible to consumers. Transparent traceability and high food safety levels are therefore highly prioritised and firmly anchored in Royal Greenland's work processes throughout the entire chain from sea to table.



Traceability and transparency are always highly relevant issues, in view of the increasing interest from customers and consumers in where and how we catch our fish and shellfish.

Traceability is also an important fundamental element of food safety throughout the Royal Greenland Group.

Traceability facilitates reacting and taking rapid action on any deviations, and is a valuable tool in our supply chain management.

We take pride in having transparent supply chains and working well with all our dedicated suppliers.

## Traceability system

Royal Greenland has a tried and tested HACCP system that is fully implemented at all our processing plants and trawlers, from senior management levels to fishermen.

Together with modern technology and a fully integrated IT system, this means that we have a deeply anchored traceability system.

The traceability system enhances our product safety and safeguards us from illegal fishing, among other things, while enabling us to give customers and consumers a glimpse of our own world.

Our technology enables us to keep track of traceability data throughout the supply chain, from sea to table.

In Greenland and Canada, Royal Greenland has around 2,300 local raw material suppliers and its own fleet, which supply fresh raw fish and shellfish to our processing plants on daily basis.

Many of these vessels are equipped with modern GPS transmitters that, via an App, automatically send data to Royal Greenland about, for example, the catch area and date.

Globally, we use technology that, for example, helps us to check that our suppliers always live up to the requirements for certification, etc. that we set as a responsible company.

Before entering into an agreement with a raw fish supplier, it must be checked and ensured that there is no illegal, unreported or unregulated (IUU) fishing.

Among other things, it is checked whether the raw materials supplier and/or the secondary supplier's ships appear on EU blacklists.

Royal Greenland's production chain includes a full range of traceability data, from suppliers, raw materials procurement, production and distribution, to customers.

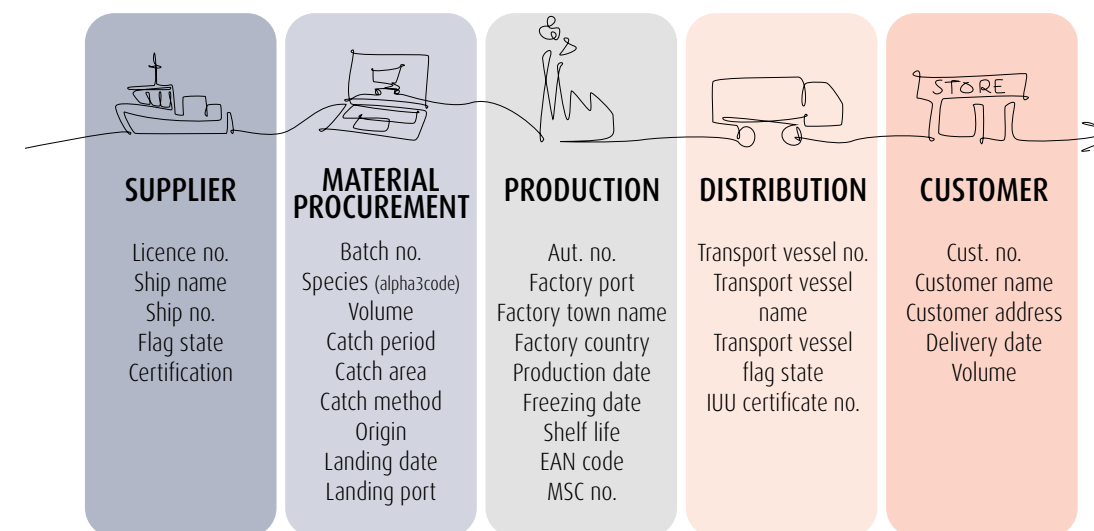
## Royal Greenland safeguards high food safety and quality

Certification in accordance with the international food standards (BRC, IFS FSSC 22000, etc.) and certification in sustainable fisheries are today considered to be key

elements that represent Royal Greenland externally in relation to our customers.

Internally, Royal Greenland is defined by a strong and integrated "Food Safety Culture" that is based on shared values, commitment, knowledge, communication and competence development.

A healthy "Food Safety Culture" helps to ensure quality-conscious and dedicated employees who are focused on being the best ambassadors within fish and shellfish production, with high and well-documented food safety and quality.





## Roe seminar increases knowledge across the value chain

The small jars of Royal Greenland lumpfish roe found in retail outlets around Europe have gone through a long supply value chain before reaching the supermarket shelves. Both local fishermen in Greenland, a number of processing units along the Greenlandic west coast, quality departments, innovation and product development, the category organization, the production unit in Cuxhaven and the sales companies have a responsibility for different parts of the supply value chain and thus also for the quality of the finished product in the consumer's hands.

Solid cooperation is therefore of great importance and the organization typically meets once a year to share knowledge and experience across the board and discuss each link in the supply value chain and the value it adds from a common perspective.

In October 2021, it was three years since it was last possible to meet. Here, 20 colleagues from across various departments gathered for Royal Greenland's roe seminar in Cuxhaven. The roe seminar took place over 2 days, where the entire vertical production process was reviewed and evaluated. The seminar resulted in a number of development and optimization projects that will contribute to continuous process improvement.



## RISKS

Royal Greenland seeks to reduce vulnerability to fluctuations in quotas and catches by diversifying the intake of raw materials across several stocks of core species, and across several geographical areas. The exposure to financial, currency and interest rate risks in global activities is monitored closely and reduced through the company's policy in this area.



### Pandemic

In continuation of the above, the Covid-19 pandemic has created unprecedented risk exposure. The pandemic may be a transient situation but requires readiness for change in every area of operations, in order to minimise the damage left in its wake.

Measures to reduce this impact are the development of new sales channels, such as e-commerce, a better sales balance between retail and foodservice, a reduction of fisheries and production, a lower cost base, and reduction of catch-landing prices for fishermen. It is naturally also necessary to ensure the required liquidity reserves.

It is still important to adhere to the "North Atlantic Champion" strategy of diversification across several core activities and various geographical markets and raw material areas, since all other things being equal, this greater diversification will reduce the impact of any such extraordinary situations.

In its actions in 2020 and 2021, Royal Greenland has documented the company's ability to navigate through the pandemic, thereby strengthening Royal Greenland's position after restrictions were lifted.

### Raw material

Access to the raw material and the development in raw material prices are a significant operating risk for Royal Greenland. This risk is predominantly related to the live resources in the ocean around Greenland and Eastern Canada. These stocks constitute 85% of Royal Greenland's total raw material resources.

The quotas for Royal Greenland's core species are generally favourable. The prawn quota in Greenland was raised in 2021 and was maintained in 2022. On the other hand, the prawn quota in Atlantic Canada was reduced. For snow crab, the quota in both Atlantic Canada and Greenland is increasing.

The quota for inshore Greenland halibut in the three management areas in Greenland is increasing but does not comply with the biologists' recommendation and should be reduced. It should be noted that around 4,000 tonnes of the quota are not normally fished.

A significant element of the "North Atlantic Champion" strategy is to diversify activities across several geographical resource areas so as to also diversify the risk and reduce the volatility of the company's earnings.



Concerning the development in the quotas, experience shows that lower quotas often entail higher sales prices, thereby maintaining the value of the activities.

The uncertainty concerning the raw material resources requires a sharper focus on value optimisation of the raw material and an increased processing level, in order to maintain earnings from the resources. These areas are in focus in the “North Atlantic Champion”.

Royal Greenland’s raw material purchases total DKK 2.3 billion. We seek continuously to maintain the relative earnings level, irrespective of the development in raw material prices. The aim is to hedge this risk by adjusting sales prices, as well as close follow-up and back-to-back currency hedging concerning major purchase and sales agreements.

**Financial risks**

Through its operations, investments and financing, Royal Greenland is exposed to changes in exchange rates and interest rate levels. The parent company manages the financial risks on a centralised basis, and coordinates liquidity management, including capital procurement and the placement of surplus liquidity. The Group pursues a financial policy that is based on a low risk profile, so that currency, interest rate and credit risks only arise on basis of commercial conditions.

The use of derivative financial instruments is governed by a specific policy adopted by the Supervisory Board, as well as internal procedures to e.g. set amounts and determine which derivative financial instruments may be used.

**Currency risks**

The Group’s activities are affected by exchange rate fluctuations, since revenue is primarily invoiced in

foreign currency, while costs, including wages and salaries, are primarily defrayed in Danish kroner, euro, and Canadian and American dollars.

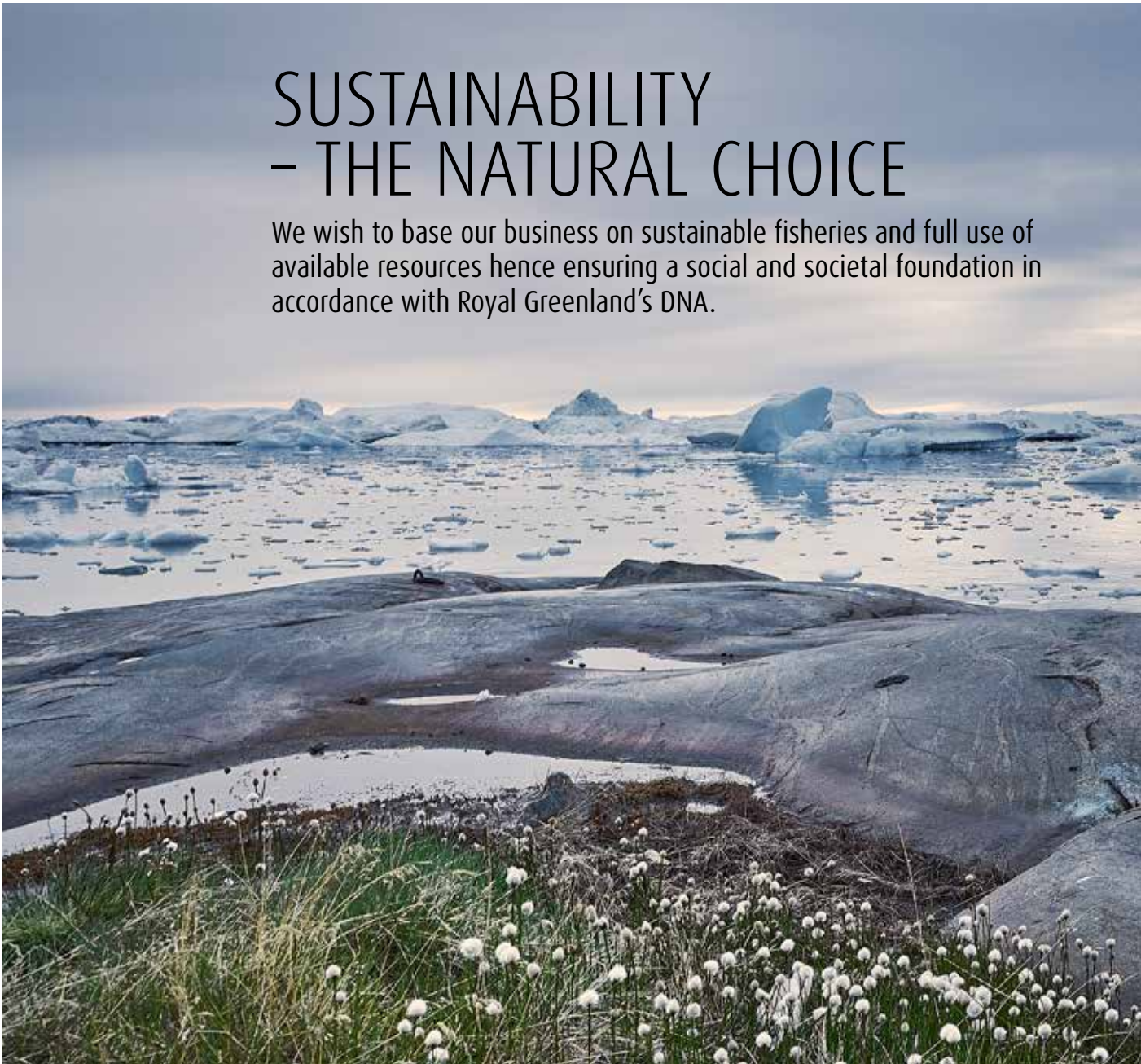
The Group will thus be exposed via net positions in a number of currencies. Other countries than Greenland and Denmark account for 86% of the Group’s revenue, with an emphasis on the euro-area member states, China, Japan, the UK, Sweden and the USA. Revenue in EUR and DKK accounts for 37% of Royal Greenland’s total revenue and is not assessed to present any real currency risk.

The primary currency exposure concerns US dollars, Japanese yen, Pounds sterling, Swedish kronor and Canadian dollars and also, indirectly, Chinese yuan. The Group is also affected by fluctuating exchange rates, since a number of subsidiaries’ results and equity at the close of the year are converted to Danish kroner on the basis of the average and balance-sheet date exchange rates, respectively.

Currency risks are primarily covered by matching receipts and payments in the same currency, and by using forward contracts. The Group’s currency policy is to hedge 75% of the expected currency risks within six months, and 50% of the currency risks during a 6-12 months period. Large contracts are hedged individually. The currency risk in relation to EUR is not hedged.

**Interest rate risks**

The interest-bearing debt has been swapped for DKK, EUR and JPY. The proportion of the debt at variable interest rates was 23% at the close of the financial year. An increase by 1 percentage point in the general level of interest rates would increase the Group’s annual interest costs by DKK 5.3 million.



# SUSTAINABILITY – THE NATURAL CHOICE

We wish to base our business on sustainable fisheries and full use of available resources hence ensuring a social and societal foundation in accordance with Royal Greenland’s DNA.

**The statutory CSR report, cf. Section 99a, gender distribution in management, cf. Section 99b and diversity policy, cf. Section 107d.**

This section on sustainability is Royal Greenland’s CSR report, which is based on the statutory CSR report, cf. Section 99a, gender distribution in management, cf. Section 99b and the diversity policy, cf. §107d.

Royal Greenland’s business model is based on value creation through sustainable fishing and the purchase of wild-caught fish and shellfish, processing into quality products and sales to local and international customers.

Our mission is to maximise the value of our raw materials, for the benefit of our owners and the local communities in which we operate.

Raw materials are primarily sourced from our own vessels in Greenlandic fisheries, but landings in both Greenland and Canada are also significant contributors to our processing plants.

Royal Greenland is the largest employer in Greenland and has 37 active facilities along the west coast of

Greenland. For the same reason, many people depend on a long-term approach to the shared maritime resources.

We have a responsibility to think sustainably, and to train and pass on knowledge to employees, to ensure future jobs in the many towns and settlements.

At our processing plants in Greenland, Canada and Germany, we have a social and ethical responsibility to ensure that the workplace has a good physical working environment with a high degree of well-being. We thus seek to strengthen both the physical and psychological framework as much as possible.

**Sustainability – the UN’s Sustainable Development Goals**

We have built up a broad sustainability programme that is founded on our business strategy, with specific goals for 2022 and ambitions for 2030.

Royal Greenland’s social responsibility and sustainability initiatives are based on the UN’s 17 Sustainable Development Goals.



In 2018-19, a materiality analysis was undertaken that went into detail with the Sustainable Development Goals' 169 targets and assessed them in relation to Royal Greenland's national and international stakeholders' contributions. 52 targets were selected for further consideration.

Input from representative customers and suppliers was related to the targets, and in-house working groups were formed with employees in different parts of the company. Risks, opportunities and potential goals were assessed.

The result of the analysis was that Royal Greenland contributes to several Sustainable Development Goals. We have selected four goals that we believe are extra important for our continued work and contribution to the Sustainable Development Goals.

The goals are no. 4 Quality Education, no. 8 Decent Work and Economic Growth, no. 12 Responsible Consumption and Production, and no. 14 Life Below Water. Based on the four Sustainable Development Goals, we have defined our sustainability programme with the following subtitles:

- 4 – Education in Greenland
- 8 – Healthy working lives
- 12 – Responsible footprint
- 14 – Sustainable fisheries

#### How we work with sustainability

Based on the sustainability programme, the steering group makes decisions that are implemented in the organisation.

The steering group consists of the Executive Board, the Director of Corporate Relations and HR, the Director of the processing plants in Newfoundland, as well as senior employees within Communication, HR, Marketing and Sustainability.

The steering group meets four times per year, with one meeting allocated to the annual evaluation. Overall decisions concerning the strategic direction are taken by the Executive Board and Supervisory Board.

By taking a holistic approach to sustainability in the value chain, we wish to create the basis for new business opportunities, while reducing the negative impacts on the environment.

The aim is to constantly meet our customers' and consumers' requirements for sustainable products, while also contributing to the UN's Sustainable Development Goals.



Fig. 4:  
Competence and coherence between the sustainability steering group and decision-makers.

#### Policies and reporting

Three new policies were implemented in 2021.

- Policy for the whistleblower scheme
- Recruitment policy for migrant employees
- Policy for the procurement of farmed salmon (animal welfare, medicine consumption, feed and escape from cages)

The following policies are covered by the sustainability programme:

- Recruitment policy for migrant employees (2021)
- Policy for Royal Greenland's whistleblower scheme (2021)
- Policy for the procurement of farmed salmon (2021)
- Policy on health and safety (2020)
- Sustainable fisheries policy (2019)
- Environmental and climate policy (2019)
- Human rights policy (2019)
- Anti-bullying and harassment policy (2018)
- Equal gender policy (2014)
- Anti-corruption and bribery policy (2014)

The policies can be read in their full length on our website: <https://www.royalgreenland.com/royal-greenland/sustainability/related-documents/>

## SUSTAINABLE DEVELOPMENT GOALS



Inspiration from other companies  
Global trends  
Federation of  
Danish Industries – project  
Customer demands  
Experience

Fig. 2:  
Selection of primary  
Sustainable Development Goals.

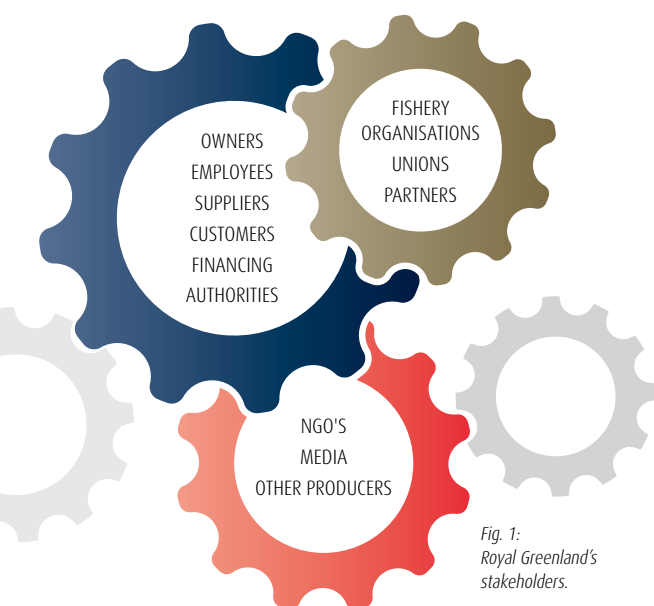


Fig. 1:  
Royal Greenland's  
stakeholders.





## SUSTAINABLE FISHERIES

Our fisheries must be managed in accordance with scientific advice and certified by an independent third party. We procure fish and shellfish according to equivalent principles and contribute to building knowledge of sustainable fisheries, the marine environment and new species.

We can divide our access to raw materials into (i) ocean fishing, (ii) coastal fishing and direct purchases from local fishermen, and (iii) farmed species. 98% of the raw material volumes come from ocean-going and coastal fisheries, with an equal distribution between the two, and farmed species thus account for only 2%.

Royal Greenland's Sustainable fisheries policy obliges us to adhere to new fisheries requirements, react to scientifically proven changes in populations, and participate actively in the development of new technology.

Our aim for both ocean-going and coastal fishing is to support a sustainable approach to fisheries management, based on a precautionary principle, and to work for the certification of the most important fisheries.

### Risks

The greatest volume of raw material is sourced from Greenland, where the following risks have been identified.

- For certain species, a Total Allowable Catch (TAC) exceeding the scientific advice is determined
- Surplus coastal fisheries capacity
- Impact on habitats and vulnerable species
- Large by-catch volumes
- Ghost fishing with derelict fishing gear

For several years, the fixed TAC quotas for coastal fishing of Greenland halibut and cod have exceeded the scientific recommendations.

Royal Greenland wishes to have TAC quotas that adhere to the recommendations, since a data-based approach based on scientific investigations is the best foundation for management of a common stock.

For a number of years, many new Greenland halibut and cod licences have been issued in fisheries, which exerts increased political pressure on the determination of TACs in conflict with scientific advice. This is particularly apparent towards the end of the year, when the quotas are often raised.

The Greenland halibut fishing licence and quota regulation was updated in December 2020. The inshore quota for Greenland halibut is divided into a vessel segment (larger cutters) and a cutter segment (smaller cutters), and now the unused quota in the vessel segment can be transferred to the cutter segment. This means that fisheries are more likely to fish the entire quota, even if it exceeds the scientific advice.

Greenland's waters are very extensive, and many areas are not fished at all. There is a requirement, however, for fishing in new areas to adhere to a precautionary principle.

As an example, the operators in ocean-going Greenland halibut fishing must apply for permission to fish in new areas. Authorities, NGOs and MSC certification require greater consideration of unfished areas where there may be potentially vulnerable ecosystems and habitats.

As stated, the proportion of farmed raw material in Royal Greenland's own production is very small. Farmed raw material can present risks concerning medication and environmental pollution.

In 2021, we developed a farmed salmon policy to clarify and communicate our requirements to our suppliers.

We also require our suppliers to ensure responsible risk management through dialogue and acceptance of Royal Greenland's Supplier Code of Conduct.

### Opportunities and goals

Focus on sustainable fishing safeguards resources. A higher proportion of certified species and fishing also gives access to more, and more advantageous, markets.

In particular the European markets are imposing requirements. In recent years, however, the certification requirement has increased also in Asia and the USA.

With the establishment of partnerships with other industry operators in Greenland and Canada, there are good opportunities to promote sustainability in the industry.

While ensuring the foundation for established fisheries, Royal Greenland is also working to commercialise new species and fisheries in Greenland.

We see opportunities to exploit smaller species such as sea cucumber and whelk. In addition, the cultivation of seaweed is being investigated, partly as a consumer product and partly as a CO<sub>2</sub> catch.

### Our goals for 2022:

- > More than 60% of our raw material is certified
- > More than 85% of our raw material is sustainable, based on internal assessment
- > Commercialisation of at least one new species

### Ambitions for 2030:

- > Certification of more than 75% of our raw material
- > More than 95% of our raw material is sustainable, based on internal assessment
- > Commercialisation of at least three new species

Our goals and ambitions are realistic. In principle, we want all raw materials to come from fully sustainable fisheries (100%), but due to socioeconomic conditions, fisheries may be less sustainable for a period. However, these efforts will always promote sustainability.

Fishery Improvement projects (FIPs) ensure a long-term approach to identifying risks, and thereby creating the basis for MSC certifications in the long term.

We do this via partnerships in Greenland through Sustainable Fisheries Greenland (SFG), and in Newfoundland through the Association of Seafood Producers.

## Fact



Sustainable Fisheries Greenland (SFG) is a partnership between stakeholders in Greenlandic fisheries. The organisation's mission is to work with projects that aim for a greater degree of sustainability and, finally, for third-party approval in the form of MSC certification.

There has been an increase in sustainable species, since specific fisheries have either received a management plan or are part of an FIP project.

Royal Greenland is also a member of the Global Sustainable Seafood Initiative (GSSI), whose primary task is to assess sustainability standards.

### Action and results

2021 was another year with new management plans for fisheries in Greenland. Royal Greenland participated in working groups appointed by Greenland's Ministry of Fisheries, Hunting and Agriculture, in cooperation with Sustainable Fisheries Greenland.

Together with other operators, in 2021 sustainable management plans were drawn up for the following species:

- Snow crab
- Marine ecosystems and habitats

During the year, the first version of the management plan for snow crab was updated to version 2.

It is assessed that the fisheries can be MSC-certified, and we are now awaiting approval by Sustainable Fisheries Greenland. The assessment includes an investigation of the extent and seasonal variation of soft-shell crab, including the final assessment of the overall results by Pinngortitaleriffik (Greenland's Institute of Natural Resources).

The work on the management plan for marine ecosystems and habitats will establish a procedure for the delineation and, where appropriate, discontinuation of fishing activities in a given sea area. The work is managed by the Ministry of Agriculture, Self-Sufficiency, Energy and the Environment, and is expected to be completed in the course of 2022.

### Coastal Greenland halibut fishing

Coastal Greenland halibut fishing is not certified, but its management has made good progress. All coastal Greenland halibut fishing in West Greenland is subject to quotas, and three management areas have been established in West Greenland within NAFO 1B-1F, as well as one in Qaanaaq.

SFG's Fishery Improvement project (FIP) for inshore Greenland halibut was concluded with a seminar for fishermen and producers in Disko Bay. It is important to involve the fishermen's knowledge as much as possible. Another seminar will be held in Uummannaq in 2022.

In order to communicate the FIP project's message in a simple way, a film has been prepared describing the most important recommendations from the project. The film can be viewed under the following link: <https://1drv.ms/v/s!AuVd0WOSAYN6z3Tz0k1Xa7fFopKC>

### Internal assessment and certifications

Royal Greenland is involved in a working group for five Greenlandic MSC certifications (see Figure 7) and contributes to partnerships preparing several forthcoming certifications.

The standard sets many requirements, and may entail changes in national legislation, investigation methods and scope, and impose new requirements of actual fishing, including reporting.

A project usually begins with a preliminary assessment, to identify any weak points. These are processed through an FIP project. Once certification has been

achieved, the certificate is valid for five years, but with annual status reviews.

The fisheries are re-certified at the fourth monitoring audit, and often on basis of an updated version of the standard.

Every year, all species and fisheries are reviewed in order to assess their sustainability status (Figure 9). The categorisation is based on division into sustainable, less sustainable and critical species. Sustainable species are defined as fishing a healthy stock that is fished responsibly in accordance with the biological advice.

Around 86% of Royal Greenland's species are fished sustainably, while 14% of fishing lies within the category of less sustainable fishing.

There has been an increase in sustainable species, since specific fisheries have either received a management plan or are part of an FIP project.

However, attention is still being paid to inshore cod and Greenland halibut fishing, as both lack management plans. We expect further work to be undertaken on the management of Greenland halibut through the work on a new Fisheries Act, as well as through the work on a management plan.

The critical species account for only 0.1% and are eliminated in real terms.

In 2021, 61% of the raw fish from fisheries and purchasing in Royal Greenland was certified either in accordance with the MSC standard for wild-caught fish and shellfish (59%), or according to Global Gap-certified farmed salmon (1.5%), see Figure 8.

This means that more than half of our end-products carry the blue MSC logo, and that we have achieved our goal for 2022.

### Habitats and ecosystems

For ten years, Sustainable Fishery Greenland (SFG) and Royal Greenland, together with the Zoological Society of London and Pinngortitaleriffik (the Greenland Institute of Natural Resources), have investigated trawled and non-trawled seabed areas.

One of the MSC requirements is that fisheries do not irreversibly damage vulnerable marine areas. Project work so far indicates that there are cold-water coral reefs and sponges in some of the untouched areas.

In recent years, SFG has co-financed a project focusing on the identification of vulnerable ecosystems within offshore Greenland halibut fishing. The project has identified a vulnerable area at the Toqqusaq bank, an area that is also known to offshore fishermen.

The area has thus not been fished for many years. In addition, several potential areas with indicator species have been observed and are to be investigated further in 2022.

Gill nets and lines are the traditional methods used in coastal fishing. Awareness of lost gear, which entails a risk of ghost fishing, has increased in recent years. Again in 2021, Royal Greenland contributed by sponsoring the recovery of lost fishing gear in Disko Bay.



Fig. 6: Development in the proportion of certified fisheries and ambition for 2030

## Development in the proportion of MSC certified fisheries and ambition for 2030

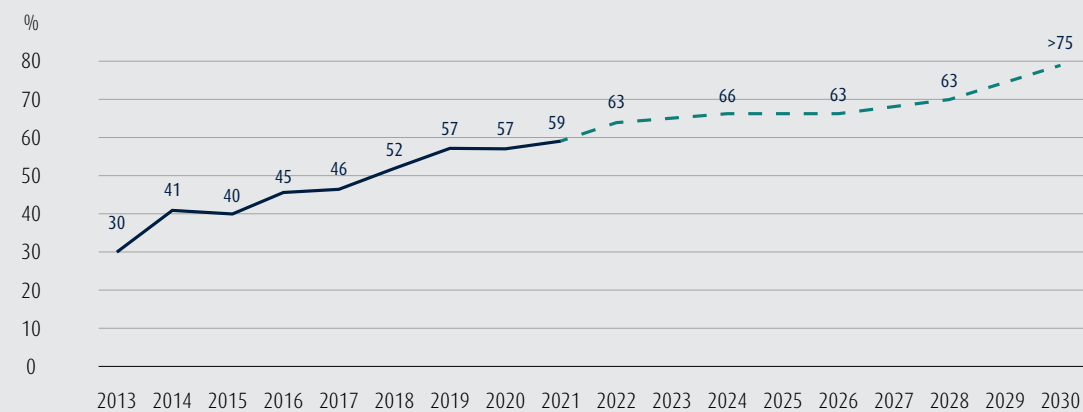


Fig. 7: MSC certification of Greenlandic fisheries, of which Royal Greenland is part.



Fig. 10: Royal Greenland's involvement in Fishery Improvement Projects (FIP)



Fig. 8: Share of certified fish resources

## Share of certified fish resources

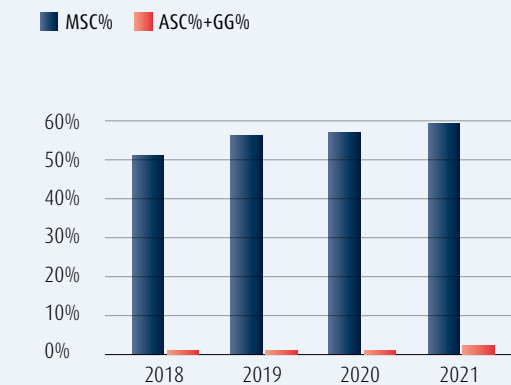


Fig. 9: Annual RG assessment of fish resources

## Percentage distribution of purchased and fished raw materials in accordance with sustainability



## Fact

## What is a prospective and a comprehensive FIP?

Prospective FIPs intend to fulfil the requirements for active FIPs within one year. These projects are published at FisheryProgress to help consumers identify opportunities to support FIPs in development and prevent double FIPs from being created. Future FIPs do not yet show progress towards sustainability.

When fisheries are transferred to comprehensive FIP after one year, an action plan will have been established to improve a number of aspects that must be addressed before the fisheries can be transferred to MSC certification.

## Outlook for the coming year

We expect the commencement of MSC certification of snow crab in Greenland. The fisheries are in principle ready for certification and the process should be initiated as soon as possible. If the certification process is launched in the spring of 2022, certification could be achieved during 2023.

In addition, it is expected that the implementation of a management plan for inshore Greenland halibut will result in further management measures, and thereby a good foundation for future certification of the fisheries.

In Newfoundland, lobster is registered under a "comprehensive" Fishery Improvement Project (FIP) at [www.fisheryprogress.org](http://www.fisheryprogress.org).

Association of Seafood Producers is a client group and Royal Greenland's subsidiary Quin-Sea is involved. The project runs from 2020 to 2025, after which the fisheries are expected to be prepared for certification.

In 2021, collaboration was initiated with an American retail chain for the certification of king crab from Chile. Fishing has started in a "prospective" FIP under FisheryProgress, a category in which fishing can remain for one year. It is expected that the fishing will proceed to a "comprehensive" FIP during 2022.

Finally, a process for the certification of capelin has been initiated.

## New species

Our trials for the utilisation of new species in Greenland, such as seaweed, sea cucumber, and whelk, are ongoing, with the ambition to achieve commercialisation in due time. In 2021, approximately 2 tonnes of seaweed were harvested. We have developed a method for cultivating seaweed, which can lead to profitable production.

The volumes will be gradually increased, and we expect to be able to harvest 3 tonnes in 2022. At the same time, an actual market will be examined and sale will be established.

We have good experience from catching sea cucumber off Newfoundland. We wish to transfer this knowledge to Greenland, and we have conducted an investigation of growth and habitats. We want to start actual fishing in Greenlandic waters and thereby create jobs.

Sea cucumber is primarily found on reefs, for example at Store Hellefiskebanke. Fishing is performed using a scraper, which is a tool that can affect the benthic conditions. A delimitation of the fishing to a specific area will therefore be an opportunity to initiate the fishing, while also protecting important habitats.

## Sustainable Development Goals – SDG contributions

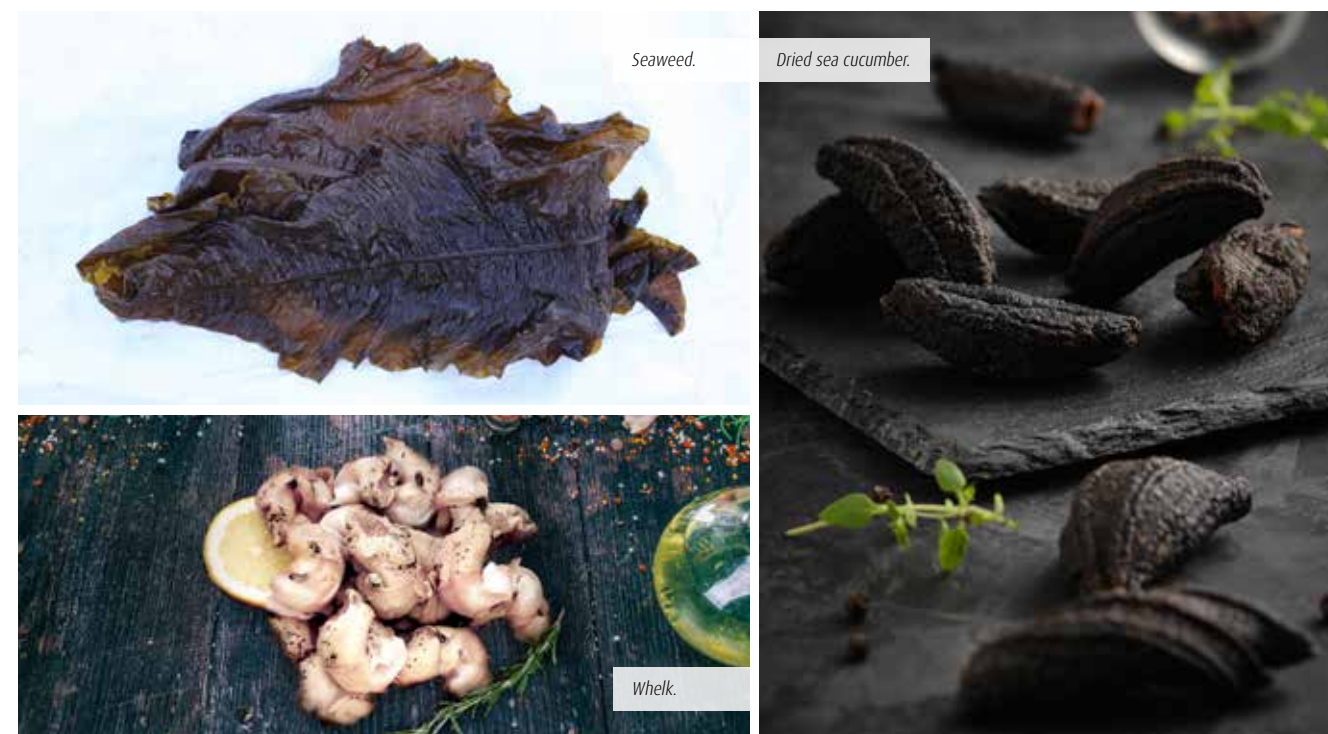
Through its work with sustainable fisheries, Royal Greenland contributes to achieving the UN's Sustainable Development Goals by promoting fisheries that reflect the size of the stock, with due consideration of the surrounding environment. Our key contributions lie within the following targets<sup>1</sup>:

*14.2: By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans.*

*14.4: By 2020, effectively regulate harvesting and end overfishing, illegal, unreported and unregulated fishing and destructive fishing practices and implement science-based management plans, in order to restore fish stocks in the shortest time feasible, at least to levels that can produce maximum sustainable yield as determined by their biological characteristics.*

*14.a: Increase scientific knowledge, develop research capacity and transfer marine technology, taking into account the Intergovernmental Oceanographic Commission Criteria and Guidelines on the Transfer of Marine Technology, in order to improve ocean health and to enhance the contribution of marine biodiversity to the development of developing countries, in particular small island developing states and the least developed countries.*

<sup>1</sup> <https://www.verdensmaalene.dk/maal/14>





SFG in 2021

The association Sustainable Fisheries Greenland, representing Greenlandic stakeholders in the fishing community, works to promote the sustainability of Greenlandic fisheries and to extend MSC certification to more species. Existing MSC certificates undergo annual MSC audits and new projects are constantly emerging.

In 2021, the prawn fishery underwent regular annual MSC audits. The prawn stock is thriving in Greenlandic waters and the quota has been stable in recent years, reaching 115,000 tons in 2021, a level maintained for 2022. The MCS certificate for lumpfish was renewed in 2021 and the fishery management system has improved considerably since lumpfish was certified in 2015. A continuing area of concern for the lumpfish fishery is related to bycatch of Common Eider. SFG, in cooperation with fishermen, is conducting studies with new types of nets where bird capture can be avoided to a greater extent. In 2021, a major Fishery Improvement Project (FIP) was also completed on inshore Greenland halibut. The project started in 2018 and has resulted in a number of recommendations on the management of the fishery with the aim of preparing the fishery for a full MSC process. During 2022, the recommendations will be discussed with several industry stakeholders.



RESPONSIBLE FOOTPRINT

We will maximise the degree of utilisation by creating new food products from the fish and shellfish that we produce. We will minimise our environmental footprint through responsible consumption and circular handling of non-renewable resources.



The sustainability programme's Responsible Footprint campaign is defined in the Environmental and climate policy.

The policy focuses on maximum utilisation of the fish and shellfish landed in our processing plants or processed onboard our ocean-going factory vessels.

The policy also sets the standard for the responsible utilisation of other environmental resources and describes initiatives within the following areas:

- Reduction of consumables and materials
- Recovery as a circular philosophy
- Use of renewable resources

Maximum utilisation of resources

At Royal Greenland, we have a strong focus on the highest possible degree of utilisation of our raw materials. This concerns developing new food products, ingredients or feeds, and by using new technologies in cooperation with other sectors.

Risks

Side-streams present the challenge that the residual material differs considerably from the products traditionally produced. It often requires a special technology or a lot of manual work to utilise the last-remaining quantities.

In addition, some of the residual products arise at facilities that are logistically distant from each other, and where the infrastructure makes production unprofitable. This requires the consolidation of residual materials, innovative solutions, investments, external cooperation partners and the time to increase resource utilisation significantly.

The overall risks are the loss of good organic resources that could be used for other purposes.

Opportunities and goals

In the production of Nutaaq cod products, where live cod is landed at the processing plant in Maniitsoq, there is traditionally a low degree of utilisation in fillet production. This is because guts and heads, which are left at sea in coastal fishing, come to the first stage of processing in the Nutaaq set-up. Here, it is possible to exploit heads, guts and other elements that are not part of the fillet product.

In the Sisimiut prawn processing plant, it is possible to utilise a large proportion of the prawn shells for prawn meal, but unfortunately demand has dropped. This means that the establishment of a prawn meal production plant is not currently profitable. However, we are still working on the development of new applications.

Our goals for 2022:

- > Increase the utilisation of potential raw materials in the Group to minimum 80%
- > Develop new products with positive financial returns



Auger with supply of prawn shells from the peeling system.

-> Reduce the discharge of shells and fish residue via wastewater pipes

Ambitions for 2030:

-> Full utilisation of potential raw materials in the Group's land facilities and vessels

To achieve our goals, it is necessary to start with the realistic opportunities, viewed from a logistics standpoint. This means that we initially focus on the locations with side-streams on a sufficiently large scale to serve as the foundation for the development of new products. In Greenland, we see opportunities within prawn shells, crab shells and cod offcuts.

An assessment of the potential for the land facilities in Greenland shows that for 35% of the raw materials, the utilisation rate is 95%, which is very satisfactory. The remaining amount is currently utilised at an average rate of 52%. By focusing on this 65% of the raw material and implementing the above measures, the utilisation rate for these raw materials could be increased to around 65%. Cod guts, dispersed prawn material and other organic material will be extremely difficult to exploit, due to the type of material, as well as the large geographical distances between the production units. For land-based production in Greenland, a utilisation rate of 75% of the total raw material volume is assessed to be realistic.

The ocean-going vessels also have on-board production. On prawn vessels, 75% of the prawn catches are cooked and packed, while 25% are unloaded to a processing plant on land for cooking and peeling. All raw materials are utilised. The new prawn trawler M/tr Avataq can also fish for other species, including Greenland halibut, where the entire fish is used for end-products.

The fishing vessels fish for cod, pollack and haddock in the Barents Sea, and Greenland halibut in West Greenland. On board, the fish is processed into packaged products where the raw material is filleted, packed and frozen.

Cod filleting leaves a residual raw material that the new trawler M/tr Sisimiut can use, as fishmeal and fish oil processing facilities are installed on board. The plant has not yet been commissioned, as the vessel is registered in Greenland, which does not expect to

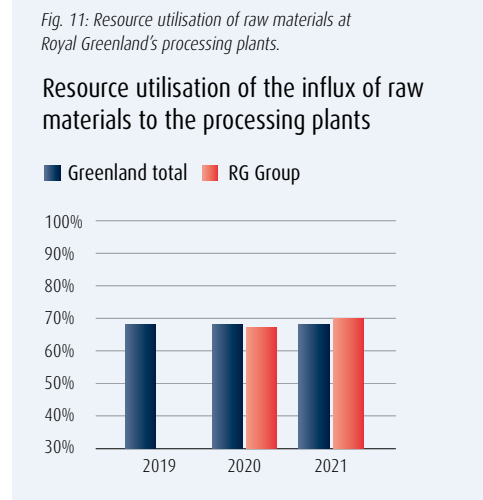


have legislation in place governing the production of animal feed ingredients before 2022. In addition, there are some technical adjustments that need to be made to ensure efficient production.

#### Action and results

The Group's utilisation of resources has increased to 70% for the land-based production facilities, thanks to greater utilisation of residual products in Newfoundland and in Cuxhaven.

Despite increased utilisation of cod, the resource utilisation in Greenland is generally at the same level as in 2020.



Greenland halibut is a major fish resource in the northern Greenland fjords, and catches are landed in the nearby towns and settlements. For Greenland halibut, the degree of utilisation of the raw material is 95%. A large proportion of the raw material is sold as whole fish, but when the fish is processed in Greenland, heads, tails and fins are sold as popular products.

Sales of cod heads from the production of live cod (Nutaag) in Maniitsoq more than doubled in 2021 compared to 2020. The cod heads are sold fresh for subsequent drying, and for fishing bait. There is also a high level of utilisation of cod by-products at the processing plants in Newfoundland, from where tongues, cheeks, skins and many cod heads are sold.

In Ilulissat, prawn shells are still dried, and used in the prawn meal export product. However, there are still soluble and dispersed prawn parts that cannot be collected. In 2021, the focus was on making the transport of prawn shells in the processing plant smoother, resulting in better utilisation of the shells. In Newfoundland, cooking water from prawn production is used for prawn extract.

On ocean-going vessels, the rate of utilisation of the raw material was 85% in 2021.

#### Resource utilisation projects:

Over time, Royal Greenland has participated in several projects aimed at increasing resource utilisation. We continue to participate in the Better utilisation of the seafood industry's side-streams project, also known as WASEABI. This is a four-year EU project led by the National Food Institute under the Technical University of Denmark (DTU).

The aim of the project is to develop methods and technologies to utilise side-streams for new products such as proteins, minerals and other high-tech products. See <https://www.waseabi.eu/>.

The project focuses on residual cod products, and Royal Greenland supplies raw materials for this part. One of the trials in 2021 concerned increasing the durability of offcuts and guts before other use, as the oil part in particular can rapidly become rancid.

In the study, rosemary was added as an antioxidant and proved to be a natural and effective way of preventing rancidity.



Royal Greenland is co-owner of a small Norwegian company, Kvalvik Bait, which is developing a fish decoy to be used as bait in crab pots, for example. The raw material for this is fish and shellfish offcuts, with crab shells in particular believed to give a good bait odour. In 2021, tests conducted in Sisimiut showed that the pots fish at least just as well with this type of bait, and that they were very easy to work with.

In Newfoundland, we have developed a pet food product, based on cod skin, for the local market. It has become a dried dog product called "Good Buoy Treats". In addition, experiments with dried sea cucumber have been conducted.

#### Outlook for the coming years

We expect that legislation permitting the utilisation of residual products for feed will be approved in Greenland in 2022. This is a requirement for the use of most of the side-streams from the Greenland fishing industry, and thereby a basic condition for increasing resource utilisation. Once the permit is in place and the last technical obstacles have been eliminated, the production of fishmeal and fish oil can start on M/tr Sisimiut.

In addition, we will initiate a major bait decoy trial in Newfoundland, to collect better documentation of the bait's efficiency.

## Environmental resources

### Energy and climate

Ocean-going trawlers account for the largest share by far of the Group's energy consumption. They consume energy for navigation, fishing and processing, including cooking prawns and freezing them on board.

Royal Greenland exclusively uses Marine Gas Oil, which has a low sulphur content and is recommended for Arctic regions. Investing in new vessels will make the consumption of fossil fuels more efficient.

The new vessels will provide good opportunities to optimise energy consumption, as will increased fish volumes per fishing trip and the resulting lower consumption per tonne fished.

Measures include using electrically powered winches, rather than hydraulic winches, fishing more efficiently with triple trawls instead of double trawls, and by introducing more robust vessels that can fish in all types of weather.

In addition, the cargo holds are larger than for former vessels and the transport sailing requirement is reduced significantly.

The electricity and district heating for the processing plants in Greenland is supplied by Nukissiorfiit (Greenland's Energy Supply) from local supply facilities. Oil is also purchased directly, for combustion at the processing plants, where necessary.

Half of the energy consumption is purchased as electricity. Of this, renewable hydroelectric energy alone accounted for 55% of electricity consumption in 2021 and 25% of total energy consumption (i.e. including oil) in Greenland.

The processing plants in Ilulissat, Sisimiut, Narssaq and Nuuk all receive hydroelectric power, except when the supply from the hydroelectric power stations is disrupted. Greenland has the greatest total energy consumption at the two prawn factories in Ilulissat and Sisimiut.

#### Risks

The greatest risk from using larger volumes of energy based on fossil fuel is the emission of CO<sub>2</sub> to the atmosphere, which affects global warming. The risk to the Arctic towns and settlements is the melting of fresh water from the ice cap to the sea, so that the local salt conditions might change, as well as increased water levels.

Moreover, a general temperature increase might cause the permafrost to disappear at exposed locations, leading to a risk of landslides and tsunamis.

Royal Greenland will do what it can to prevent a further increase in global warming and its consequential local and global effects.

#### Opportunities and goals

As the trawlers are the largest energy consumer, the focus is on the trawlers' CO<sub>2</sub> emissions. During the next few years, Royal Greenland wishes to reduce consumption significantly, with the ambition of a reduction by one fourth in 2030, on a comparable basis.

To achieve this, more efficient energy consumption is required, and, to a greater extent, every fisheries activity should be planned on the basis of energy consumption. The new vessels will provide good opportunities to optimise energy consumption, as will increased fish volumes per fishing trip and the resulting lower consumption per tonne fished.

#### Our goals for 2022:

- > Continued reduction of energy consumption per tonne of end-product in the Group by around 5% per annum
- > Reduce our climate footprint by converting land-based facilities from oil-based to electricity-based operation, using renewable environmental resources
- > Pursue the International Maritime Organization's target for reduction of bunker oil consumption.

Royal Greenland does not have a specific goal for 2022

#### Ambition for 2030:

- > Continued reduction of energy consumption, with a total reduction for the Group of 30% compared to 2018.
- > Reduction of the ships' climate footprint in 2030 by 25% per tonne of volumes fished, compared to 2018.

#### Action and results

The data overview on page 60 shows that the Group's total energy consumption amounts to 400 GWh and has been cut by 2% compared to 2020. At the same time, the volume of end-products has increased by 12%, which means that energy was used more efficiently in 2021 compared to the previous year.

Figure 12 shows the Group's energy consumption per tonne of end-product, as well as a subdivision into Greenlandic processing plants and vessels.

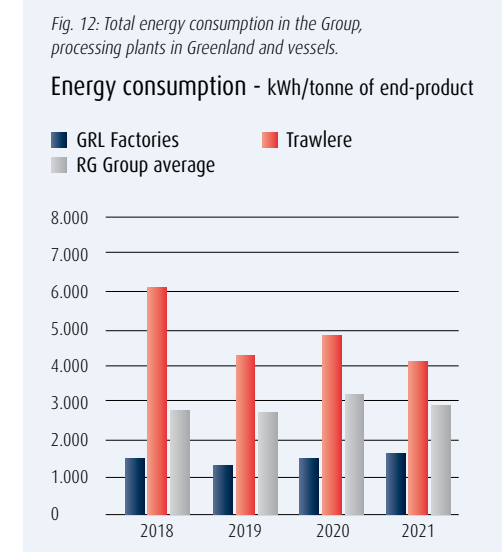
For the land-based production units, however, energy consumption per tonne of end-product increased. This is primarily related to lower cod production, but with unchanged energy consumption to operate the cod processing plants.

Since 2019-2020, the fishing fleet has been streamlined by replacing two ocean-going vessels. As fishing vessels constitute the largest energy-consuming entity at Group level, their sailing patterns and fishing are decisive for the result. In June 2019, the older M/tr Sisimiut was replaced by the new M/tr Sisimiut. In addition, the prawn vessel M/tr Qaqqatsiaq was sold as of 1 May, but the new M/tr Avataq was not launched until January 2020.

The vessels' energy consumption in 2019 was affected by these replacements, and 2020 actually reflects one trawler more than in 2019.

In 2021, the new trawlers' more efficient energy consumption can be seen to have an impact.

In 2021, fishing came up to speed, and the largest catch volumes of fish and shellfish within the last four years were landed. In 2021, optimum utilisation was made of the two new vessels, and coastal and pelagic fishing also increased.





In the coastal segment, the larger vessels were replaced with large cutters. They are less energy-intensive and are typically in the water for shorter periods.

The Group's energy consumption is influenced by many factors. For each unit, there is significant basic consumption (more or less fixed consumption), and the greater the volumes fished or produced per unit, the lower the consumption per unit.

As Figure 13 shows, the highest energy consumption is at the processing plants in Sisimiut and Ilulissat. At both these sites, prawns are steam-cooked. Hydroelectric power is available in the two towns, but fossil oil is still necessary to ensure an adequate energy supply.

In Sisimiut, hydroelectric power is fully utilised, while there is still a surplus in Ilulissat. In 2021, the oil boiler in Ilulissat was replaced and will be energy-efficient in 2022. This will have a positive impact on CO<sub>2</sub>e emissions.

### CO<sub>2</sub>e emission

As Royal Greenland is a vertically integrated company with activities throughout the value chain, from fisheries to sales, Scope 1 constitutes a significant share of the emissions, in relation to Scope 2. Scope 1 is Royal Greenland's direct consumption of energy

resources and related CO<sub>2</sub> emissions, while Scope 2 concerns indirect emissions via purchased power and district heating.

The Group's emissions in 2021 total approximately 120,000 tonnes of CO<sub>2</sub> equivalents. The division into activities is shown in Figure 14. As can be seen, the larger ocean-going vessels account for approximately 70%. The second-highest emissions come from the processing plants in Greenland.

CO<sub>2</sub>e emissions from vessels reflect variations in the vessels' fishing patterns, such as inshore and ocean fishing, and benthic and surface fishing.

As shown by Figure 15, in which emissions are calculated per tonne of catch, the pelagic vessels with surface fishing and the coastal vessels have the lowest emissions. The ocean-going vessels that sail far to reach the fishing grounds and haul their trawls to the seabed have the highest emissions. In addition, the prawn trawlers consume additional energy for the cooking of prawns.

The fishing trawlers' emission of tonnes of CO<sub>2</sub>e per tonne of volume fished has been reduced significantly. The new vessel, Sisimiut, is a very robust ship from which it is possible to fish even in poor weather conditions, which makes fishing more efficient.

Fig. 13: Energy consumption at the 18 largest land-based facilities in Greenland in 2021, by energy source.

### Energy consumption of land-based facilities in Greenland, 2021

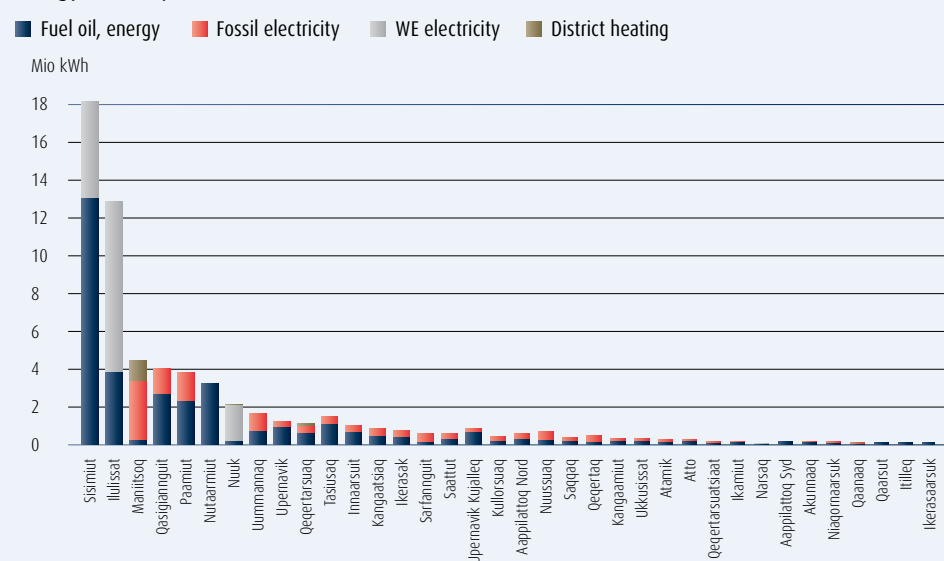


Fig. 14: CO<sub>2</sub>e emissions from the Group's activities

### Distributions of tonnes CO<sub>2</sub>e emissions between activities (Scopes 1 og 2)

■ Large processing plants ■ GRL processing plants  
■ Average processing plants ■ Cooling media  
■ Small vessels ■ Sales companies

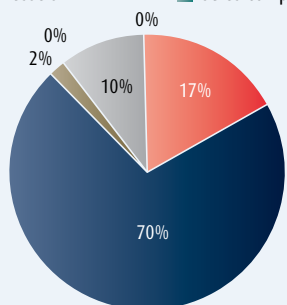
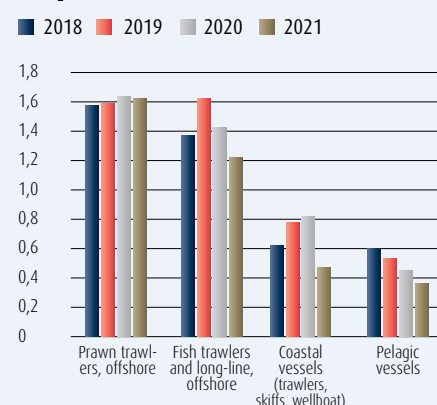


Fig. 15: CO<sub>2</sub>e emissions from the Group's vessels

### t CO<sub>2</sub> emission/t catch



Royal Greenland's processing plants in the area all lie in the danger zone, and we have therefore naturally taken the lead in the work on the emergency plans.

In this category, a peak is seen for 2019, which reflects the replacement of the vessels and relatively high energy consumption for navigation. Comparison of the new M/tr Sisimiut with the older M/tr Sisimiut shows that energy consumption per tonne of catch is reduced by more than 20%.

The reduction is lower for the new prawn trawlers than for fishing vessels. Comparison of the divested vessel M/tr Qaqqatsiaq with the new replacement vessel, M/tr Avataq, shows a 10% reduction of energy consumption.

The latest vessels are energy-optimised with the latest engine technology and electrically powered winches. In addition, the fishing gear is optimised in terms of weight in relation to catch volumes. The emissions from the newest vessels must be expected to have found their level but will vary according to the fishing operations and distance sailed.

M/tr Avataq can fish and process fish in addition to prawns, making this ship flexible and more efficient. A significant reduction in the vessels' CO<sub>2</sub>e emissions can primarily be expected to be achieved from future development in, for example, the blending of biofuel into existing fuels and new types of fishing gear with reduced resistance in the water.

### Emergency plans and warning systems

After a landslide with a subsequent serious tsunami in 2017, at the end of 2020 GEUS (the Geological Survey of Greenland and Denmark) prepared a report which showed a high risk of landslides in Karrat Fjord north of Uummannaq.

A major landslide in Karrat Fjord could cause major coastal damage at the town of Uummannaq and the surrounding settlements. Royal Greenland has therefore taken the lead in bringing the relevant and affected companies, authorities and public bodies together in a network.

In this network, the participating companies and institutions will draw up coordinated emergency plans which build on the municipal emergency plans.

In this way, we can contribute to the safety of employees and the local communities, but also to the continued existence of production and buildings.

Depending on the topography of the individual locations, the severity of any tsunami that occurs will vary from settlement to settlement/town. In some places, only the coastline and the harbour areas would be flooded, while in others, residential areas and public institutions would also be affected.

Royal Greenland's processing plants in the area all lie in the danger zone, and we have therefore naturally taken the lead in the work on the emergency plans.

In the coming year, the emergency plans will be finalised. After this, a warning system will be set up that will extend across settlements/towns and possibly also processing plants and institutions.

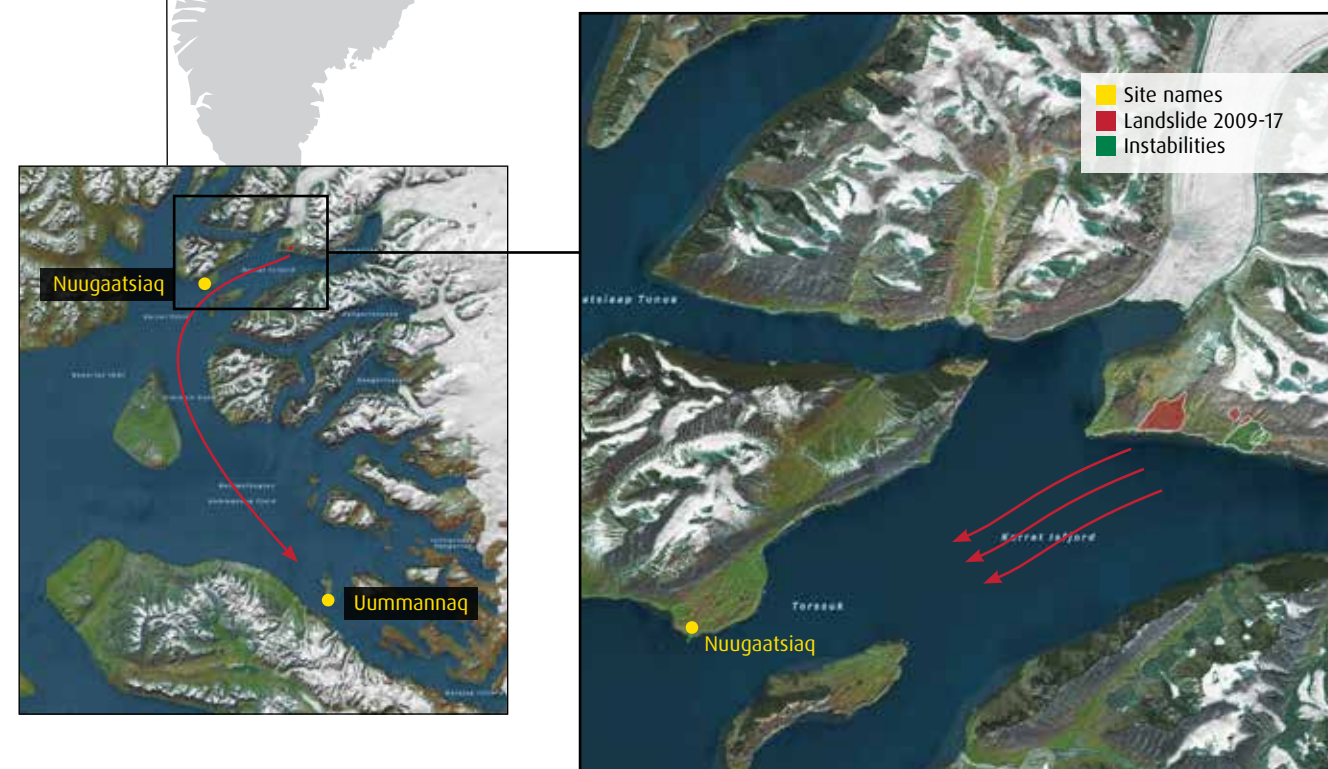
### Future outlook

The replacement of the trawler fleet, including a new M/tr Nataarnaq, delivered at the end of 2021, is expected to contribute positively to the overall energy consumption of the ocean-going prawn trawlers. At the processing plant in Ilulissat, an electric steam boiler has just been installed to replace an oil boiler. This will have a positive impact on CO<sub>2</sub>e emissions.

### Climate footprint in product chains

Unfortunately, the calculation of the climate footprint per kg of end-product does not show a clear result, as there are several calculation methods that are often used without describing the method in further detail.

Royal Greenland is involved in an EU project to establish rules for calculating the Product Environmental Footprint (PEF) for fish products, where the CO<sub>2</sub> equivalent calculation is part of the climate impact calculation on a comparable and transparent basis.





The project is nearing completion, and during the spring of 2022, one of Royal Greenland's products will be tested in a case study.

In 2021, Concito (Denmark's Green Think Tank) published the Big Climate Database, which is based on life cycle impact assessments whereby the LCA of cold-water prawns, for example, is calculated according to the same method as for warm-water prawns, and wild-caught fish products' LCA is calculated using information for farmed salmon.

The reason is that wild-caught products are a limited resource and a continued increase in fish and seafood intake would mean that increased demand would be met with farmed products.

Royal Greenland does not believe that this is the correct method to use for seafood products, as it will give misleading information. We believe that the right method is a normative calculation that directly measures one kilo of the specific product.

Fresh water

Fresh water of good quality is an important resource for all Royal Greenland production units. Water may be part of a product, a means of transport during production, and a means to clean a workplace.

In Royal Greenland's production units, fresh water may originate from surface water, groundwater or sea water. The fresh water in Greenland is supplied by Nukissiorfiit (Greenland's Energy Supply) and local supply companies in other countries.

At some geographical locations in Greenland, fresh water is in short supply, and fresh water is produced via a reverse osmosis (RO) system. Since this is a very expensive and energy-intensive method, the possibility of using seawater is being investigated.

Risks

The greatest risk for Royal Greenland is a lack of fresh water for production. At some locations, the processing plant is the town or settlement's largest water consumer. Prawn processing plants are the entities that consume most water, but they are situated in towns with ample fresh water supplies.

Opportunities and goals

To be able to handle situations in which there is a lack of fresh water, meetings are held every six months with the utility company, Nukissiorfiit (Greenland's Energy Supply), to coordinate fluctuations in fish production and drinking water supply.

In recent years we have worked on the purification of sea water to drinking water quality. This has yielded some good results, and the Greenlandic authorities have now given permission to use the purified water in fish and shellfish production. We are now awaiting the final permit from the Danish Veterinary and Food Administration.

Our goals for 2022:

- > Reduce water consumption at the Group's processing plants by approximately 5% per year
- > Substitute fresh water with seawater in towns and settlements with limited supplies of fresh water

Ambitions for 2030:

- > Total reduction of 20% from 2018
- > A stable water resource of drinking water quality

Action and results

By exercising due diligence and in dialogue with the utility company, there are now favourable opportunities for the coordination of production with local fresh water supplies, thereby ensuring sufficient water for both production and the local area.

As the presentation of results on page 60 shows, water consumption per tonne of end-product at Group level was reduced from 2020, but increased compared to 2018, while in Greenland this remained unchanged.

On reviewing the water resources in 37 towns and settlements in Greenland where Royal Greenland has facilities, Nukissiorfiit (Greenland's Energy Supply) has found that 21 locations have ample water supplies, and eight locations have reasonable water supplies, while another eight locations have poor water supplies.

Where water resources are limited, this is often because the water originates from a desalination plant or from a river in which winter flows have declined.

Future outlook

In 2022, Royal Greenland expects approval of the permit from the export authorities for the purification of seawater to use for fish products, thereby eliminating the risk of a shortage of water.

Our goal is to work specifically with the towns and settlements where fresh water is in short supply, and with the locations where water consumption is highest. Increasing the settlements' water resources will make it possible to increase the intensity of fish processing in the settlements, thereby creating new employment.

Paper, cardboard and plastic

The Environmental and climate policy also concerns the recirculation of packaging and plastic materials in production, and greater use of renewable resources. This applies in particular to paper, cardboard and plastic.

Risks

To a great extent plastic is produced on the basis of finite fossil materials. There is also often discarded packaging, gill nets, fish boxes and other materials in towns and settlements.

The risk on leaving discarded or lost fishing gear in the sea is that this can contribute to ghost fishing. Discarded trawl nets contain plastic, which the sea can break down into microplastic, with a serious adverse effect on the sea's natural resources.

The EU has adopted a directive which requires all plastic to be recyclable by 2030. Under the directive, fisheries-related items account for 27% of all marine waste. Royal Greenland gives this directive its full support.

Opportunities and goals

Royal Greenland ønsker i sin aktivitet at øge genbrug Royal Greenland wishes to increase reuse and

In the recent years we have worked on the purification of sea water to drinking water quality. This has yielded some good results, and the Greenlandic authorities have now given permission to use the purified water.

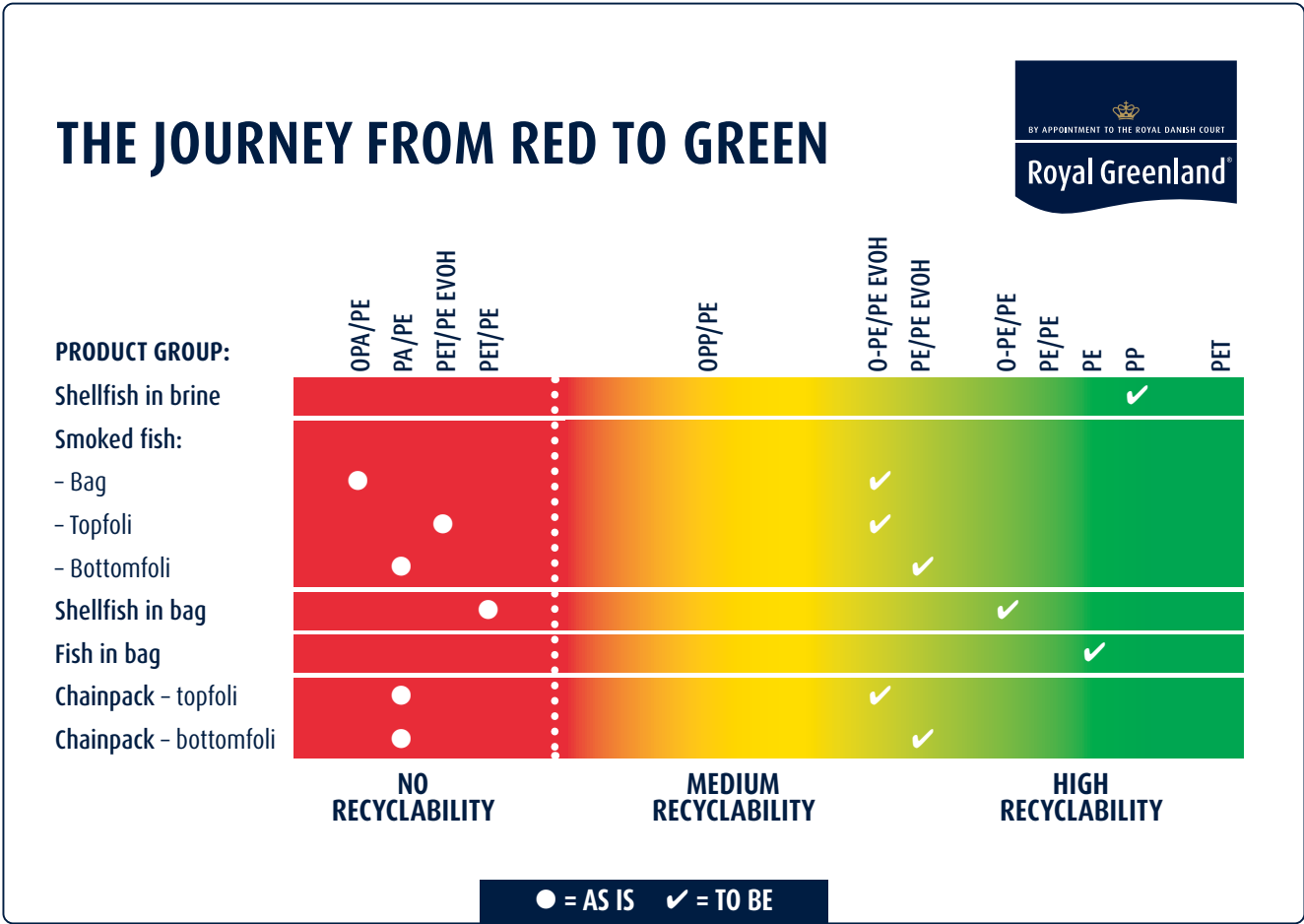


Fig.16: Overview of plastic materials for seafood products by recyclability.

recycling in its activities. Recipients of used plastic can produce plastic granulate, which can be turned into new plastic items, although there are still plastic elements that cannot be recycled. Plastic that does not consist of monomaterials is not recyclable.

Our paper and cardboard consist of FSC-certified<sup>2</sup> materials.

Our goals for 2022:

Plastic in production and fisheries:

- > Change fish tubs from polyethylene (PE)/polyurethane (PUR) to the monomaterial PE/PE
- > Used fish boxes and tubs are collected and granulated for recycling
- > Fish trawl nets and gill nets are collected, processed and recycled

Packaging:

- > Minimum 85% of Royal Greenland's plastic packaging comprises recyclable monomaterials
- > All cardboard and paper is FSC-certified, or the equivalente

Ambitions for 2030:

- > Full reuse of used trawl and gill nets owned by Royal Greenland
- > All packaging is made from recyclable materials

Action and results

Major project activities were initiated in 2020 within both packaging and plastic in fisheries and production. In 2021, the project work continued to focus on quantifying the plastic types used in packaging by building

up a database of actual weight units in order to follow up on our goals and be able to document compliance with EU requirements.

Packaging production trials were also undertaken, to replace multi-layer plastic with mono-layer plastic, while retaining product quality.

Within smoked products, which for quality reasons are packed in plastic with an oxygen barrier, the material will be changed from a laminate (PA/PE) to a mono-foil (O-PE/PE), and plastic bags for frozen prawns will be changed from PET/PE to the same mono-foil (O-PE/PE), cf. Figure 16.

The status of plastic packaging is that 73% of Royal Greenland's packaging is made from a material that can be recycled. Positive results have also been achieved with large bulk packaging, whereby multi-layer packaging comprising paper and plastic is replaced with mono-layer polypropylene (PP) packaging.

Fish boxes

Royal Greenland naturally uses large numbers of fish boxes and fish tubs, which unfortunately have limited durability. The focus has therefore been on finding a way of recycling these materials.

Since Greenland does not have plastic recycling facilities within its borders, it has been necessary to seek a recycling solution outside Greenland. However, it must make good sense economically, and for the climate and the environment, to ship plastic from Greenland to Denmark, Iceland or elsewhere.

<sup>2</sup> FSC: Forest Stewardship Council.



During the past year, Royal Greenland sent approximately 1,300 fish boxes on a trial basis from Nuuk for recycling in Denmark. Here, they were melted down and used for, among other things, refuse bins for Danish households.

Overall, the trial proceeded satisfactorily, but if this is to become a fixed practice, the packing of the boxes for transport must be optimised. Fish boxes take up a lot of hold space compared to the amount of material,



Fish boxes ready for shipment from Greenland for recycling.

making it necessary to break up the boxes prior to transport, in order to reduce the volume and make optimum use of the transport space.

#### Outlook for the coming years

In 2022, more multi-layer packaging will be replaced with mono-layer materials. In Greenland, we continue to pursue solutions for the collection of fish boxes and tubs from facilities along the coast, so that they can be reused in the best possible way.

#### SDG contribution

By working to achieve better utilisation of the fish resources, reduce fossil fuels, and increase the utilisation of sea water and the recirculation of paper, cardboard and plastic, we will contribute to achieving Sustainable Development Goal 12<sup>3</sup>.

The most important targets are:

*12.2: By 2030, achieve the sustainable management and efficient use of natural resources.*

*12.3: By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses.*

*12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.*

12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

## 8 DECENT WORK AND ECONOMIC GROWTH



## HEALTHY WORKING LIVES

**We want to create an integrated occupational health and safety management system (OHSMS) and environmental management system (EMS) that protects the physical and psychological working environment and the well-being of all employees. We make the same requirements of our suppliers as we make of ourselves.**

At Royal Greenland, we focus on job creation and on the physical and psychosocial working environment. We consider it important that our employees thrive in their jobs and that their motivation for going to work is stimulated and safeguarded.

### Working environment

In 2021, we added two important new policies within the social area. These are the Recruitment policy for migrant employees and the Policy for Royal Greenland's whistleblower scheme.

The first policy sets out the framework for the recruitment of foreign manpower, and the second policy will ensure that employees have the opportunity for any serious matters arising to be processed on an anonymous basis.

#### Risks

For some work roles, fisheries can be physically very demanding. The work might involve lifting blocks of frozen fish, working at a filleting machine and moving boxes, and in fisheries, hauling the filled trawl nets onto the ship's deck. Filleting furthermore involves using sharp knives.

There is a greater risk of occupational injuries if working conditions, training and protective equipment are not optimised. It is the local manager's responsibility to ensure safe conditions, and that the policy is observed. Local managers are naturally supported by Group functions in the performance of this task.

For several years, statutory workplace assessments (APV) have taken place, both ashore and at sea. This has provided greater knowledge of critical working conditions. The three most critical health and safety-related issues at the processing facilities are (i) heavy lifting, (ii) cold and draughts and (iii) slippery floors.

#### Opportunities and goals

Royal Greenland is a geographically diversified company that operates in many countries, with various different working environment traditions. We can

therefore see great opportunities for creating a simple, overall OHS system for the entire Group.

This will make it possible to set up uniform procedures and create tools that can be adapted locally. Transparency and a uniform approach to this work across the Group will be ensured.

Education and training will support the focus on the working environment and strengthen and enhance many work functions.

The goal is to continuously improve working conditions in sometimes cold and damp working environments. This applies to Royal Greenland's workforce, but also to the working conditions of our local suppliers, such as fishermen, cleaning staff and unloading teams.

#### Our goals for 2022:

-> Build up a simple, well-functioning OHSMS, in harmony with the external environment.

#### Ambition for 2030:

-> Full implementation of an adapted OHSMS and EMS throughout the organisation

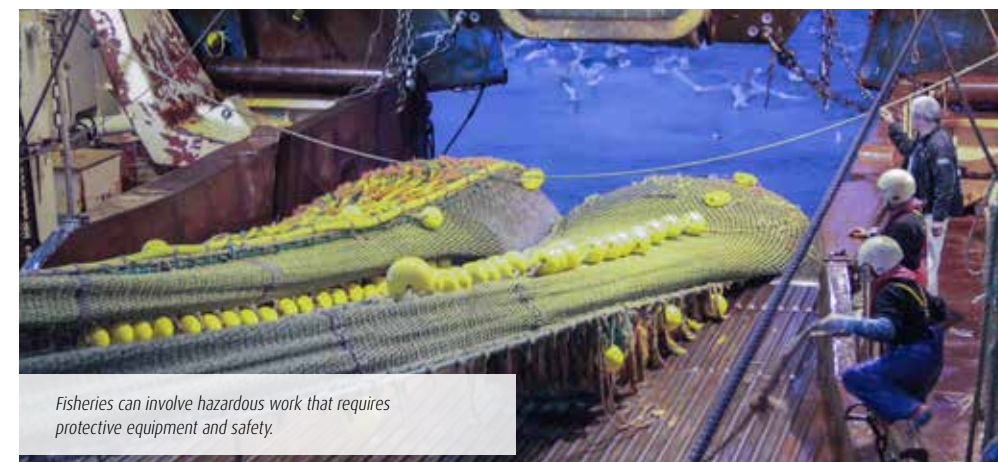
#### Action and results

At the larger processing plants, or on a combined basis for a region, designated employees work with health, safety and the environment. This applies to Greenland, Germany and Canada.

Every year, occupational injury data is collected and evaluated, and relevant statistics are prepared. In 2021, managers in Greenland were trained in correct reporting of occupational injuries and near-accidents.

This helped to improve the reporting of injuries, but efforts must still be made to achieve the best possible overview of all injuries, as the basis for a targeted campaign. The number of near-accidents reported is still low and further training is needed to make this a useful tool.

During the year, there was great focus on the upgrading of an effective main health and safety committee in Greenland that can make decisions on procedures and instructions concerning the working environment.



Fisheries can involve hazardous work that requires protective equipment and safety.

<sup>3</sup> <https://www.verdensmaalene.dk/maal/12>



A high priority for this committee is the existence of a viable health and safety organisation at all facilities, so that any incidents can be processed locally.

In addition, ongoing inspections have been implemented. This is part of the OHSMS and must be incorporated as an injury prevention procedure.

According to the table on page 61 and Figure 17, the number of injuries per full-time employee is at the same level as in 2020. The reporting of occupational injuries shows that most injuries in 2021 were related to falling and tripping accidents at processing plants and onboard vessels. Falling objects that hit a toe or another part of the body, as well as heavy lifting, are also some of the challenges on land (see Figure 18).

Concerning the psychosocial working environment, a working group has been appointed to ensure that selected local contact persons are trained in personal counselling on private matters, should a colleague so require. If additional expertise is required, further assistance will be available via the employee's supervisor and HR.

Future outlook

The health and safety organisation in Greenland has been established, and further work will be undertaken to build up an OHSMS and EMS. In 2022, the focus will be on holding workplace assessments (APVs) at the

processing plants, to gain new documentation of risks at these plants and onboard our ships.

Job creation and diversity

At Group level, the number of employees converted to full-time employees (FTEs) is at the 2020 level. At the processing plant in Cuxhaven, there are also 16 full-time positions based on temporary contracts. The number of employees in Greenland declined by a total of 4%. The reasons includes the closure of the processing plant in Ilulissat for three months due to maintenance and absence due to illness with corona-virus. In Canada, the workforce increased by around 19% as a result of increased activities.

The workforce in Greenland accounts for 62% of the total number of employees in the Group, while Canada accounts for 21%, and other countries constitute 17%.

Risks

During the high season from April to October, there is a great need for many employees to process the fish and shellfish landed. The greatest risk is therefore a shortage of manpower. This is a well-known challenge, particularly in the towns with the most tourism.

Opportunities and goals

In recent years, some foreign manpower has been recruited from China and the Philippines, for long-term

Fig. 17: Number of occupational injuries per 100 employees without absence and with minimum one day's absence.

Occupational injury frequency per 100 FTEs

Greenland, Greenland (min 1 day's absence), Other countries, Other countries (min 1 day's absence)

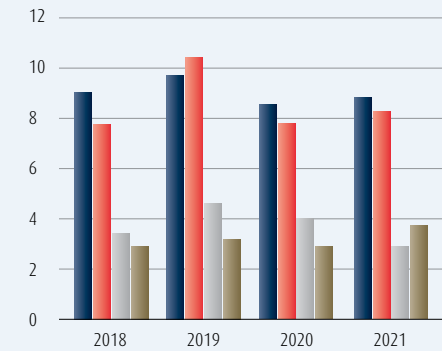


Fig. 18: Number of occupational injuries per 100 employees without absence and with minimum one day's absence.

Fordeling af skader 2021

Falls/trips, Hazardous liquids, Lifting, Non-mechanical knives/tools, Falling objects, Other, Traffic accident

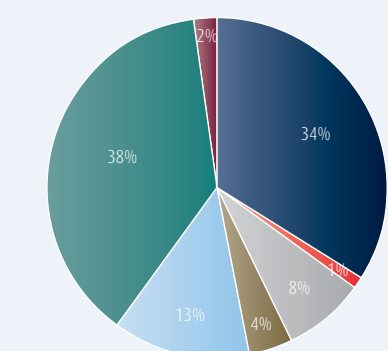
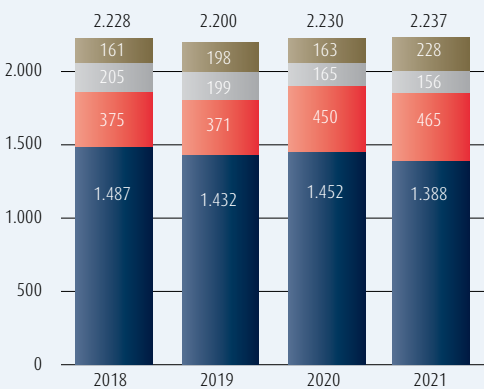


Fig. 19: Number of full-time employees and employee breakdown in 2021

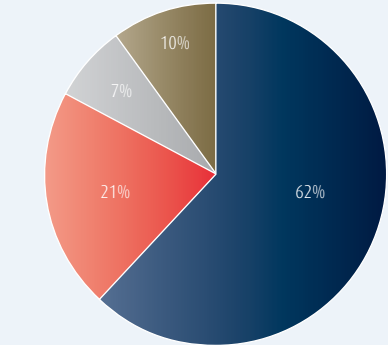
No. of employees

Greenland, Canada, Denmark, Other countries



Employee distribution in 2021

Greenland, Canada, Denmark, Other countries



Royal Greenland expects that we can offer women, seniors and young people a workplace that takes greater account of physical challenges, and thereby creates equal opportunities for everyone, irrespective of age and gender.

stays in Greenland. Employment under the Nordjobb exchange programme in towns and settlements of Greenland has been a great success. Under the Nordjobb programme, young students from the Nordic countries can sign up to work for a longer period.

In 2019, we analysed the gender breakdown at our production facilities and could see potential benefits from adapting the workplaces to additional employee groups, including women and young people. This creates the opportunity to expand the recruitment base and create increased diversity. This is still a focus topic.

Our goals for 2022:

- > Policy and plan for adjustment of the labour supply to include all workforce groups, including seniors, young people aged 15-18, disabled employees, etc. in relevant job functions.
- > Establishment of specifications and goals for recruitment of external employees, including a minimum housing standard.

Ambition for 2030:

- > Full implementation of working opportunities for special workforce groups

Action and results

In 2021, Chinese employees in particular were recruited to the Greenlandic processing plants, to supplement the local workforce. With the help of a trained Chinese HR expert who is resident in Greenland, the Chinese personnel engaged under these contracts have settled in well and take part in the work on an equal footing with other permanent employees.

Recruitment took place around Qingdao, where Royal Greenland's Chinese subsidiary and business partners are located. This employment concerns single people, as well as couples.

In order to ensure the best conditions for the foreign employees, a policy for migrant employees has been drawn up to address the actual recruitment conditions regarding payment for travel, ID documents and information for the new employees.

Future outlook

Royal Greenland expects that we can offer women, seniors and young people a workplace that takes greater account of physical challenges, and thereby creates equal opportunities for everyone, irrespective of age and gender.

We expect that foreign manpower will continue to be necessary. We want to ensure the best-ordered conditions during the recruitment process by using professional agencies for this task.

Gender breakdown of the executive management

According to Royal Greenland's gender equality policy, the members of the Supervisory Board elected by the Annual General Meeting must comprise equal numbers of male and female members, which is principle makes a 40/60 ratio acceptable. Today, the composition of the Supervisory Board is m/f 40/60, compared to the previous 50/50.

In accordance with the Equal gender policy, the goal for other management levels is set at 26%. Other

management levels comprise the three levels immediately below the Supervisory Board, including skippers of ocean-going vessels, and comprises 96 people.

In 2021, the under-represented gender accounted for 15% of the management levels. There has been a small increase at the management levels, since last year the under-represented gender accounted for 14%.

	Number	Men	Women
Managers, cf. the policy	96	85%	15%
All managers excluding officers	139	74%	26%
All managers including officers	369	90%	10%

Action

In order to increase the proportion of the under-represented gender at other management levels, Royal Greenland is working to ensure modern aids and good facilities both in our factories on land and in our vessels. Our new vessels are designed to take account of gender diversity, including fulfilling today's requirements for cabins, leisure opportunities and a good physical and psychological working environment. This creates the basis for the challenging jobs at sea to be handled by both men and women.

Result

It takes many years of education to become an officer and work on the bridge. In recent years, only a few women have taken this path, but today Royal Greenland has a female ship's master, who was employed in 2021 as a trainee on board Akamalik.

The goal in accordance with the policy was not achieved, but including the next management level on land, the under-represented gender accounts for a total of 26%, which matches the goal.

Including all marine officers, and including affiliated and associated companies, women account for 10% of an overall group totalling 369 people. The group of officers on vessels accounts for around one half of the employees in the Group. Working at sea is traditionally and historically a male occupation, but thanks to modern equipment and good facilities on the new vessels, in future the role of marine officer will be suitable for both men and women.

Future outlook

For several years, Royal Greenland has unfortunately not reached the target of 26% at the top management levels. In future, extra efforts must be made to achieve more women in senior management. This will require updating of the policy for the under-represented gender, as well as the establishment of a procedure to ensure that candidates of both genders are included in the final assessments during recruitment processes.

Ethical supply chain management, human rights and due diligence

Royal Greenland's Supplier Code of Conduct (SCOC) is an important document to ensure compliance with current standards drawn up by the ILO, IMO and FN.



We operate in value chains across national borders, legislation and cultures, and SCOC will ensure a minimum set of rules for our suppliers, based on internationally recognised standards.

Wherever we trade, and whoever it is with, we have an obligation to ensure compliance with human rights and employee rights, as well as environmental conditions, and to ensure that product traceability requirements are fulfilled.

### Risks

According to our risk analysis based on official assessments (Human Development Index, Environmental Index and Corruption Index), where we divide up suppliers by products' country of origin, Royal Greenland only purchases a small volume of goods from suppliers in countries where there is a great risk of breaches of human rights and employee rights, as well as corruption.

Royal Greenland's due diligence and supply chain management system is based on a comprehensive Supplier Code of Conduct, which suppliers must sign and for which there is an extended self-assessment scheme for suppliers from mid- and high-risk countries, respectively.

Our own risk analysis is updated with BSCI (Business Social Compliance Initiative) assessments.

### Opportunities and goals

Royal Greenland's supplier management focuses on suppliers from high-risk countries. Today, many of our suppliers are audited in accordance with the recognised SMETA standard, which gives us good awareness of suppliers' environmental and health and safety issues, and greater security for Royal Greenland.

We wish to continuously improve our suppliers' performance by requiring more of our suppliers to undergo a SMETA audit. Based on our current experience, we have set goals for 2022 and ambitions for 2030.

### Our goals for 2022:

-> Third-party audits of resource and end-product suppliers from high-risk countries, as a minimum every second year.

### Ambition for 2030:

-> Third-party audits of resources and end-product suppliers, and ingredients and packaging suppliers, from high-risk countries, as a minimum every second year.

### Action and results

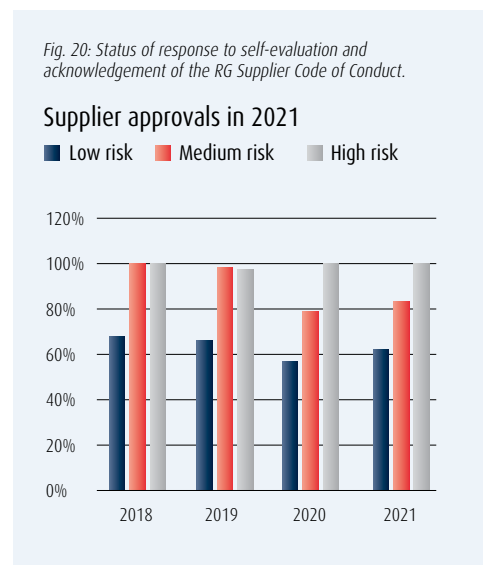
As Figure 20 shows, in the last four years we have had close to a 100% response from and approval of suppliers from high-risk countries. In the mandatory self-evaluation for suppliers in these countries, there is particular focus on issues concerning employee health and safety, as well as child labour, modern slavery and the environment.

Each supplier is scored according to a scale and threshold value. If the score is too low, it is assessed whether there is a need for further dialogue, launch of an action plan, and acceptance of the cooperation.

On an annual basis, a declaration concerning modern slavery and human trafficking is prepared and present-

ed, together with specification of our due diligence in this area.

The number of suppliers from low-risk countries is greatest and most dynamic. However, the response rate is equivalently low. Ongoing replacement of suppliers from low-risk countries entails a lower response rate, since there is a response delay of up to six months.



### Royal Greenland Code of Conduct

Internally, everyone at Royal Greenland is informed about their rights and good business practices. This takes place by providing information on the Code of Conduct to new employees in offices and at production facilities.

If an employee discovers a breach of the Code of Conduct, there is a standard complaint procedure whereby the complaint can be directed to the immediate manager or HR.

In more serious cases, a complaint can be reported via an online whistleblower system, which makes it possible to raise an objection to the incident, while also protecting the employee.

### Outlook for the coming years

Our supply chain management system has been implemented for several years and experience has been positive. The system will also be rolled out to the newest parts of the Group, including the Canadian suppliers who are not yet part of the system.

In addition, we are tightening the requirements for suppliers of raw materials and end-products in high-risk countries, so that they are SMETA-audited.

We work on updating and approval of the Supplier Code of Conduct every three years. In 2021, some of the suppliers' responses, especially within low-risk suppliers, expired (28%) and must be renewed in 2022. Royal Greenland's Supplier Code of Conduct is also being updated in accordance with the latest requirements, which include a tightening of environmental standards, recruitment and requirements for SMETA audits.

### Anti-corruption

Royal Greenland trades in a global market, with many different stakeholders. It is therefore important that

Wherever we trade, and whoever it is with, we have an obligation to ensure compliance with human rights and employee rights, as well as environmental conditions, and to ensure that product traceability requirements are fulfilled.

relevant employees are aware of the risks which their jobs may entail.

At Royal Greenland we do not tolerate any form of corrupt behaviour. This might be tax evasion, money laundering, embezzlement or bribery, as described in the Anti-corruption policy of 2014.

### Our goals for 2022:

-> Ensure that our employees are aware of the risks and consequences of corruption  
-> Prevention of complicity in corruption  
-> Establishment of an extended whistleblower scheme for Royal Greenland

### Ambitions for 2030:

-> The whistleblower scheme is still active, possibly extended to include partly-owned companies

### Action and results

In April 2021, the existing whistleblower scheme was updated to an online version that is managed via an external law firm. The scheme applies to all of Royal Greenland's wholly-owned activities. Financial crime can be reported, including corruption and irregularities in connection with auditing or environmental pollution, as well as violations of labour rights and human rights, including child labour and forced labour. The same applies in the event of non-compliance with food safety regulations. The scheme will be evaluated in 2022.

According to Royal Greenland's anti-corruption policy and procedures, all employees exposed to such risks must receive training in the dilemmas that may occur, at regular intervals/preferably every other year. This training is adapted to the employee's normal working day and national context.

The last completed training took place in 2018-2019 with a response rate of 99%. In 2021, a new training course was prepared and the content was expanded to include the topics of abuse of power and the whistleblower scheme. The training will commence in early 2022.

### Employee satisfaction survey

In 2021, Royal Greenland carried out an Employee Well-being Survey in Greenland for the fifth time. A total of 1,053 employees were surveyed, with a response rate of 77%. An instruction video was prepared for the employees, which could be viewed before

completing the survey. This initiative contributed to the very high validity of the year's results.

This year's survey showed the best-ever results for employee well-being and reputation. Compared to other large companies in Greenland that conduct the same survey, job satisfaction at Royal Greenland scores 82 points, compared to a benchmark of 77 points.

The reputation score is 82 points and the loyalty score has risen to 85 points. There is also an increase for the health and safety topic, which rose from 76 to 79 points overall.

The 2019 survey showed a need for greater focus on the working environment, and an additional health and safety consultant has since been appointed, so there are now two consultants ready to advise on the working environment in Greenland.

The measures that have been taken and are still ongoing are noted. Since the first measurements, satisfaction with day-to-day work tasks has increased from 85 to 87 points, which is manifested in a significant decline in the recruitment requirement.

### SDG contribution

By focusing on employees at our own processing plants and at suppliers, we will contribute to healthy working lives. Employees are a very important part of the company and we will contribute to achieving Sustainable Development Goal no. 8<sup>4</sup> by continuing to engage with our employees.

The targets we contribute to achieving are:

*8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.*

*8.7: Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.*

*8.8: Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.*

<sup>4</sup> <https://www.verdensmaalene.dk/maal/8>



We take great responsibility for competence development and education in Greenland's society, in close cooperation with educational institutions and via our own Royal Greenland Academy.

In Greenland, around half of a youth cohort in Greenland's primary and lower secondary schools proceed to upper secondary education. The ambition is for more young people to pursue upper secondary education, in order to strengthen Greenland's and its people's prosperity and employment.

This applies in particular to the technical and maritime education programmes. Royal Greenland contributes actively to motivating young people to enrol for higher education, and takes great responsibility for and exerts influence on achieving more trainees and apprentices in the fishing industry, and that they complete their course of education.

We wish to contribute to ensuring that the education programmes' competence building matches Greenland's opportunities and ambitions.

Both in Greenland and in other countries where Royal Greenland has processing plants, trainees and apprentices are employed, and a number of students are affiliated through projects in the course of a year.

In addition, employee-specific courses on such topics as personal development and teambuilding, as well as statutory courses, are held.

### Building competences in Greenland's society

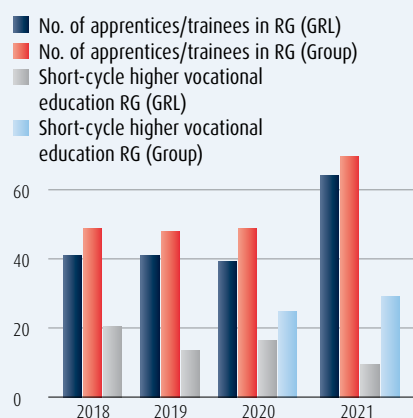
Sustainable Development Goal no. 4 concerns creating equal opportunities for education, and education of high quality. At Royal Greenland, we convert this Sustainable Development Goal into a wish for far more education for those with the least education. We also wish to continue to upgrade the qualifications of our managers internally, and to support apprentices, trainees and students to a greater extent than before.

#### Risks

The Group has a great need for many skilled employees at all levels and within many professions.

Fig. 21: Development and status for numbers of trainees, apprentices and students attached to Royal Greenland.

#### Apprentices, trainees and students attached to Royal Greenland



Education is an important basis for creating new jobs, but also for meeting the needs of society, including requirements in the fisheries industry.

#### Opportunities and goals

Royal Greenland is dedicated to contributing to developing skills in our society by offering trainees and apprentices practical training positions during short-, intermediate- and long-cycle higher education.

#### Our goals for 2022:

- > Training of apprentices and trainees for the fishing industry Minimum 50 employees per annum
- > QAQISA<sup>5</sup> lower secondary school exchange programme at processing plants and facilities

#### Ambitions for 2030:

- > Maintain a minimum of 50 trainees and apprentices per year
- > QAQISA is the standard procedure

#### Action and results

At Group level, there were 72 apprentices and trainees in 2021, of whom 64 were based in Greenland. In total, 20 apprentices, trainees or students completed their course of education.

This is a very large increase compared to previous years, and the goal of a minimum of 50 apprentices and trainees in Greenland has been achieved.

Particular measures are taken to support students from Greenland who are taking vocational higher education programmes. In 2021, there were nine Greenlandic students attached to Royal Greenland, comprising international marketing professionals, process technicians, fisheries technologists, engineer officers or trainee officers. A total of 28 students were attached to Royal Greenland via bachelor's degree or master's internships and projects.

#### Future outlook

Education in Greenland is an important element of our sustainability programme, and we will continue our efforts to upgrade the competence levels of our employees and apprentices, trainees and students.

### Royal Greenland Academy

A large proportion of Royal Greenland's production employees are unskilled. These employees' skills and competences are developed continuously with professional courses offered by educational institutions, or as internal courses held by Royal Greenland Academy. The Academy coordinates such initiatives as "Sulisa+", which will contribute to achieving a good workplace culture, with focus on well-being and job satisfaction.

There are also a number of statutory courses that are administered via Royal Greenland Academy.

#### Risks

Competence and motivation are important aspects of the day-to-day work. Royal Greenland Academy has been active for many years and is still important

Both in Greenland and in other countries where Royal Greenland has processing plants, trainees and apprentices are employed, and a number of students are affiliated through projects in the course of a year.

<sup>5</sup> QAQISA is a cooperation initiative between schools and industry with the aim of motivating lower secondary school leavers to choose a course of education on a qualified basis. Via QAQISA, companies contribute to motivating, helping and guiding the young people who are to be an active part of the workforce.

in building up employees' skills and competences on a broad basis. A lack of skills would present both a financial and professional risk for the company.

#### Opportunities and goals

Royal Greenland Academy gives employees opportunities for professional and personal development via tailored courses.

The Academy offers ambitious training and further educational initiatives to ensure that the Group is always developing skilled new managers, and which motivate individuals to continue to do their best for the company.

#### Our goals for 2022:

- > Completion of "Sulisa+" management development at selected factories and trawlers in Greenland
- > A minimum of 20% of the employees annually attend Royal Greenland Academy courses
- > Courses for local fishermen among Royal Greenland's suppliers in a minimum of five towns

#### Ambitions for 2030:

- > Management development takes place within a fixed system
- > A minimum of 20% of the employees annually attend Royal Greenland Academy courses
- > Courses for local fishermen are a fixed programme as part of Royal Greenland Academy

#### Action and results

In 2021, Royal Greenland Academy was once again challenged by Covid-19 restrictions, which prevented the execution of certain planned courses and resulted in a lower participation rate than in previous years.

Figure 22 shows that the number of participants in Royal Greenland Academy was reduced by around one third, just as there was a decline in both statutory courses and other programmes. Nevertheless, two successful SULISA+ courses were held for 80 employees in Sisimiut and 66 employees in Qasigiannuit.

#### SULISA+

In 2021, we continued with the same SULISA+ concept as in 2019 and 2020. Both managers and employees completed a programme focusing on personal development and trauma therapy. The days were concluded

with work on shared values and teambuilding, where everyone gathered to identify the workplace's values and objectives, such as mutual respect, honesty and high quality.

In 2021, a smaller, simplified version of SULISA+ was tested for Uummannaq's surrounding settlements: Ikerasak, Saattut and Qaarsut. Each settlement attended a one-day course in personal development and trauma therapy. The courses were held locally in the settlements. A total of 29 people attended the settlement courses.

#### QAQISA

In 2021, Royal Greenland continued to be involved in the QAQISA project, which includes CSR Greenland as coordinator and facilitator. QAQISA motivates the oldest pupils in Greenland's primary and lower secondary schools to make a qualified educational choice, in order to strengthen the country's workforce.

The business community contributes by inviting school pupils to workplaces and presenting educational opportunities. In 2021, Royal Greenland was once again represented in the QAQISA steering group and contributed ideas for pupils' visits to the company, e.g. based on input from Royal Greenland's own trainees.

Three steering committee meetings were held in 2021, with evaluations and the project's future on the agenda.

Due to Covid-19, Royal Greenland's processing plants did not have the opportunity to invite school pupils to visit in 2021, but our ambition is to resume the visits in 2022.

#### Boot camp for Royal Greenland's trainees resumed

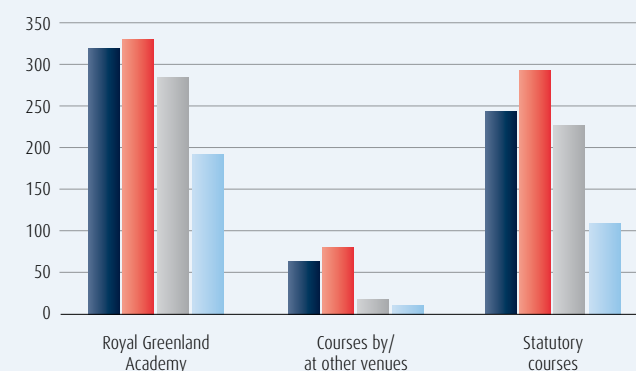
The annual boot camp for Royal Greenland's trainees was cancelled in 2020 due to Covid-19, but was resumed in November 2021.

Boot camp is a physical gathering of Royal Greenland's trainees in Greenland, and its purpose is to create motivation, unity and retention. In addition, trainees acquire both professional and personal tools to manage their respective studies.

Fig. 22: Course activities for Royal Greenland employees, 2018-2021

#### Course activities in Greenland

■ 2018 ■ 2019 ■ 2020 ■ 2021





The boot camp was held on 1-5 November 2021 in Kangerlussuaq, with 14 trainees attending from different coastal locations. The theme of this year's boot camp was personal development, as the main reason for trainees dropping out is personal challenges.

The focus was therefore on the individual trainee's drive and objectives, tools to handle study pressure, strong relationships and, not least, the trainees' input on Royal Greenland's retention and development of trainees.

The content consisted of presentations by members of the HR department's development and training department, teambuilding, group work, individual reflection and social events.

### Internship supervisors in focus

In November 2021, Royal Greenland held its first supervisor course for Royal Greenland employees with trainee responsibility. The purpose was to prepare the individual participants for the role of supervisor and to gather input for a coming supervisor's handbook.

The aim was also to create a network that to a greater extent could exchange ideas with and seek advice from each other, as well as from the training consultant.

A total of 15 internship supervisors participated. The three course days consisted of presentations, group work, discussion of challenges as internship supervisors, discussions and input for initiatives, and external presentations by representatives of educational institutions. In future, the course is expected to be held at least once a year.

### Train the Trainer

Train the Trainer gradually came up and running in July 2021. This took place in Uummannaq, where an employee from catch landing with a crane licence was trained to instruct colleagues in crane operation. The employees who received instruction were issued with a certificate confirming that they could master the crane and operate it on a day-to-day basis.

This was the first step in the Train the Trainer concept, where an existing employee instructs colleagues, instead of sending them on an external course.

The same approach applies to first-aid courses, where two Sisimiut employees will take an extended course in March in order to be able to train others in the future.

### Leadership development

In April 2021, managers and executives from Royal Greenland's head office who attended a leadership

development programme called Siukkaat in 2018/2019 met up in Nuuk for a reunion.

At the reunion, they gave input on how the leadership programme could be further developed. Based on this input, Siukkat has now been launched. Siukkat is a leadership development programme for a total of 15 participants, consisting of selected processing plant managers, technical managers and production managers.

Preparations started in autumn 2021, with completion of the first module in February 2022. The members of the first Siukkat team were selected in cooperation with the operations managers, which will also be the case when the next team starts up in the autumn.

Siukkat runs over 4-5 modules spread over the course of one year. The participants set development goals and experiments, which are constantly followed up, while also focusing on various leadership tools. In addition, the participants establish a network through group work, own follow-up meetings prior to modules, etc.

### Outlook for the coming years

SULISA+ has now been held in Nuuk, Sisimiut, Maniitsoq, Qasigianniguit, Uummannaq and Paamiut. In 2022, Ilulissat and Upernavik will undertake the course, while Paamiut is also planned to take SULISA+ again, as they previously took SULISA+ in Danish.

The concept has since been developed and is now in the Greenlandic language. There will also be follow-up courses for Qasigianniguit, Sisimiut and Uummannaq. We expect to have held SULISA+ for all major processing plants by the end of 2022.

### SDG contribution

Royal Greenland undertakes the ethical responsibility of training and further instructing its employees and holding courses to strengthen individual personal development. Royal Greenland undertakes the responsibility of continuing to train employees throughout their working lives.

SDG targets<sup>6</sup> will contribute to:

*4.3: By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.*

*4.4: By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.*



<sup>6</sup> <https://www.verdensmaalene.dk/maal/4>



<div> <div>  14 LIFE BELOW WATER </div> <div>  12 RESPONSIBLE CONSUMPTION </div> </div> <div>SUSTAINABILITY GOALS</div>						
Sustainable fisheries	2018	2019	2020	2021	Goal 2022	Ambition 2030

Sustainable fisheries and utilisation of resources						
Share of sustainable species, cf. Royal Greenland <sup>1</sup>	77 %	80 %	80 %	86%	>85 %	>95 %
Share of less sustainable species	22 %	20 %	20 %	14%	<15 %	<5 %
Share of critical species	<1 %	0 %	0 %	0%	0 %	0 %
MSC certification of raw materials	52 %	56 %	57 %	61%	60 %	>75 %
Commercialisation of new species from coastal fisheries	-	-	0	0	1	3

Responsible consumption	2018	2019	2020	2021	Goal 2022	Ambition 2030
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Utilisation of resources						
Utilisation of resources, processing plants in Greenland <sup>2</sup>	65 %	67 %	67 %	67 %	-	-
Utilisation of resources, Royal Greenland	-	-	65 %	70 %	80% of RG's marine potential	Full utilisation of RG's marine potential

Energy consumption						
Energy consumption, all production units and trawlers, GWh <sup>3</sup>	239	307	399	400	-	-
Royal Greenland (kWh/tonnes of end-product)	2.693	2.660	3.230	2.904	2300 kWh/t FV	Total reduction of 30% from 2018
Greenland processing plants (kWh/tonnes end-product)	1.560	1.350	1.560	1.631	-	-
Vessels (kWh/tonnes end-product) <sup>4</sup>	6.186	4.316	4.784	4.075	-	-

CO <sub>2</sub> e-emissions						
GHG emissions from vessels, measured in tonnes of CO <sub>2</sub> e/t catch:						
Prawn trawlers, offshore	1,56	1,57	1,66	1,65	-	25% reduction from 2018
Fish trawlers and long-line, offshore	1,36	1,64	1,46	1,23		
Coastal vessels (trawlers, cutters, well boats) <sup>5</sup>	0,61	0,76	0,82	0,48	-	25% reduction from 2018
Pelagic vessels	0,61	0,53	0,46	0,34	-	25% reduction from 2018
Total emissions for Royal Greenland Scope 1, tonnes <sup>5</sup>			101.691.161	106.762.065		
Total emissions for Royal Greenland, Scope 2, tonnes <sup>6</sup>			12.624.621	13.732.682	-	25% reduction from 2018
Total Scope 1 and Scope 2			114.315.782	120.494.747		
Total emissions of GHG, including Scope 3, in Royal Greenland, measured in tonnes of CO <sub>2</sub> equivalents	-	-	Not calculated	Not calculated	Calculation method is determined and status compiled	
Product groups <sup>4</sup> Carbon Footprint <sup>7</sup>	-	-	Method screened in 2020 for iced prawns	Participation in the PEF EU project	Develop and test method	Communication of product groups' carbon footprint and reduction of carbon footprint

Water consumption						
Water consumption, all production units, million m <sup>3</sup>	2,5	2,7	2,8	2,9	-	-
Royal Greenland (m <sup>3</sup> /tonnes end-product)	38	41	48	45	35	Total reduction min. 20% from 2018
Greenland processing plants (m <sup>3</sup> /tonnes end-product)	41	41	49	49	Development of seawater resource	Stable water resource

Plastic, paper, cardboard						
Fish boxes and tubs changed to monomaterials and recycled	Initiated	Subject to planning	Substitution has commenced	Substitution from multilayer to monolayer. Testing of reuse of fish boxes	Full recycling is possible	Full recycling is possible
Fish trawls and nets are processed and recycled	Initiated	During planning	Status quo	Trawl recycling project	Reuse/recycling of most of the trawls and gill nets owned by RG	Full recycling of all trawl and gill nets owned by RG
RG plastic packaging is recyclable <sup>8</sup>	39%	41%	73%	73%	85%	All packaging
Paper and cardboard of FSC fibre			100%	100%	100%	100%

<div> <div>  8 DECENT WORK AND ECONOMIC GROWTH </div> </div> <div>SUSTAINABILITY GOALS</div>						
Healthy working lives	2018	2019	2020	2021	Goal 2022	Ambition 2030

Number of employees						
Royal Greenland in total	2228	2200	2230	2237	-	-
Greenland	1487	1432	1452	1388	-	-
Canada	375	371	450	465	-	-
Denmark	205	199	165	156	-	-
Other coutries	161	198	163	228	-	-
Greenland, in %	67%	65%	63%	62%	-	-
Canada, i %	17%	17%	17%	21%	-	-
Denmark in %	9%	9%	7%	7%	-	-
Other countries, in %	7%	9%	7%	10%	-	-

Diversity						
Board of Directors (w/m)	50%	50%	50%	40% M	50%	50%
Management <sup>9</sup> , the under-represented gender, see the gender equality policy	15%	14%	14%	15%	26%	26%
Management <sup>10</sup> , the under-represented gender	-	27%	26%	26%	26%	-

Working environment						
Physical and psychosocial working environment. Building up and implementing an adapted working environment/environmental management system at Group level	-	Environmental procedure is being compiled	Environmental procedure is being compiled	Environmental/ occupational health and safety management system (OHSMS) being developed	Fully developed system	Fully implemented and functioning OHSMS and EMS
Adjustment of the labour supply to include women, young employees and seniors	Approximately 1/3 of production employees are women	Focus on heavy lifting, for adjustment of the labour supply	Tests have taken place for heavy lifting	Tests have taken place for heavy lifting	Plan adopted for all defined working groups. Min. 40% women at RG's factories in Greenland	Fully implemented procedure
External manpower. Define specifications and targets for recruitment of external employees, including a minimum standard for housing conditions	Recruitment of external manpower in accordance with legislation	Recruitment of external manpower in accordance with legislation	Recruitment of external manpower in accordance with legislation	Policy for migrant employees drawn up	Targets and specifications have been determined and incorporated	Targets and specifications are fully implemented

Employee safety						
Occupational injuries <sup>11</sup> per 100 employees in Greenland	9	9	10	9	Developing and implementing an adapted occupational health and safety management system (OHSMS) and environmental management system (EMS)	Fully implemented and functioning OHSMS and EMS
Occupational injuries <sup>3</sup> per 100 employees, Other countries	9	8	11	8		
Occupational injuries <sup>3</sup> with min. one day of absence per 100 employees, Greenland	5	4	5	4		
Occupational injuries <sup>3</sup> with min. one day of absence per 100 employees, Other countries	2	3	3	3		

Employee satisfaction						
Job satisfaction <sup>12</sup> , score for Royal Greenland in Greenland, max. 100	-	81	-	82	Held every second year	

Anti-corruption						
Anti-corruption training, percentage completed among selected participants <sup>13</sup>	76%	23%	-	Whistleblower system implemented until 2022	Training in 2021. Implementation of whistleblower scheme	

Ethical supply chain management						
Working conditions and environment in the supply chain. Requirement of third-party certification of raw materials, ingredients and packaging suppliers from high-risk countries, as a minimum every second year	Signature on RG's Supplier Code of Conduct. Suppliers from high-risk countries complete a self-assessment	Signature on RG's Supplier Code of Conduct. Suppliers from high-risk countries complete a self-assessment	Signature on RG's Supplier Code of Conduct. Suppliers from high-risk countries complete a self-assessment	Signature on RG's Supplier Code of Conduct. Suppliers from high-risk countries complete a self-assessment	Besides fulfilling RG's supply chain management system, all fish and shellfish suppliers from high-risk countries must be third-party audited	Besides fulfilling RG's supply chain management system, all fish and shellfish suppliers from high-risk countries must be third-party audited
Suppliers from high-risk countries <sup>14</sup> , percentage completed among those selected	100%	96%	100%	100%	100%	100%
Suppliers from medium-risk countries, percentage completed among those selected	100%	98%	79%	85%	95%	100%
Suppliers from low-risk countries, percentage completed among those selected	65%	66%	57%	63%	60%	75%



<div><div><div>4</div><div>QUALITY EDUCATION</div></div><div></div></div> <div>SUSTAINABILITY GOALS</div>						
Education in Greenland	2018	2019	2020	2021	Goal 2022	Ambition 2030
Training and education – Greenland						
RG Academy course participants	321	331	285	192	20% of employees	30% of employees
Number of RG Academy course days	1070	1471	732	863	–	–
Number of RG Academy courses	25	21	15	20	–	–
Course participants, other colleges	63	80	17	10	–	–
Number of course days, other colleges	194	620	405	22	–	–
Number of courses, other colleges	5	11	4	3	–	–
Course participants, statutory courses	329	2174	107	109	cf. legislation	cf. legislation
Number of course days, statutory courses	351	294	374	267	–	–
Number of courses, statutory courses	34	22	13	12	–	–
Number of seafarers on statutory courses	32	188	14	–	–	–
<i>Sulisa+</i> management development at selected factories and trawlers in Greenland	Initiated	Three large processing plants	Three large processing plants	Two large processing plants	Performed at selected processing plants	Leadership development in a fixed system
<i>Qaqisa</i> lower secondary school exchange programme at all factories and facilities in Greenland	Planning together with CSR Greenland and other companies	Qaqisa in Royal Greenland is subject to planning	Qaqisa completed	Qaqisa was not held, due to Covid-19 restrictions	Qasisa as inspiration for young people's interest in education implemented	Qaqisa is a stand-ard programme for young people
Courses for local fishermen in Greenland as suppliers	Not commenced	Not commenced	Not commenced	Not commenced	Commenced in min. 5 towns	Part of RGA
Apprentices/trainees and students						
Royal Greenland, number of apprentices and trainees	48	47	48	72	>50	>50
Greenland, number of apprentices and trainees	41	41	39	64	50	50
Greenland, attached students taking higher vocational education in Greenland	–	–	25	28	–	–
Royal Greenland, attached students	21	14	16	9	–	–

<sup>1</sup> Royal Greenland's assessment is based on assessment of the stock, fishing method and management.

<sup>2</sup> Resource utilisation is calculated as the difference between intake of raw materials and output of end-product. Cooking and dripping losses have not been taken into account.

<sup>3</sup> In 2019, 2020 incl. ocean-going and coastal vessels owned by RG and associated companies under RG's management (kWh/tonne catch)

<sup>4</sup> In 2019, 2020 incl. ocean-going and coastal vessels owned by RG and associated companies under RG's management (kWh/tonne catch)

<sup>5</sup> The English DEFRA database is used as the calculation basis.

<sup>6</sup> All departments of the organisation are included in the calculation. Publicly recognised databases are used (UK DEFRA 2020) as a basis for calculating CO<sub>2</sub>.

<sup>7</sup> Iced prawn product screened according to several methods, including ISO14067, PAS2050 and PEF.

<sup>8</sup> Monomaterials can be recirculated.

<sup>9</sup> Percentage of the under-represented gender (women) in the management, as defined in the policy (in addition to the Board of Directors).

<sup>10</sup> Percentage of the under-represented gender (women) in the top four management levels (in addition to the Board of Directors).

<sup>11</sup> Definition: A sudden, unexpected adverse event that results in the registration of personal injury, calculated per 100 employees.

<sup>12</sup> The employee satisfaction survey is conducted by an external analysis agency.

<sup>13</sup> Anti-corruption training takes place as e-learning.

<sup>14</sup> Suppliers in the system are included when their deliveries in annual terms exceed a fixed minimum level.

## Notes to the overview of key figures

Below is an overview of the results for 2018 to 2021, as well as goals for 2022 and ambitions for 2030. A large proportion of the results are presented in the section charts.

Calculations are based on data collected across the Group's processing plants and vessels. A brief description of the calculation methods is given below.

**Sustainable fisheries and new species**  
Every year, documentation is collected for fished, landed and purchased raw materials and end-products. The volumes for each type of fishing are converted to whole fish or shellfish, to facilitate year-by-year comparison.

The internal Royal Greenland assessment is based on an assessment of the stock, fishing method and management, and the total volume is divided into three sustainability categories. The same information is used to calculate the percentage of certified raw materials.

**Utilisation of resources**  
Resource utilisation is calculated as the difference between intake of raw materials and output of end-products from the Group's processing plants. Cooking and dripping losses are not taken into account. Since full utilisation of all raw materials cannot be expected, this year's section includes a calculation of the potential marine yield.

**Energy consumption**  
Energy consumption is calculated for the Group's processing plants and vessels that are 100% owned and affiliated with Royal Greenland. Vessels include ocean-going vessels, well boats and cutters. Sales offices are not included in the calculation of kWh/tonnes of end-product.

**CO<sub>2</sub> equivalent emission**  
Calculation of total Scope 1 and 2 emissions is based on the Greenhouse Gas Protocol and all activities in Royal Greenland are included, including sales offices, company cars and company-owned homes. The calculation is based on the English DEFRA 2020 database, as the basis for the calculation, and the actual emissions from Nukissiorfiit (Greenland's Energy Supply).

The calculation of the vessels' CO<sub>2</sub>e emissions is per tonne of catch, since the degree of processing is not included in the assessment of the vessels' fishing efficiency.

**Carbon footprint**  
In 2020, the iced prawns product was screened by a master's student on the basis of several methods, namely ISO14067, PAS2050 and PEF.

**Water consumption**  
Water consumption is calculated for the same systems for which energy consumption is calculated.

**Plastic, cardboard and paper**  
Calculation of the recyclability of the plastic materials is based on the total purchase in the year and changed to weight, after which the recyclable percentage is calculated.

**Employees**  
The number of employees is calculated locally in the different main departments and converted to full-time equivalents (FTE). Temporary employees are only included in the calculation of the injury frequency.

**Diversity**  
Calculation of the Supervisory Board's gender composition is based on elected members. This means that employee representatives are not included in the calculation.

The calculation of the under-represented gender, cf. the policy, is based on three levels below the Supervisory Board. This includes the Executive Board, executive directors, skippers and Group function managers.

The third calculation includes all managers, with the exception of officers on the vessels.

**Occupational health and safety**  
The number of occupational injuries is calculated for each processing plant separately, and the number is aggregated for the Greenlandic processing plants, vessels and head office, as well as other plants. The occupational injury frequency is calculated per 100 FTE for reported injuries and for injuries with at least one day's absence.

**Employee satisfaction**  
The employee satisfaction survey is conducted every two years by an external analysis company in Greenland. Several companies use the same questionnaire and the results can therefore be benchmarked against other Greenlandic companies.

**Anti-corruption**  
Anti-corruption training is conducted as e-learning for selected employees. The percentage is calculated on the basis of the selected number of employees.

**Supply chain management**  
Suppliers are divided into three categories and the documentation requirement is adjusted accordingly, which means that the requirements for suppliers from high-risk countries are more stringent. Suppliers are included in the system when their deliveries exceed a fixed minimum level in annual terms.

**Training and education**  
The number of Royal Greenland Academy course participants is the number of participants attending the specified number of courses. The number of course days is a calculation of all completed course days.

**Apprentices, trainees and students**  
The figures include all the apprentices, trainees and students who attended a training programme in cooperation with Royal Greenland.





## INCOME STATEMENT

	Note	Group		Parent	
		2021 DKK 1,000	2020 DKK 1,000	2021 DKK 1,000	2020 DKK 1,000
Revenue	2	5,638,063	4,848,640	2,674,049	2,609,681
Change in inventories of finished goods		(107,784)	(148,732)	(48,924)	(19,983)
Other operating income	3	102,386	50,996	64,176	37,820
		<b>5,632,665</b>	<b>4,750,904</b>	<b>2,689,301</b>	<b>2,627,518</b>
Costs of raw materials and consumables		(3,089,937)	(2,703,090)	(1,366,446)	(1,553,151)
Other external expenses		(933,891)	(867,061)	(566,944)	(517,119)
Staff costs	4	(1,084,309)	(1,043,125)	(665,645)	(678,637)
Depreciation, amortisation and impairment losses	5	(213,981)	(167,090)	(127,251)	(107,405)
Other operating costs		(1,702)	(15,150)	(136)	(526)
<b>Operating profit</b>		<b>308,845</b>	<b>(44,612)</b>	<b>(37,121)</b>	<b>(229,320)</b>
Profit/loss from investments in group enterprises after tax		0	0	254,976	84,305
Profit/loss from investments in associates after tax		35,187	29,820	17,701	26,823
Financial income	6	63,219	45,036	23,150	23,654
Financial expenses	7	(81,323)	(89,438)	(43,820)	(38,357)
<b>Profit before tax</b>		<b>325,928</b>	<b>(59,194)</b>	<b>214,886</b>	<b>(132,895)</b>
Tax on profit	8	(68,999)	2,622	10,870	40,463
<b>Profit for the year</b>		<b>256,929</b>	<b>(56,572)</b>	<b>225,756</b>	<b>(92,432)</b>
The Group's profit is distributed as follows:					
Shareholders of Royal Greenland A/S		225,756	(92,432)		
Minority interests		31,173	35,860		
		<b>256,929</b>	<b>(56,572)</b>		
Proposed distribution of profit:					
Proposed dividend				112,878	60,000
Reserves according to the equity method				81,007	0
Retained earnings				31,871	(152,432)
				<b>225,756</b>	<b>(92,432)</b>



ASSETS

	Note	Group		Parent	
		31.12.21 DKK 1,000	31.12.20 DKK 1,000	31.12.21 DKK 1,000	31.12.20 DKK 1,000
Intangible assets	9	159,505	193,691	37,548	41,618
Buildings		434,582	395,368	260,553	236,704
Plant and machinery		258,626	247,597	105,784	121,740
Vessels		1,335,036	986,865	924,930	782,469
Other fixtures and fittings, tools and equipment		23,532	21,036	16,160	15,290
Fixed assets in progress		53,858	319,807	38,226	67,999
Property, plant and equipment	10	2,105,634	1,970,673	1,345,653	1,224,202
Investments in group enterprises	11	0	0	2,119,831	1,842,661
Receivables from Group enterprises	12	0	0	120,379	38,015
Investments in associates	11	229,870	197,915	46,018	36,862
Receivables from associates	12	113,447	41,487	4,370	5,436
Derivative financial instruments		131,328	112,434	131,327	112,434
Other fixed asset investments	13	292,827	215,840	74,584	79,039
Fixed asset investments		767,472	567,676	2,496,509	2,114,447
FIXED ASSETS		3,032,611	2,732,040	3,879,710	3,380,267
Inventories	14	1,459,618	1,572,089	664,336	711,121
Trade receivables		905,495	804,370	15,119	7,703
Receivables from Group enterprises		0	0	251,235	457,646
Receivables from associates		9,684	345	517	0
Other receivables	15	54,618	51,792	4,028	6,177
Deferred tax assets	17	94,098	88,305	0	0
Income tax receivable		3,623	3,985	0	0
Prepayments	16	16,556	6,438	9,393	1,999
Receivables		1,084,074	955,235	280,292	473,525
Cash		188,391	170,343	52,168	16,663
CURRENT ASSETS		2,732,083	2,697,667	996,796	1,201,309
ASSETS		5,764,694	5,429,707	4,876,506	4,581,576

EQUITY AND LIABILITIES

	Note	Group		Parent	
		31.12.21 DKK 1,000	31.12.20 DKK 1,000	31.12.21 DKK 1,000	31.12.20 DKK 1,000
Share capital		850,000	850,000	850,000	850,000
Reserve for net revaluation under the equity method		0	0	81,007	0
Retained earnings		834,544	673,758	753,537	673,758
Proposed dividend		112,878	60,000	112,878	60,000
Shareholders of Royal Greenland A/S' share of equity		1,797,422	1,583,758	1,797,422	1,583,758
Minority interests		213,184	196,635	0	0
TOTAL EQUITY		2,010,606	1,780,393	1,797,422	1,583,758
Deferred tax	17	79,887	111,044	26,227	58,644
Other provisions	18	10,128	8,910	445	177
PROVISIONS		90,015	119,954	26,672	58,821
Other credit institutions		1,895,410	2,328,987	1,824,415	2,250,879
Other long-term debt		0	9,584	0	6,516
Derivative financial instruments		0	29,852	0	29,852
Long-term liabilities other than provisions	19	1,895,410	2,368,423	1,824,415	2,287,247
Short-term portion of long-term liabilities other than provisions		493,403	86,546	482,949	76,904
Credit institutions		213,366	260,343	99,978	108,917
Trade payables		502,409	468,884	151,802	129,968
Payables to Group enterprises		0	0	140,587	144,642
Payables to associates		137,754	32,551	136,243	32,551
Income taxes	8	53,516	52,838	0	0
Other payables	20	358,615	253,574	216,438	158,323
Deferred income		9,600	6,201	0	445
Short-term liabilities other than provisions		1,768,663	1,160,937	1,227,997	651,750
LIABILITIES OTHER THAN PROVISIONS		3,664,073	3,529,360	3,052,412	2,938,997
EQUITY AND LIABILITIES		5,764,694	5,429,707	4,876,506	4,581,576
Accounting policies	1				
Mortgages and contingent liabilities	21				
Other notes	22-25				



STATEMENT OF CHANGES  
IN EQUITY – GROUP

	Share capital DKK 1,000	Retained earnings DKK 1,000	Proposed dividend DKK 1,000	Total DKK 1,000	Minority interests DKK 1,000	Equity in total DKK 1,000
Equity at 31 December 2019	850,000	864,639	0	1,714,639	173,218	1,887,857
Addition	0	0	0	0	5,877	5,877
Exchange rate adjustment	0	(50,756)	0	(50,756)	11	(50,745)
Fair value adjustments recognised in equity	0	19,166	0	19,166	0	19,166
Tax, fair value adjustments	0	(6,859)	0	(6,859)	0	(6,859)
Paid dividend	0	0	0	0	(18,331)	(18,331)
Net profit for the year	0	(152,432)	60,000	(92,432)	35,860	(56,572)
<b>Equity at 31 December 2020</b>	<b>850,000</b>	<b>673,758</b>	<b>60,000</b>	<b>1,583,758</b>	<b>196,635</b>	<b>1,780,393</b>
Addition	0	0	0	0	1,752	1,752
Exchange rate adjustment	0	52,516	0	52,516	474	52,990
Fair value adjustments recognised in equity	0	(6,462)	0	(6,462)	0	(6,462)
Tax, fair value adjustments	0	1,854	0	1,854	0	1,854
Paid dividend	0	0	(60,000)	(60,000)	(16,850)	(76,850)
Net profit for the year	0	112,878	112,878	225,756	31,173	256,929
<b>Equity at 31 December 2021</b>	<b>850,000</b>	<b>834,544</b>	<b>112,878</b>	<b>1,797,422</b>	<b>213,184</b>	<b>2,010,606</b>

STATEMENT OF CHANGES  
IN EQUITY – PARENT

	Share capital DKK 1,000	Reserve under the equity method DKK 1,000	Retained earnings DKK 1,000	Proposed dividend DKK 1,000	Total DKK 1,000
Equity at 31 December 2019	850,000	0	864,639	0	1,714,639
Exchange rate adjustment	0	0	(50,756)	0	(50,756)
Fair value adjustments recognised in equity	0	0	19,166	0	19,166
Tax, fair value adjustments	0	0	(6,859)	0	(6,859)
Paid dividend	0	0	0	0	0
Net profit for the year	0	0	(152,432)	60,000	(92,432)
<b>Equity at 31 December 2020</b>	<b>850,000</b>	<b>0</b>	<b>673,758</b>	<b>60,000</b>	<b>1,583,758</b>
Exchange rate adjustment	0	0	52,516	0	52,516
Fair value adjustments recognised in equity	0	0	(6,462)	0	(6,462)
Tax, fair value adjustments	0	0	1,854	0	1,854
Paid dividend	0	0	0	(60,000)	(60,000)
Net profit for the year	0	81,007	31,871	112,878	225,756
<b>Equity at 31 December 2021</b>	<b>850,000</b>	<b>81,007</b>	<b>753,537</b>	<b>112,878</b>	<b>1,797,422</b>

The company’s share capital consists of 850,000 shares of DKK 1,000 or multiples thereof. The share capital is not divided into classes. No changes have been made to the share capital in the last five years.

CONSOLIDATED CASH FLOW STATEMENT

	Note	2021 DKK 1,000	2020 DKK 1,000
Net profit for the year		256,929	(56,572)
Adjustments relating to net profit for the year	26	228,501	177,165
Working capital changes	27	161,426	72,755
Cash flows from operating activities before net financials		646,856	193,348
Ingoing payments relating to financial items		48,070	17,462
Outgoing payments relating to financial items		(51,974)	(77,220)
Cash flows from ordinary activities		642,952	133,590
Paid taxes		(108,546)	(88,623)
<b>Cash flows from operating activities</b>		<b>534,406</b>	<b>44,967</b>
Purchase of intangible assets and property, plant and equipment		(366,364)	(315,754)
Purchase of shares in associates		(1,603)	(20,197)
Purchase of other fixed asset investments		(119,668)	(46,551)
Sale of intangible assets and property, plant and equipment		114,963	55,614
Sale of other fixed asset investments		52,128	60,484
Dividends received from associates		9,503	28,726
<b>Cash flows from investing activities</b>		<b>(311,041)</b>	<b>(237,678)</b>
Proceeds from obtaining/(instalments on) long-term liabilities		(83,242)	5,451
Debt displacement on credit facilities		(46,977)	62,413
Paid dividend		(60,000)	0
Sale to/supply of capital from minority interests		1,752	5,877
Dividends paid during the year to minority interests		(16,850)	(18,331)
<b>Cash flows from financing activities</b>		<b>(205,317)</b>	<b>55,410</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>18,048</b>	<b>(137,301)</b>
Cash and cash equivalents, beginning of year		170,343	307,644
<b>Cash and cash equivalents, end of year</b>	<b>28</b>	<b>188,391</b>	<b>170,343</b>



1. Accounting policies

General

The Annual Report for Royal Greenland A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act for state-owned public limited companies in accounting class D.

The accounting policies applied remain unchanged from last year.

Consolidation

The consolidated financial statements comprise Royal Greenland A/S (the parent company) and the associated companies (subsidiaries), in which the parent company directly or indirectly owns more than 50% of the voting rights or otherwise has a controlling interest. Companies in which the Group has a significant influence, but not a controlling interest, are considered to be associates. The Group summary is presented on page 91.

The consolidated financial statements are prepared as a consolidation of the parent company's and the individual subsidiaries' audited financial statements, which are all presented in accordance with the Group's accounting policies. All intra-Group receivables and debt, income and expenses, dividends and unrealised intra-Group gains and losses are eliminated, together with set-off of all internal shareholdings.

Subsidiaries' accounting items are recognised 100% in the consolidated financial statements. Minority interests' share of the profit or loss for the year and of the equity of subsidiaries that are not wholly owned are included in the Group's profit or loss and equity, but are presented separately. Purchase and sale of minority interests subject to a continuing controlling influence are recognised directly to equity as a transaction between capital owners.

Business combinations

Newly acquired or established companies are included in the Group financial statements from the time of takeover. Sold or liquidated companies are included in the consolidated statement of income up until the time of disposal.

Comparative figures are not adjusted for newly acquired companies. Discontinued activities are presented separately, cf. below.

The acquisition date is the date on which the Group actually achieves control of the acquired company.

On the acquisition of new companies in which the parent company achieves a controlling interest, the purchase method is used, after which the newly acquired companies' identifiable assets and liabilities are measured at fair value at the time of takeover.

Any positive difference (goodwill) between the cost price, the value of minority interests in the acquired company, and the fair value of any capital interests previously acquired, on the one hand; and the fair value of the identifiable assets, liabilities and contingent liabilities acquired, on the other hand, is recognised as

goodwill under intangible assets. Goodwill is written off on a linear basis in the income statement, according to an individual assessment of useful life.

Costs incurred in conjunction with company acquisitions are recognised in the income statement in the year in which they are incurred.

Gain or loss from the transfer or disposal of subsidiaries is calculated as the difference between the sales sum or the disposal proceeds and the carrying amount of the net assets at the time of transfer or disposal, including unamortised goodwill, earlier price adjustments and anticipated costs of the sale or disposal. Gains and losses are included in the income statement.

Intra-group business combinations

For business combinations such as purchase and sale of capital interests, mergers, demergers, contribution of assets and share swaps, etc. on participation in activities subject to the parent company's controlling influence, the book value method is applied whereby the combination is deemed to have taken place as of the acquisition date, without adjustment of comparative figures. Differences between the agreed remuneration and the acquired company's carrying amount are recognised directly to equity.

Minority interests

On calculating consolidated income and consolidated equity, the minority interests' proportionate share of the subsidiaries' profits and equity is stated separately.

Foreign currency translation

Transactions in foreign currency are initially translated at the exchange rate on the transaction date. Receivables, debts and other monetary items in foreign currency that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. Any differences in exchange rates that occur between the rate on the transaction date and the rate on the payment date or balance sheet date, respectively, are included in the income statement as financial items.

The income statements of foreign subsidiaries and associates are translated into Danish kroner at the average exchange rate for the year, while the balance sheets are translated at the exchange rate on the balance sheet date. Exchange rate differences arising from the translation of the foreign subsidiaries' equity at the beginning of the year at the exchange rate on the balance sheet date are included directly in equity. The same applies to any exchange rate differences arising as a result of translation of the income statement from the average exchange rate for the year to the exchange rate on the balance sheet date.

Derivative financial instruments

Derivative financial instruments are measured initially in the balance sheet at cost price and subsequently at fair value. Derivative financial instruments are included in the balance sheet under fixed asset investments and long-term liabilities.

Changes in the fair value of derivative financial instruments that are classified as and fulfil the conditions for hedging of a recognised asset or a recognised liability are included in the income statement under financial items together with any changes in the value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments that are classified as and fulfil the conditions for hedging of future transactions are included directly in equity. Once the hedged transactions are realised, the accumulated changes are included in the relevant account entries.

If derivative financial instruments do not fulfil the conditions for processing as hedging instruments, the changes to the fair value are included on an ongoing basis in the income statement as financial items.

Statement of income

Revenue

The company has chosen IAS 11/IAS 18 as the interpretation basis for revenue recognition.

Net revenue is measured as the fair value of the agreed remuneration, excluding VAT and taxes collected on behalf of third parties. All types of discounts given are recognised in net revenue.

Income from the sale of commodities and finished goods is included in the net revenue once the transfer of significant benefits and risks to the buyer has taken place, the income can be reliably compiled and payment is expected to have been received. The date of transfer of significant benefits and risks is in accordance with standardised delivery terms, based on Incoterms® 2010. In cases where sold items are continuously delivered and integrated with the buyer's property, revenue is recognised in net revenue in step with delivery, whereby the net revenue corresponds to the sales value of the work performed during the year.

Other operating income and operating costs

Other operating income and operating costs cover income and costs of a secondary nature seen in relation to the Group's primary operations.

Research and development costs

Research and development costs cover costs, including remuneration and amortisation, that can be attributed to research and development activities.

Research costs are included in the income statement for the year in which they were incurred.

Development costs incurred for the maintenance and optimisation of existing products or production processes are charged as an expense. Costs for the development of new products are included in the income statement, unless the criteria for inclusion in the balance sheet have been fulfilled for the individual development project.

Financial items

Financial items cover interest income and interest costs, the interest share of financial leasing services, realised and unrealised exchange rate gains and losses in regard

to any securities, liabilities and transactions in foreign currency, amortisation supplements/deductions in regard to mortgage debt, cash discounts etc., as well as supplements and allowances in accordance with the on-account tax scheme.

Tax

The year's tax, which comprises the current tax for the year and any amendments to deferred tax, is included in the income statement as the share that can be attributed to the profit or loss for the year, and directly in equity as the share that can be attributed to items posted directly to equity. The share of the recognised tax that relates to the year's extraordinary profits is recognised here, while the remaining share is included in the year's ordinary profits.

Income tax payable or receivable and current tax receivables, respectively, are recognised in the balance sheet as tax calculated on the year's taxable income, adjusted for tax paid on account.

Deferred tax is recognised and measured according to the balance sheet liability method on all temporary differences between the carrying and taxable values of assets and liabilities, whereby the taxable value of the assets is calculated on the basis of the planned use of the individual asset. No deferred tax is allocated for shares in subsidiaries. Deferred tax is measured on the basis of the tax regulations and rates in the respective countries that will be applicable on the balance sheet date when the deferred tax is expected to be released as current tax. Any changes in deferred tax as a result of changes in tax rates are recognised in the income statement.

Deferred tax assets, including the tax value of any tax loss carryforwards, are recognised in the balance sheet at the value at which the asset is expected to be realised, by offsetting deferred tax liabilities or as net tax assets.

Balance sheet

Intangible assets

The value of goodwill, quotas and other intangible fixed assets is in real terms kept intact for an indefinite period, but is written off over a period of up to 20 years in accordance with the Greenlandic Financial Statements Act.

Goodwill and Group goodwill

Goodwill is amortised linearly over its assessed useful lifetime, which is determined on the basis of the management's experience within the individual business areas. The amortisation period normally constitutes 5 years, but may be longer for strategic acquisitions with a strong market position and long-term earnings profile, should the longer amortisation period be assessed to better reflect the Group's utilisation of the relevant resources.

The carrying amount of goodwill is assessed regularly and reduced to the lower recoverable amount in the income statement should the carrying amount exceed the expected future net income from the company or operations to which the goodwill is related.



Quotas, IT and licences  
Acquired intellectual property rights in the form of quotas, IT and licences are measured at cost price with deduction of accumulated amortisation. Amortisation occurs linearly over 3-10 years. The acquired intellectual property rights are written down to the recoverable amount should this be lower than the carrying amount.

Development projects  
Development projects cover costs, salaries and remuneration, as well as amortisation, that can be linked directly or indirectly to the company's development activities and which fulfil the criteria for recognition in the balance sheet.

Capitalised development costs are measured at cost price minus accumulated amortisation, or at the recoverable amount, should this be lower.

Capitalised development projects are amortised linearly after completion of the development activities over the assessed useful economic lifetime. The amortisation period normally constitutes 3-10 years.

Other intangible fixed assets  
Other intangible fixed assets concern commercial agreements and are measured at cost price with deduction of accumulated amortisation. The lifetime is considered to be indefinite, so that amortisation takes place on a linear basis over 20 years. The acquired intellectual property rights are written down to the recoverable amount should this be lower than the carrying amount.

**Property, plant and equipment**  
Land and buildings, vessels, technical facilities and machinery, as well as other plant, operating equipment and fixtures, are measured at cost price minus the accumulated depreciation and impairment losses. Land is not written off.

The cost price concerns the purchase price and any costs directly attached to the purchase, as well as the costs of preparing the asset until the time when the asset is ready to be taken into use. For own-produced assets, the cost price covers direct and indirect costs of materials, components, suppliers and salaries.

Interest costs on loans to finance the manufacture of property, plant and equipment are included in the cost price providing that they relate to the manufacturing period. All other financing costs are included in the income statement.

The depreciation period and residual value are determined at the time of purchase and reassessed annually. Should the residual value exceed the carrying amount of the asset, depreciation is discontinued.

The depreciation base is the cost price minus the expected residual value after the useful lifetime. Linear depreciation is based on the following assessment of the expected useful lives of the assets:

Buildings	10 - 50 years
Vessels	7 - 16 years

Production facilities that are included in the financial entry “vessels”	5 - 10 years
Production facilities and machinery	5 - 20 years
Other facilities, operating equipment and fixtures	3 - 5 years

Property, plant and equipment is written down to the recoverable amount should this be lower than the carrying amount.

Gains and losses on the disposal of property, plant and equipment are calculated as the difference between the sales price minus the sales costs and the carrying amount at the time of sale. Gains are recognised in the income statement under other operating income, while losses are recognised in the income statement under other operating costs.

**Lease contracts**  
The company has chosen IAS 17 as the interpretation basis for the classification and recognition of lease contracts.

On initial recognition in the balance sheet, lease contracts concerning assets, where the company carries all significant risks and benefits associated with the right of ownership (financial leasing), are measured at the lower of fair value and current value of the future leasing payments. The current value is calculated at the internal interest rate in the lease agreement, or the alternative borrowing rate as the discounting factor. Financial leased assets are thereafter treated in the same way as the company's other assets.

The capitalised residual leasing obligation is recognised as a liability in the balance sheet, and the interest element of the leasing payment is recognised in the income statement over the lifetime of the contract.

All other lease contracts are considered operational leasing. Payments related to operational leasing and other lease agreements are recognised in the income statement during the lifetime of the contract. The company's total obligation concerning operational leasing and lease agreements is disclosed under contingent items, etc.

**Fixed asset investments**  
Investments in subsidiaries and associates  
Investments in subsidiaries and associated companies are measured in the parent company's annual financial statements, according to the equity method. The company considers the equity method for subsidiaries to be a consolidation method.

On initial recognition, investments in subsidiaries are measured at cost, cf. the description under accounting policies applied concerning the consolidated financial statements, i.e. without addition of transaction costs.

On initial recognition, investments in associated companies are measured at cost including transaction costs.

The cost price is allocated according to the acquisition method, cf. the aforementioned accounting policy concerning the consolidated accounts. The cost price is

adjusted by the profit shares after tax, compiled according to the consolidated accounting policy with deduction or addition of unrealised intra-Group profit/loss.

Actual added value and any goodwill in relation to the equity value of the underlying company is amortised in accordance with the accounting policy applied to the consolidated accounts. Negative goodwill is recognised in the income statement.

Dividend received is deducted from the carrying value.

Investments in subsidiaries and associated companies that are measured at equity value are subject to an impairment test requirement, if there are indications of impairment.

The parent company's share of the company's profits is included in the income statement after the elimination of any unrealised intra-Group gains and losses and with the deduction or addition of amortisation of Group goodwill or negative Group goodwill, respectively.

Subsidiaries and associates with a negative equity value are measured at DKK 0, and any receivables in these companies are reduced by the parent company's share of the negative equity value, to the extent that this is assessed to be irrecoverable. Should the negative equity value exceed the receivable, the remaining amount is included under provisions, to the extent that the parent company has a legal or constructive obligation to cover the relevant company's liabilities.

Net revaluation of investments in subsidiaries and associates is transferred to the reserve for net revaluation of investments to the extent that the carrying amount exceeds the cost price.

Other fixed asset investments  
Other fixed asset investments primarily concern long-term receivables and unlisted investments.

Investments and receivables that are not held until maturity are measured upon acquisition at cost price and subsequently at fair value. Should it not be possible to reliably determine the fair value, they are measured at cost price.

Receivables that are held until maturity are measured upon acquisition at cost price and subsequently at amortised cost price.

Any depreciation to a lower value takes place with due consideration of an individual assessment of the risk of loss.

**Inventories**  
Inventories of consumables are measured at cost price, calculated according to weighted average prices, or at net realisable value, should this be lower.

The inventory of consumables includes packaging, operating supplies and fishing boxes.

The inventory of fishing boxes is measured at a fixed amount. Additional purchases are expensed on an ongoing basis. Other inventories of consumables are measured at cost price, calculated according to the FIFO method, or at net realisable value, should this be lower.

Inventory that falls under manufacture or end products, including end products produced onboard own trawlers, are measured at cost price, calculated according to weighted average prices, or at net realisable value, should this be lower. The cost price covers the costs of the raw materials, consumables and direct salaries, as well as any indirect production costs. Indirect production costs are allocated on the basis of the individual production units' normal capacity. Indirect production costs cover indirect materials and salaries, the costs of maintenance, depreciation and impairment of the trawlers used in the production process, processing plant buildings, machinery and equipment, as well as the costs of factory administration and management.

**Receivables**  
Receivables are measured at amortised cost price, which normally corresponds to the nominal value minus a reduction to accommodate any anticipated loss.

**Accruals**  
Accruals included under assets cover costs incurred in regard to the subsequent financial year. Accruals are measured at amortised cost price, which normally corresponds to the nominal value.

**Equity**  
Dividends are recognised as a liability at the time of adoption at the Annual General Meeting. The proposed dividends for the financial year are listed as a separate entry under equity.

**Provisions**  
Provisions are recognised when the Group, as a result of an event before or on the balance sheet date, has a legal or constructive obligation, and it is likely that there may be financial gains from settling the obligation.

Provisions with an expected maturity beyond one year from the balance sheet date are discounted using a market-based interest rate.

**Liabilities**  
Financial liabilities  
Financial liabilities are measured at the time of borrowing at cost price, corresponding to the proceeds received minus incurred transaction costs. The liability is subsequently measured at the amortised cost price corresponding to the capitalised value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the income statement over the loan period.

Provided that a financial liability is effectively hedged by a derivative financial instrument, the financial liability is measured at fair value, and any changes to the fair value are recognised in the income statement under financial items together with any changes in the fair value of the derivative financial instrument.

Other financial liabilities  
Other financial liabilities are recognised at amortised cost price, which normally corresponds to the nominal value.



**Accruals**  
Accruals recognised under liabilities cover income received for recognition in subsequent financial years. Accruals are measured at amortised cost price, which normally corresponds to the nominal value.

Cash flow statement

The cash flow statement for the Group is presented according to the indirect method and shows the cash flows in regard to operations, investments and financing, as well as the Group's liquid assets at the beginning and end of the year. A separate cash flow statement has not been prepared for the parent company, as this is included in the cash flow statement for the Group.

The liquidity effect of the purchase and sale of new businesses is shown separately under cash flows relating to investment activities. Cash flow from acquired companies is recognised in the cash flow statement from the acquisition date, while cash flow from sold companies is recognised up until the time of sale.

Cash flow from operating activities is calculated as the operating profit adjusted for non-cash operating items, changes in working capital and paid corporate income tax.

Cash flow from investment activities covers payments in connection with the purchase and sale of companies and activities, as well as the purchase and sale of intangible assets, property, plant and equipment, and fixed asset investments.

Cash flow from financial activities covers changes in the size or composition of the Group's share capital and any related costs, as well as any borrowing, repayment of interest-bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash and short-term securities with insignificant price risk.

Segment information

The Group's primary segment comprises the business segment, while the secondary segment is geographical markets.

**The Group's primary segment**  
The Group's primary segment is reported on the basis of the internal reporting to the Group management and is distributed on retail, foodservice, industry and others.

**The Group's secondary segment**  
The Group's secondary segment is the geographical markets and is distributed on Scandinavia, Europe, Asia, North America and other markets, respectively.

Financial highlights

The key figure 'net interest-bearing debt' is obtained after offsetting derivative financial instruments with a positive value. On calculating the equity ratio and net interest-bearing debt/EBITDA, derivative financial instruments with a positive value are offset in both the total assets and the net interest-bearing debt. On calculating the return on equity, Royal Greenland's shareholders' share of the profit for the year is used. On calculating the equity ratio, Royal Greenland's shareholders' share of equity is used.

As the 2015/16 financial year covers 15 months, the financial year's figures from the income statement are calculated proportionally for 12 months to the extent they are included in the calculation of key figures.



EBIT margin	=	$\frac{\text{Profit from primary operations, including associated companies}}{\text{Net revenue}} \times 100$
EBT margin	=	$\frac{\text{EBT} \times 100}{\text{Net revenue}}$
ROIC including goodwill	=	$\frac{\text{EBITA} \times 100}{\text{Average invested capital including goodwill}}$
Return on equity (ROE)	=	$\frac{\text{Net profit/loss for the year} \times 100}{\text{Average equity}}$
Equity ratio	=	$\frac{\text{Equity} \times 100}{\text{Balance sheet total}}$
Net interest-bearing debt / EBITDA	=	$\frac{\text{Net interest-bearing debt}}{\text{EBITDA including associated companies}}$



NOTES TO THE FINANCIAL STATEMENTS

2	Group		Parent	
	2021 DKK 1,000	2020 DKK 1,000	2021 DKK 1,000	2020 DKK 1,000
Net revenue – Geographical markets				
Scandinavia	1,106,712	1,103,434	–	–
Europe	1,515,594	1,437,800	2,393,265	2,354,473
Asia	1,589,346	1,482,222	–	–
North America	1,287,242	693,703	–	–
Other markets	139,169	131,481	280,784	255,208
	<b>5,638,063</b>	<b>4,848,640</b>	<b>2,674,049</b>	<b>2,609,681</b>
Business segments				
Retail	1,372,343	1,684,653		
Food service	755,584	799,406		
Industry	3,477,332	2,330,644		
Other	32,804	33,937		
	<b>5,638,063</b>	<b>4,848,640</b>		
3 Other operating income				
Management fees	4,068	2,750	3,915	12,987
Rental income	5,542	6,218	4,957	5,272
Sale of annual quota	26,871	12,276	23,871	17,276
Profit on sale of fixed assets	36,706	7,588	30,689	1,493
Grants received	3,598	9,829	0	0
Other operating income	25,601	12,335	744	792
	<b>102,386</b>	<b>50,996</b>	<b>64,176</b>	<b>37,820</b>
4 Staff costs				
The total amount of wages and salaries, etc. is specified as follows:				
Salaries and wages	957,879	915,597	594,171	600,006
Pension contributions and other social costs	48,650	53,585	37,974	42,119
Other staff costs	77,780	73,943	33,500	36,512
	<b>1,084,309</b>	<b>1,043,125</b>	<b>665,645</b>	<b>678,637</b>
Average number of employees	2,237	2,230	1,388	1,452
Remuneration of the Supervisory Board and Executive Board				
Remuneration of the Parent Company’s Supervisory Board	<b>2.296</b>	<b>2.200</b>		

Remuneration of the Executive Board	Fixed 2021	Bonus 2021	Total 2021	Fixed 2020	Bonus* 2020	Total 2020
Mikael Thinghuus	4,496	2,806	7,302	4,496	416	4,912
Nils Duus Kinnerup	2,918	644	3,562	2,917		3,016
Bruno Olesen	2,762	1,171	3,933	2,762		2,941
Lars Nielsen	2,793	1,141	3,934	2,793		3,006
Executive Board in total	<b>12,969</b>	<b>5,762</b>	<b>18,731</b>	<b>12,968</b>	<b>907</b>	<b>13,876</b>

\*) No bonus has been allocated to the Executive Board for 2020. The aforementioned bonus amount in 2020 reflects the accounting cost for the 2019 bonus year, which was paid out in 2020.

In addition to the fixed salary, the Group Executive Board can earn a performance-based bonus

The Executive Board members also receive a free company vehicle, telephone, Internet and newspaper subscription.

The Executive Board do not have any pension, severance or retention schemes.

CEO Mikael Thinghuus and Group Production Director Lars Nielsen are subject to 18 months’ notice of termination by the company, and must themselves give six months’ notice of termination.

CFO Nils Duus Kinnerup and Group Sales and Marketing Director Bruno Olesen are subject to 12 months’ notice of termination by the company, and must themselves give six months’ notice of termination.

NOTES TO THE FINANCIAL STATEMENTS

5	Group		Parent	
	2021 DKK 1,000	2020 DKK 1,000	2021 DKK 1,000	2020 DKK 1,000
Depreciation, amortisation and impairment losses				
Buildings	41,516	37,580	30,946	31,507
Plant and machinery	60,864	59,608	33,782	34,992
Vessels	76,580	36,078	48,208	26,047
Other fixtures and fittings, tools and equipment	9,061	9,351	6,838	7,594
Goodwill	8,875	10,385	2,525	2,525
Quotas	653	3,411	338	661
IT and licences	4,681	4,126	4,614	4,079
Other intangible assets	11,751	6,551	0	0
	<b>213,981</b>	<b>167,090</b>	<b>127,251</b>	<b>107,405</b>
6 Financial income				
Capital gains	47,504	32,755	8,106	13,065
Interest from affiliated businesses	–	–	10,993	6,912
Interest on bank deposit	483	212	0	84
Income from fixed asset investments	14,850	11,349	4,051	3,586
Other financial income	382	720	0	7
	<b>63,219</b>	<b>45,036</b>	<b>23,150</b>	<b>23,654</b>
7 Financial expenses				
Capital loss	41,446	52,085	9,996	5,794
Interest on bank and mortgage debt	36,628	34,134	33,585	32,074
Interest to affiliated businesses	–	–	76	86
Other financial expenses	3,249	3,219	163	403
	<b>81,323</b>	<b>89,438</b>	<b>43,820</b>	<b>38,357</b>
8 Tax on profit				
Current tax for the year	(81,404)	(63,013)	0	0
Other taxes	(24,227)	(15,167)	(19,694)	(25,184)
Deferred tax for the year	36,632	79,040	30,564	64,014
Adjustment to previous years	0	9,041	0	8,912
Adjustment of deferred tax for previous year	0	(7,279)	0	(7,279)
	<b>(68,999)</b>	<b>2,622</b>	<b>10,870</b>	<b>40,463</b>
Reconciliation of tax rate:				
Greenland tax rate	27%	27%	27%	27%
Other taxes	0%	(26)%	9%	(19)%
Deduction for declared dividend	(5)%	0%	(7)%	0%
Effect of changed tax rate	0%	0%	0%	0%
Tax concerning previous year	0%	3%	0%	0%
Write-down of tax assets in foreign companies	0%	4%	0%	1%
Effect of difference in tax rate between Greenland and foreign enterprises	2%	(13)%	0%	0%
Tax-free income (net) from affiliated and associated companies, etc.	(3)%	9%	(34)%	21%
Tax rate expensed	<b>21%</b>	<b>4%</b>	<b>(5)%</b>	<b>30%</b>



9 Intangible assets	Group				
	Group goodwill DKK 1,000	Quotas DKK 1,000	IT and licences DKK 1,000	Development projects DKK 1,000	Other intangible assets DKK 1,000
Cost at 1 January 2020	114,768	153,509	48,276	11,764	127,279
Value adjustment at year-end rate	5,179	0	16	0	10,670
Transferred from plant under construction	0	0	1,008	0	0
Additions for the year	0	0	2,512	0	4,109
Disposals for the year	0	0	(12,955)	0	(39,412)
<b>Cost at 31 December 2021</b>	<b>119,947</b>	<b>153,509</b>	<b>38,857</b>	<b>11,764</b>	<b>102,646</b>
Amortisation and impairment losses at 1 January 2021	(29,840)	(150,891)	(40,422)	(11,764)	(28,988)
Value adjustment at year-end rate	(996)	0	(3)	0	(2,444)
Amortisation for the year	(8,875)	(653)	(4,681)	0	(6,736)
Impairment losses for the year	0	0	0	0	(5,015)
Amortisation regarding disposals for the year	0	0	12,922	0	11,168
<b>Amortisation and impairment losses at 31 December 2021</b>	<b>(39,711)</b>	<b>(151,544)</b>	<b>(32,184)</b>	<b>(11,764)</b>	<b>(32,015)</b>
<b>Carrying amount at 31 December 2021</b>	<b>80,236</b>	<b>1,965</b>	<b>6,673</b>	<b>0</b>	<b>70,631</b>
Carrying amount at 31 December 2020	84,928	2,618	7,854	0	98,291

Basis for goodwill amortisation periods

**Upernavik Seafood A/S**  
Royal Greenland's investment in Upernavik Seafood A/S is considered to be of strategic importance to the Group's Greenland halibut activities. In view of the Group's expected plans to increase the company's activities and future earnings, the economic lifetime of goodwill was set at 20 years as from the acquisition date in 2014. The company has subsequently merged with the parent company, Royal Greenland A/S.

**A&L Seafoods Ltd.**  
The investment in A&L Seafoods Ltd. strengthens the Group's snow crab activities. In view of the expected future earnings and the long-term potential, the economic lifetime of goodwill is set at 10 years.

9 Immaterielle anlægsaktiver	Parent			
	Goodwill DKK 1,000	Quotas DKK 1,000	IT DKK 1,000	Development projects DKK 1,000
Cost at 1 January 2020	52,991	118,279	47,367	11,764
Additions for the year	0	0	2,432	0
Transferred from plant under construction	0	0	1,008	0
Disposals for the year	0	0	(12,956)	0
<b>Cost at 31 December 2020</b>	<b>52,991</b>	<b>118,279</b>	<b>37,851</b>	<b>11,764</b>
Amortisation and impairment losses at 1 January 2021	(19,777)	(117,550)	(39,691)	(11,764)
Amortisation for the year	(2,525)	(338)	(4,614)	0
Amortisation regarding disposals for the year	0	0	12,922	0
<b>Amortisation and impairment losses at 31 December 2021</b>	<b>(22,302)</b>	<b>(117,888)</b>	<b>(31,383)</b>	<b>(11,764)</b>
<b>Carrying amount at 31 December 2021</b>	<b>30,689</b>	<b>391</b>	<b>6,468</b>	<b>0</b>
Carrying amount at 31 December 2020	33,214	728	7,676	0

10 Property, plant and equipment	Group				
	Buildings DKK 1,000	Plant and machinery DKK 1,000	Vessels DKK 1,000	Other fixtures etc, DKK 1,000	Fixed assets in progress DKK 1,000
Cost at 1 January 2021	1,159,355	865,547	1,348,987	87,754	319,807
Value adjustment at year-end rate	11,698	21,572	1,359	1,481	809
Transferred from plant under construction	44,038	13,524	370,480	417	(429,467)
Additions for the year	33,521	60,781	91,598	11,037	162,806
Disposals for the year	(43,207)	(31,903)	(191,364)	(7,990)	(97)
<b>Cost at 31 December 2021</b>	<b>1,205,405</b>	<b>929,521</b>	<b>1,621,060</b>	<b>92,699</b>	<b>53,858</b>
Amortisation and impairment losses at 1 January 2021	(763,987)	(617,950)	(362,122)	(66,718)	-
Value adjustment at year-end rate	(3,931)	(14,931)	(921)	(1,207)	-
Amortisation for the year	(41,516)	(60,864)	(39,559)	(9,061)	-
Impairment losses for the year	0	0	(37,021)	0	-
Amortisation regarding disposals for the year	38,611	22,850	153,599	7,819	-
<b>Amortisation and impairment losses at 31 December 2021</b>	<b>(770,823)</b>	<b>(670,895)</b>	<b>(286,024)</b>	<b>(69,167)</b>	<b>-</b>
<b>Carrying amount at 31 December 2021</b>	<b>434,582</b>	<b>258,626</b>	<b>1,335,036</b>	<b>23,532</b>	<b>53,858</b>
Carrying amount at 31 December 2020	395,368	247,597	986,865	21,036	319,807

The vessels item includes financially leased vessels at a total value of DKK 366,226k.

10 Property, plant and equipment

	Parent				
	Buildings DKK 1,000	Plant and machinery DKK 1,000	Vessels DKK 1,000	Other fixtures etc. DKK 1,000	Fixed assets in progress DKK 1,000
Cost at 1 January 2021	938,798	526,247	984,547	64,969	67,999
Transferred from plant under construction	44,038	8,817	2,993	363	(57,219)
Additions for the year	13,884	12,157	187,700	7,442	27,544
Disposals for the year	(41,670)	(20,423)	(20,410)	(7,743)	(98)
<b>Cost at 31 December 2021</b>	<b>955,050</b>	<b>526,798</b>	<b>1,154,830</b>	<b>65,031</b>	<b>38,226</b>
Amortisation and impairment losses at 1 January 2021	(702,094)	(404,507)	(202,078)	(49,679)	-
Amortisation for the year	(30,946)	(33,782)	(23,407)	(6,838)	-
Impairment losses for the year	0	0	(24,801)	0	-
Amortisation regarding disposals for the year	38,543	17,275	20,386	7,646	-
<b>Amortisation and impairment losses at 31 December 2021</b>	<b>(694,497)</b>	<b>(421,014)</b>	<b>(229,900)</b>	<b>(48,871)</b>	<b>-</b>
<b>Carrying amount at 31 December 2021</b>	<b>260,553</b>	<b>105,784</b>	<b>924,930</b>	<b>16,160</b>	<b>38,226</b>
Carrying amount at 31 December 2020	236,704	121,740	782,469	15,290	67,999

11 Investments in Group enterprises and associates

	Group	Parent	
	Associates DKK 1,000	Associates DKK 1,000	Group enterprises DKK 1,000
Cost at 1 January 2021	63,000	18,261	2,066,345
Additions for the year	1,603	3	0
Disposals for the year	0	0	(212)
<b>Cost at 31 December 2021</b>	<b>64,603</b>	<b>18,264</b>	<b>2,066,133</b>
Value adjustments at 1 January 2021	134,738	18,424	(223,684)
Exchange rate adjustments	4,400	687	52,246
Share of profit/loss for the year	35,187	17,701	254,976
Dividends	(9,503)	(9,503)	(29,423)
Capital adjustments	0	0	(417)
Disposals for the year	0	0	0
<b>Value adjustments 31 December 2021</b>	<b>164,822</b>	<b>27,309</b>	<b>53,698</b>
<b>Offset in receivables</b>	<b>445</b>	<b>445</b>	<b>0</b>
<b>Carrying amount at 31 December 2021</b>	<b>229,870</b>	<b>46,018</b>	<b>2,119,831</b>
Carrying amount at 31 December 2020	197,915	36,862	1,842,661

For the Group, the original difference in value on the acquisition of ownership interests in associated companies amounts to DKK 43,128k. Book value at 31.12.2021 amounts to DKK 28,620k.

For the parent company, the original difference in value on the acquisition of ownership interests in associated companies amounts to DKK 60k. Book value at 31.12.2021 amounts to DKK 0k.

The Group overview on page 91 presents information about affiliated and associated companies.

12 Receivables from Group enterprises and associates

	Group	Parent	
	Associates DKK 1,000	Associates DKK 1,000	Group enterprises DKK 1,000
Cost at 1 January 2021	41,487	5,436	38,015
Additions for the year	73,026	0	82,364
Disposals for the year	(1,066)	(1,066)	0
<b>Cost at 31 December 2021</b>	<b>113,447</b>	<b>4,370</b>	<b>120,379</b>
<b>Carrying amount at 31 December 2021</b>	<b>113,447</b>	<b>4,370</b>	<b>120,379</b>
Carrying amount at 31 December 2020	41,487	5,436	38,015

13 Other fixed asset investments

	Group	Parent
	DKK 1,000	DKK 1,000
Cost at 1 January 2021	232,486	90,812
Value adjustments	8,610	0
Additions for the year	119,668	5,288
Disposals for the year	(52,128)	(10,375)
<b>Cost at 31 December 2021</b>	<b>308,636</b>	<b>85,725</b>
Provisions for losses at 1 January 2021	(16,646)	(11,773)
Value adjustments	204	0
Change in provisions for the year	633	632
<b>Provisions for losses at 31 December 2021</b>	<b>(15,809)</b>	<b>(11,141)</b>
<b>Carrying amount at 31 December 2021</b>	<b>292,827</b>	<b>74,584</b>
Carrying amount at 31 December 2020	215,840	79,039



14 Inventories	Group		Parent	
	31.12.2021 DKK 1,000	31.12.2020 DKK 1,000	31.12.2021 DKK 1,000	31.12.2020 DKK 1,000
Holdings of raw materials	334,273	392,218	33,847	34,197
Holdings of goods in process	14,150	9,462	2,037	2,092
Holdings of finished products	931,807	1,033,765	530,134	579,058
Holdings of other products	179,388	136,644	98,318	95,774
	<b>1,459,618</b>	<b>1,572,089</b>	<b>664,336</b>	<b>711,121</b>
Of which the carrying amount of goods at net realisation value	<b>116,851</b>	<b>146,881</b>	<b>77,280</b>	<b>135,219</b>
15 Other receivables				
VAT and customs receivable	34,734	26,143	0	0
Insurance compensation receivable	1,855	3,416	1,855	3,416
Other receivables	18,029	22,233	2,173	2,761
	<b>54,618</b>	<b>51,792</b>	<b>4,028</b>	<b>6,177</b>
16 Prepayments, assets				
Prepaid rent and consumption taxes	1,135	2,200	0	0
Other prepayments	15,421	4,238	9,393	1,999
	<b>16,556</b>	<b>6,438</b>	<b>9,393</b>	<b>1,999</b>

17 Deferred tax	Group		Parent	
	31.12.2021 DKK 1,000	31.12.2020 DKK 1,000	31.12.2021 DKK 1,000	31.12.2020 DKK 1,000
Deferred tax concerns the following items:				
Intangible assets and property, plant and equipment	79,874	106,161	57,651	81,936
Fixed asset investments	31,592	28,139	0	0
Other accounting items	(3,976)	(23,256)	(3,821)	16,789
Deficit carried forward	(27,603)	0	(27,603)	(40,081)
	<b>79,887</b>	<b>111,044</b>	<b>26,227</b>	<b>58,644</b>
Deferred tax assets concern the following items:				
Deficit carried forward	40,661	44,226	0	0
Other tax assets	53,437	44,079	0	0
	<b>94,098</b>	<b>88,305</b>	<b>0</b>	<b>0</b>
Deferred tax (net):				
Beginning of year	(22,739)	(90,385)	(58,644)	(110,287)
Adjustment to previous years	0	(7,279)	0	(7,279)
Value adjustments	(1,536)	977	0	0
Change in the income statement during the year	36,632	79,040	30,564	64,014
Change in equity during the year	1,854	(5,092)	1,853	(5,092)
<b>End of year</b>	<b>14,211</b>	<b>(22,739)</b>	<b>(26,227)</b>	<b>(58,644)</b>
As at 31 December 2021, the Group had a recognised tax asset totalling DKK 94,098k. The tax asset comprises taxable deficits carried forward of DKK 40,661k and non-utilised taxable deductions in the form of timing differences of DKK 53,437k.				
Based on the budgets up to 2026, the management has assessed that it is probable that there will be future taxable income available, whereby non-utilised taxable deficits and non-utilised taxable deductions can be utilised.				
18 Other provisions				
Other provisions at 1 January 2021	8,910	8,687	177	0
Value adjustments	(256)	(336)	0	0
Additions for the year	1,474	559	268	177
Disposals for the year	0	0	0	0
<b>Other provisions at 31 December 2021</b>	<b>10,128</b>	<b>8,910</b>	<b>445</b>	<b>177</b>

Other provisions concern pensions.

NOTES TO THE FINANCIAL STATEMENTS

19 Long-term liabilities other than provisions

	Group		Parent	
	31.12.2021 DKK 1,000	31.12.2020 DKK 1,000	31.12.2021 DKK 1,000	31.12.2020 DKK 1,000
After 5 years or later the following fall due:				
Credit institutions	1,253,785	1,329,223	1,230,007	1,299,045
	<b>1,253,785</b>	<b>1,329,223</b>	<b>1,230,007</b>	<b>1,299,045</b>

Interest and maturities of non-current liabilities (Group, converted to DKK)	Weighted term (years)	Fixed/ floating	Effective rate of interest		Nominal value DKKm	
			2021	2020	2021	2020
Debt to associated companies	1	Var.	3.99%	3.97%	20	22
Bank loans	9	Var.	1.65%	1.65%	55	60
Private Placements	6	Fast/Var.	1.33%	1.35%	2,209	2,279
					<b>2,284</b>	<b>2,361</b>
Weighted average effective interest rate			<b>1.36%</b>	<b>1.39%</b>		

20 Other debt

	Group		Parent	
	31.12.2021 DKK 1,000	31.12.2020 DKK 1,000	31.12.2021 DKK 1,000	31.12.2020 DKK 1,000
Payable salaries, A-tax, social contributions, etc.	139,583	117,799	83,780	75,593
Holiday pay commitments	49,395	47,816	39,414	38,831
Interest	4,122	3,686	3,197	3,283
VAT and taxes	52,202	31,486	40,613	23,405
Other costs payable	113,313	52,787	49,434	17,211
	<b>358,615</b>	<b>253,574</b>	<b>216,438</b>	<b>158,323</b>

21 Mortgages and contingent liabilities

<b>Mortgages</b>				
As security for accounts with credit institutions fixed assets are mortgaged for a book value of	129,590	156,079	0	0
<b>Contractual obligations</b>				
Contracts have been entered into for the delivery of fixed assets for a value of	0	207,378	0	7,000
There are rental and leasing obligations falling due after the balance sheet date amounting to	79,693	83,757	46,181	52,862
Of which falling due within one year	32,567	32,577	22,696	22,681
<b>Surety and guarantee commitments</b>				
Associates	5,000	5,000	0	0
Third party	2,457	3,163	2,457	3,163
Associated companies	–	–	819,839	826,060

**Contingent liabilities**  
The Royal Greenland Group has certain ongoing legal cases, including enquiries from the tax authorities. The management believes that the outcome of these legal proceedings and enquiries will not have a significant impact on the Group’s financial position.

NOTES TO THE FINANCIAL STATEMENTS

22 Financial risks

	Group			
	Receivables DKK 1,000	Liabilities DKK 1,000	Hedged by forward exchange contracts and options DKK 1,000	Net position DKK 1,000
<b>Positions in the key currencies:</b>				
USD	397,471	(253,877)	(231,925)	(88,331)
GBP	50,346	(43,243)	(55,003)	(47,900)
SEK	18,486	(44,658)	(9,438)	(35,610)
JPY	130,547	(115,487)	(32,678)	(17,618)
	<b>596,850</b>	<b>(457,265)</b>	<b>(329,044)</b>	<b>(189,459)</b>

The currency hedging performed solely covers commercial positions.

The company has raised fixed-interest-rate loans in USD. All of the loans are converted to loans at fixed or variable interest rates in DKK/EUR by using currency and interest rate swaps. The nominal principal of the contracted swaps is USD 159,000,000.

**Interest rate risks**  
Concerning the Group's financial assets and liabilities, the following contractual reassessment and redemption dates can be stated, according to which date occurs first. The effective interest rates are compiled on the basis of the current level of interest rates at 31.12.2021.

	Group Reassessment/maturity date				
	Within one year DKK 1,000	Within two-five years DKK 1,000	After five years DKK 1,000	Hereof fixed-rate loan DKK 1,000	Effective rate of interest %
Mortgage credit and credit institutions, loans	(482,449)	(547,466)	(1,253,785)	(1,716,937)	0.4 – 4.6

Cash and cash equivalents amount to DKK 188,391k and accrue interest at an effective interest rate in the range of 0.0-2.0%.  
The debt on overdraft facilities amounts to DKK 213,366k and accrues interest at an effective interest rate in the range of 0.7-1.5%.

	Group		Parent	
	2021 DKK 1,000	2020 DKK 1,000	2021 DKK 1,000	2020 DKK 1,000
Audit fee	2,919	2,584	1,493	1,415
Other declarations from the auditor	119	151	0	0
Tax advisory services	830	1,064	636	669
Other services	411	1,123	236	881
Adjustments concerning previous years	(179)	39	(250)	15
	<b>4,100</b>	<b>4,961</b>	<b>2,115</b>	<b>2,980</b>

24 Related parties

Related parties in the Group are the members of the Supervisory Board and the Executive Board, as well as the owner, the Government of Greenland.

In the current financial year, the Group has not had any transactions with the Supervisory Board and Executive Board in addition to the management remuneration stated in Note 4.

All transactions with related parties have taken place on market terms.



25 The managerial positions held by members of the Supervisory Board and Executive Board in other Greenlandic and Danish public limited companies

The managerial positions held by members of the Supervisory Board and Executive Board in other commercial undertakings, except for wholly-owned subsidiaries:

Supervisory Board	Company	Managerial position
Niels de Coninck-Smith Chairman	Welltec A/S	Chairman
Maliina Abelsen Deputy chairman	Grønlandsbanken A/S	Member of the Supervisory Board
Karsten Høy	Greenland Venture A/S Greenland Holding A/S Innovation Greenland A/S Greenland Contractors I/S Greenland Contractors JV A/S LNS Greenland A/S Greenland Ruby A/S	Chief Executive Officer Chief Executive Officer Chief Executive Officer Deputy chairman Boardmember Boardmember Boardmember
Tina Lynge Schmidt	Nuup Bussii A/S	Chairman
Niels Ole Møller	Inughuit Seafood A/S	Chief Executive Officer
Malik Hegelund Olsen	Air Greenland A/S	Member of the Supervisory Board

Executive Board	Company	Managerial position
Mikael Thinghuus CEO	Catering Danmark ApS Færch & Co. Gastro ApS Ice Trawl Greenland A/S	Chairman Chairman Member of the Supervisory Board
Bruno Olesen Group sales director	Skare Meat Packers K/S Skare Food A/S Defco A/S af 2019	Chairman Member of the Supervisory Board Member of the Supervisory Board
Lars Nielsen Group production director	Gaia Fish A/S Sisimiut Fish A/S Pelagic Greenland A/S Arctic Fish Greenland A/S Inughuit Seafood A/S Sisimiut Fish A/S Gaia Fish A/S Ice Trawl Greenland A/S Qaleralik A/S Qalut Vónin A/S Independent Fish Harvesters Ltd. Gulf Shrimp Ltd. Quinlan Brothers Maritime Limited Øksfjord Eiendom AS Maniitsoq AS International Seafood S.A. Blue Ocean Seafood Spa.	Chief Executive Officer Chief Executive Officer Chairman Chairman Deputy chairman Member of the Supervisory Board Member of the Supervisory Board Member of the Supervisory Board Member of the Supervisory Board Member of the Supervisory Board Member of the Supervisory Board Member of the Supervisory Board Member of the Supervisory Board Member of the Supervisory Board Member of the Supervisory Board Member of the Supervisory Board Member of the Supervisory Board

	Koncern	
	2021 DKK 1,000	2020 DKK 1,000
Depreciation, amortisation and impairment losses	213,981	167,090
Financial items allocated to profit for the year	18,104	44,402
Income taxes expensed	68,999	(2,622)
Provisions, etc.	1,206	382
Grants received	(3,598)	(9,829)
Gains and losses from sale of fixed assets	(35,004)	7,562
Profit from associates	(35,187)	(29,820)
	228,501	177,165
Changes in working capital		
Change in receivables	(201,811)	(67,543)
Change in inventory	112,471	249,700
Change in trade payables and other payables	250,766	(109,402)
	161,426	72,755

28 Cash and cash equivalents, end of year

Cash and cash equivalents amount to DKK 188,391k.



# SUPERVISORY BOARD

CHAIRMAN

NIELS DE CONINCK-SMITH



DEPUTY CHAIRMAN

MALIINA ABELSEN



BOARDMEMBER

KARSTEN HØY



BOARDMEMBER

TINA LYNGE SCHMIDT



BOARDMEMBER

REGINE MØLLER



BOARDMEMBER

MALIK HEGELUND OLSEN \*



BOARDMEMBER

NIELS OLE MØLLER \*



\*) Elected by the employees

## Corporate Governance

Royal Greenland complies with the guidelines of the Government of Greenland for corporate governance in government-owned companies. These guidelines accord with the OECD recommendations for state-owned companies, and to a large extent also with the recommendations for listed companies.

Royal Greenland is headed by a Supervisory Board and Executive Board. The Supervisory Board has eight members, of whom three are employee representatives elected for a period of four years, while the other five members are elected by the annual general meeting and stand for election every year. The five board members elected by the annual general meeting are independent, according to the definition in the recommendation of the “Committee for Good Corporate Governance”. There is no age limit for the members of the Supervisory Board.

Work is currently underway to add a member with a commercial and international business profile to the Supervisory Board.

The Board members encompass a range of experience from the Greenlandic, Danish and international business worlds. The Supervisory Board is headed by the chairman, Niels de Coninck-Smith. The chairman is appointed for a period of one year at a time.

The Board has established two committees:


- The Audit Committee
- The Recruitment Committee

The Executive Board consists of four members: CEO Mikael Thinghuus, CFO Nils Duus Kinnerup, Group Production Director Lars Nielsen and Group Sales and Marketing Director Bruno Olesen. For other offices held by the Supervisory Board and the Executive Board, see Note 25.

# EXECUTIVE BOARD


CEO

MIKAEL THINGHUUS




CFO

NILS DUUS KINNERUP




GROUP PRODUCTION DIRECTOR

LARS NIELSEN



GROUP SALES DIRECTOR

BRUNO OLESEN



**Remuneration**

The remuneration of Board members is subject to the approval of the annual general meeting, and is specified in Note 4. The fee consists entirely of a basic fee, plus, for the chairman, payment of expenses for secretarial assistance and telephone calls. The remuneration of the Executive Board is negotiated with the Supervisory Board and consists of a fixed basic salary, a performance bonus and other customary non-monetary benefits, such as a company car, etc. The remuneration of the Executive Board is specified in Note 4. There are no unusual severance agreements in the employment contracts of the members of the Executive Board.

**Evaluation**

An evaluation of the Supervisory Board is undertaken annually. Every second year, this takes place on the basis of an external evaluation process.

**Activities**

Six meetings of the Supervisory Board were held in 2021. Due to Covid-19, four of the meetings were held as video meetings, while two physical meetings were held in Nuuk, Greenland and Copenhagen, respectively. The Audit Committee held four meetings. In addition to the annual report and audit minutes, the committee also considers financial policy, risk and insurance policies, internal audits, financial conditions and audit evaluation.



# COMPANY DETAILS & GROUP CHART

## COMPANY

Royal Greenland A/S  
Qasapi 4  
P.O. Box 1073  
3900 Nuuk  
  
Telephone: +299 32 44 22  
Telefax: +299 32 33 49  
www.royalgreenland.com  
  
CVR-nummer 13645183

## FINANCIAL YEAR:

1 January – 31 December

## REGISTERED IN:

Kommuneqarfik Sermersooq  
The Government of Greenland owns all shares in the Company

## AUDITORS:

EY Grønland  
Godkendt Revisionsanpartsselskab

Royal Greenland A/S

Associated

Royal Greenland  
Seafood A/S,  
Svenstrup 100%

Arctic Fish Greenland  
A/S, Nuuk 80,11%

Pelagic Greenland  
A/S, Nuuk 66,7%

Gaia Fish A/S,  
Nuuk 50%

Inughuit Seafood A/S,  
Qaanaaq 50%

Ice Trawl Greenland  
A/S, Sisimiut 50%

Qaleralik A/S  
associeret, Nuuk 50%

Gaia Fish A/S, Nuuk 50%

Agama Royal Greenland  
LLC, Rusland 50%

Angunnguaq A/S,  
Sisimiut 49,4%

Sisimiut Fish A/S,  
Sisimiut 49%

Isblink A/S,  
Paamiut 49%

Frans Peter ApS,  
Sisimiut 43,6%

Lennert og Sønner ApS,  
Sisimiut 40%

Savik ApS,  
Qasigiannuit 35%

Ejendomsselskabet  
Suliffik A/S, Nuuk 30,3%

Opmatic Greenland ApS,  
Sisimiut 30%

Akia Sisimiut A/S,  
Sisimiut 17,5%

Royal Greenland  
Germany GmbH, Germany 100%

Royal Greenland  
Vertriebs GmbH, Germany 100%

Royal Fresh Fish GmbH,  
associated, Germany 49%

Royal Greenland Poland  
Sp. Zoo., Poland 100%

Quin-Sea  
Fisheries Ltd., Canada 100%

Conche Seafoods Ltd.,  
Canada 100%

B&L Fisheries Ltd.,  
Canada 100%

St. Anthony Seafoods Ltd.,  
Canada 75%

Quinlan Brothers Maritime  
Ltd., associated, Canada 50%

Eastern Quebec  
Seafoods Ltd., Canada 100%

A&L Seafoods Ltd., Canada 100%

Royal Greenland  
Norway AS, Norway 100%

Royal Greenland  
Sweden AB, Sweden 100%

Royal Greenland  
UK Ltd., England 100%

Royal Greenland  
Japan Ltd., Japan 100%

Royal Greenland  
Italy Spa., Italy 100%

Royal Greenland  
Rusland LLC, Russia 100%

Royal Greenland  
US Inc., USA 100%

Royal Greenland Seafood  
(Qingdao) Co. Ltd., China 100%

Royal Greenland Seafood  
Chile Spa, Chile 100%

International Seafood  
S.A., associated, Chile 50%

Blue Ocean Seafood SpA,  
associated, Chile 50%

Øksfjord Lakseindustri  
AS, Norway 100%

Øksfjord Eiendom AS,  
associated, Norway 49%

Kvalvikbait AS  
associated, Norway 23%

Qingdao Beiyang Jiamei  
Seafood Co. Ltd., ass., China 20%



PRODUCTION UNITS IN GREENLAND

Royal Greenland owns 37 facilities in Greenland. All facilities are in operation. The processing plants in Greenland primarily land prawns, Greenland halibut, cod, crab and lumpfish roe.

The facilities' activities range from production and packaging of finished products, to packaging of semi-manufactures for further processing in Asia, Germany or Poland, and e.g. block freezing and salting.

**Plant Manager:** John Olsen  
**Primary species:** Greenland halibut  
**Products:** Greenland halibut, j-cut, heads, tails & HOG  
**Capacity:** 3 t/day  
**Cold store capacity:** 230 ton  
**Employees:** 10 in the season  
  
As of 1/10 2014, J/V Inughuit Seafood A/S with 50% RG ownership.



**Plant Manager:** Stiinannuaq Løvstrøm  
**Primary species:** Greenland halibut  
**Products:** Freezing of Greenland halibut  
**Capacity:** 10 t/day  
**Cold store capacity:** 800 ton  
**Employees:** 4-10 low/peak seasons



**Factory Manager:** Pernille F. Karlsen  
**Primary species:** Greenland halibut  
**Products:** Freezing of Greenland halibut  
**Capacity:** 3 t/day  
**Cold store capacity:** 130 ton  
**Employees:** 1-7 low/peak seasons

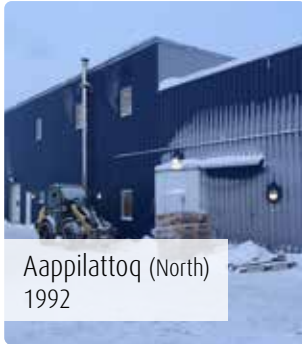


**Plant Manager:** Arnannuaq B. Eskildsen  
**Primary species:** Greenland halibut  
**Products:** Freezing of Greenland halibut  
**Capacity:** 12 t/day  
**Cold store capacity:** 600 ton  
**Employees:** 10-15 low/peak seasons

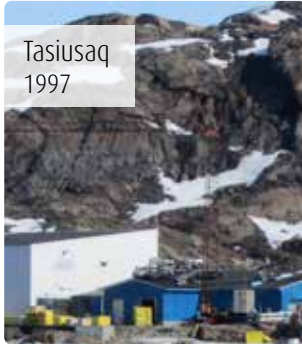


- Qaanaaq
- Kullorsuaq
- Nuussuaq
- Nutaarmiut
- Aappilattoq
- Innaarsuit
- Tasiusaq
- Upernavik
- Upernavik Kujalleq
- Ukkusissat
- Qaarsut / Uummannaq
- Saattut
- Ikerasak

**Plant Manager:** Justine Petersen  
**Primary species:** Greenland halibut  
**Products:** J-cut, heads, tails, whole fish  
**Capacity:** 15 t/day  
**Cold store capacity:** 450 ton  
**Employees:** 4-10 low/peak seasons  
  
Newly constructed in 2017.



**Plant Manager:** Najannuaq Olsvig  
**Primary species:** Greenland halibut  
**Products:** J-cut, heads, tails, whole fish  
**Capacity:** 20 t/day  
**Cold store capacity:** 600 ton  
**Employees:** 10-20 low/peak seasons



**Plant Manager:** Ego Kleemann  
**Primary species:** Greenland halibut  
**Products:** J-cut, heads, tails, whole fish  
**Capacity:** 15 t/day  
**Cold store capacity:** 550 ton  
**Employees:** 10-20 low/peak seasons



**Factory Manager:** Hans Peter Kristensen  
**Primary species:** Greenland halibut  
**Products:** Freezing of Greenland halibut  
**Capacity:** 5 t/day  
**Cold store capacity:** 200 ton  
**Employees:** 4-10 low/peak seasons



**Plant Manager:** Magnus Grim  
**Primary species:** Greenland halibut  
**Products:** Freezing of Greenland halibut  
**Capacity:** 2 t/day  
**Cold store capacity:** 100 ton  
**Employees:** 1-7 low/peak seasons



**Plant Manager:** Johanne Knudsen Samuelsen  
**Primary species:** Greenland halibut  
**Products:** J-cut, heads, tails, whole fish  
**Capacity:** 4.5 t/day  
**Cold store capacity:** 100 ton  
**Employees:** 1-10 low/peak seasons  
  
New freezing facilities in 2013, new drying house in 2013.



**Plant Manager:** Marie Knudsen  
**Primary species:** Greenland halibut  
**Products:** J-cut, heads, tails, whole fish  
**Capacity:** 15 t/day  
**Cold store capacity:** 400 ton  
**Employees:** 1-15 low/peak seasons  
  
Current unit was refurbished in 1998, when the large freezing facility was also taken into use. Two new plate freezers in 2018.



**Plant Manager:** Elisabeth Filemonsens  
**Primary species:** Greenland halibut  
**Products:** Whole fish, fillets with skin, heads, tails, j-cut  
**Capacity:** 10 t/day  
**Cold store capacity:** 169 ton  
**Employees:** 2-25 low/peak seasons  
  
The unit has only been refurbished to a small degree since it was established. New freezing facilities were established in 2008.



**Plant Manager:** Dorthe Kristensen  
**Primary species:** Greenland Halibut  
**Products:** -  
**Capacity:** -  
**Cold store capacity:** -  
**Employees:** 2-4



**Factory Manager:** Kirsten A. K. Worm  
**Primary species:** Greenland halibut  
**Products:** Whole Greenland halibut, heads, tails, fillets and J-cut  
**Capacity:** 50 t/day  
**Cold store capacity:** 1,600 ton  
**Employees:** 10-50 low/peak seasons  
  
Current location since 1966, but the unit has been expanded several times. In 2017 a large expansion took place.



**Plant Manager:** Anna Marie Mølgaard  
**Primary species:** Greenland halibut  
**Products:** J-cut, whole fish  
**Capacity:** 20 t/day  
**Cold store capacity:** 100 ton  
**Employees:** 15 low/peak seasons



**Plant Manager:** Mathias Nielsen  
**Primary species:** Greenland halibut, other fish  
**Products:** Whole Greenland halibut frozen in blocks  
**Capacity:** 14 t/day  
**Cold store capacity:** 110 ton  
**Employees:** 2-10 low/peak seasons



**Factory Manager:** Mona Lisa Isaksen  
**Primary species:** Snow crab, cod, Greenland halibut, lumpfish roe  
**Products:** Crab sections, fish frozen in blocks, lumpfish roe in barrels  
**Capacity:** 10 ton snow crab, 1 ton fish/day  
**Cold store capacity:** 100 ton  
**Employees:** 3-30 low/peak seasons



**Factory Manager:** Stefán H. Tryggvason (Prawn), Nielsine Hansen (Halibut)  
**Primary species:** Prawns, Greenland halibut  
**Products:** IQF prawns, prawnmeal, Greenland halibut J-cut, heads, tails, whole fish, cod  
**Capacity:** 100 t prawns, 20 t fish/day  
**Cold store capacity:** 1,100 ton  
**Employees:** 100-121 low/peak seasons



The current unit was established in 1961 and has been refurbished several times. New Greenland halibut factory in 1998. Prawn factory renovated in 2010, 2016, 2018 and 2019.

Qeqertaq ■ Saqqaaq  
 Qeqertarsuaq ■ Ilulissat  
 Ikamiut ■ Qasigiannnguit  
 Kangaatsiaq ■ Akunnaaq  
 Ikerasaarsuk ■ Niaqornaarsuk  
 Attu ■ Sarfannguaq  
 Sisimiut ■

**Factory Manager:** Hans Grønvold  
**Primary species:** Greenland halibut, cod, other fish, lumpfish roe  
**Products:** Greenland halibut fillets, frills, heads, IQF fillets, loins, cod fillet/whole  
**Capacity:** 25 ton Greenland halibut/day  
**Cold store capacity:** 1,800 ton  
**Employees:** 130 low/peak seasons

Refurbished as a prawn factory in 1952 and several times later on. Closed in 1997. Recommended operations in 2000. Refurbished in 2011.



**Plant Manager:** Najaaraq Larsen  
**Primary species:** Salted cod, Greenland halibut, Lumpfish roe  
**Products:** Salted cod, dried fish. HOG Greenland halibut, HOG cod  
**Capacity:** 1.5 t/day  
**Cold store capacity:** 20 ton  
**Employees:** 0



**Plant Manager:** Peter Nielsen  
**Primary species:** Cod, Greenland halibut  
**Products:** Salted cod, dried fish, HOG Greenland halibut, HOG cod  
**Capacity:** 0 t/day  
**Cold store capacity:** 40 ton  
**Employees:** 0



Stand-alone plate freezer for freezing, plus 2 x 20 foot containers (40 tonnes) installed in 2018.

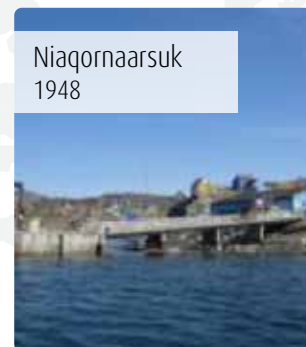
**Factory Manager:** Jørgen Inusugtoq  
**Primary species:** Cod, lumpfish roe  
**Products:** Cod frozen in blocks, fillet, lumpfish roe in barrels  
**Capacity:** 15 t/day freezing  
**Cold store capacity:** 100 ton  
**Employees:** 2-25 low/peak seasons

The unit was renovated/built in 1986 in its current form with production of cod. Today, cod and other fish are frozen and in the season lumpfish roe is processed. Rebuilt for cod fillet production 2015.



**Plant Manager:** Judith Wille  
**Primary species:** Cod, lumpfish roe  
**Products:** Salted fish, lumpfish roe  
**Capacity:** 5 t/day  
**Cold store capacity:** No cold store  
**Employees:** 4-10 low/peak seasons

Refurbished and renovated in 1995. Expanded in 2013.



**Plant Manager:** Klaus Jonathansen  
**Primary species:** Cod, lumpfish roe  
**Products:** Salted fish from cod and ugaq, lumpfish roe  
**Capacity:** 5 t/day  
**Cold store capacity:** No cold store  
**Employees:** 1-10 low/peak seasons

Renovated in 1995.



**Plant Manager:** Tikkili Ezekiasen  
**Primary species:** Cod  
**Products:** Salted fish, lumpfish roe, frozen cod and other species  
**Capacity:** 2 t/day  
**Cold store capacity:** 20 ton  
**Employees:** 0



**Factory Manager:** Hans Lars Olsen  
**Primary species:** Prawns, cod, snow crab  
**Products:** Cooked & peeled prawns, cod fillets, crab sections, cod  
**Capacity:** 120 ton prawns/day, 6 ton snow crab/day, 25 tons tors/døgn  
**Cold store capacity:** 1,600 ton  
**Employees:** 100-150 low/peak seasons

Current unit built in 1969 for production of cod and prawns, renovated in 1992 and 2011 into a modern prawn processing facility.



**Factory Manager:** Hans Lars Olsen  
**Primary species:** Lumpfish roe  
**Products:** Lumpfish roe in container  
**Capacity:** 4 ton cod/day  
**Cold store capacity:** No cold store  
**Employees:** 8 in roe season

Operational in roe season



**Plant Manager:** Lars Peter Berthelsen  
**Primary species:** Cod  
**Products:** Salted fish of cod and cod frozen in blocks  
**Capacity:** 15 t/day  
**Cold store capacity:** 60 ton  
**Employees:** 1-13 low/peak seasons

Renovated in 2005.





**Plant Manager:** Otto Enoksen  
**Primary species:** Cod and lumpfish roe  
**Products:** Salted fish and lumpfish roe  
**Capacity:** 2.5 t/day  
**Cold store capacity:** none  
**Employees:** 1-7 low/peak seasons  
 Renovated in 1991/93 and in 1994/95.



**Plant Manager:** Larsen Sofiaaraq Larsen  
**Primary species:** Cod, wolffish, Greenland halibut, lumpfish roe  
**Products:** Whole fish, winter-dried cod, dried wolffish, lumpfish roe in barrels  
**Capacity:** 5 t/day  
**Cold store capacity:** 30 ton  
**Employees:** 4-16 low/peak seasons  
 Renovated in 1994/95. Expansion of the freezing capacity and cold store.



**Factory Manager:** Susanne Marie Olsen  
**Primary species:** Nutaaq cod, cod, Greenland halibut, lumpfish roe, dried fish and other fish  
**Products:** Cod fillets, halibut fillets, lumpfish roe, dried fish and freezing  
**Capacity:** 80 ton/day  
**Cold store capacity:** 500 ton  
**Employees:** 25-100 low/peak seasons  
 Filleting line and production of dried cod for the home market established.



**Plant Manager:** Tippu-Bolatta Jakobsen  
**Primary species:** Cod, wolffish, lumpfish roe  
**Products:** Whole fish, salted fish, lumpfish roe in barrels  
**Capacity:** 3 ton freezing, 4 ton salting/day  
**Cold store capacity:** 8 ton  
**Employees:** 4-20 low/lumpfish roe season  
 Expansion of the cold store and freezing capacity. 8-10 ton freezing, 4 ton salting.



**Factory Manager:** Abia Thorsteinsen  
**Primary species:** Cod, Greenland halibut, redfish, wolffish, lumpfish roe  
**Products:** Lumpfish roe, whole fish IQF, products for the home market  
**Capacity:** 50 t/day  
**Cold store capacity:** 200 ton  
**Employees:** 12-40 low/peak seasons  
 Godthåb Fiskeindustri taken over in 1990, prawn production closed in 2002.



Itilleq ■ Kangaamiut  
 Maniitsoq ■ Atammik  
 Nuuk ■  
 Qeqertarsuaat ■ Paamiut  
 Narsaq ■ Aappilattoq

**Plant Manager:** Konrad Boye  
**Primary species:** Cod, lumpfish roe  
**Products:** Salted fish, cod IQF, cod frozen in blocks, lumpfish roe in barrels  
**Capacity:** 4 ton salted fish, 18 ton fish/day  
**Cold store capacity:** 80 ton  
**Employees:** 6-16 low/peak seasons



**Factory Manager:** Jan Jørgensen  
**Primary species:** Snow crab, Greenland halibut, lumpfish roe, cod and other fish  
**Products:** Crab sections, halibut fillets, dried cod, lumpfish roe and freezing  
**Capacity:** Crab sections 10 t/day, fillets 20 t/day  
**Cold store capacity:** 500 ton  
**Employees:** 10-50 low/peak seasons  
 Refurbished from cod production to smokehouse in 1997. Closed in 2003. Prawn and crab production established in 2004. In 2012, the prawn production was closed in favour of the cod filleting line.



**Factory Manager:** Niels Sakariassen  
**Primary species:** Lumpfish roe, cod  
**Products:** Lumpfish roe in barrels  
**Capacity:** Freezing of 20 t/day  
**Cold store capacity:** 600 ton  
**Employees:** 1-10 low/peak seasons  
 Renovated in 1995.



**Plant Manager:** Nikolaj Benjaminsen  
**Primary species:** Greenland halibut, cod  
**Products:** Freezing  
**Capacity:** 4 t/day  
**Cold store capacity:** 70 ton  
**Employees:** 3  
 First sales of raw materials initiated in 2014 after refurbishment and modernisation of cooling plant.



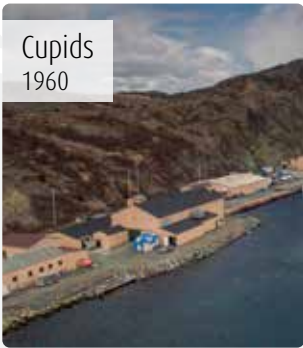


PRODUCTION UNITS IN CANADA

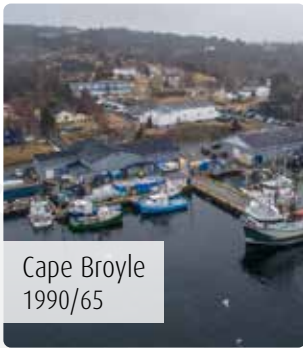
Royal Greenland now operates 9 factories in Canada. In Newfoundland, there are seven production units where local fishermen land their catches. The primary species originating from Newfoundland are snow crab, prawn, whelk, lobster, herring, cod, Greenland halibut and capelin.

In the town Matane in the Quebec province Eastern Quebec Seafoods Ltd. lands and processes prawns and crab, primarily from the local fishing areas. In Louisbourg, Nova Scotia, A&L Seafoods operates a crabfactory.

**Factory Manager:** Chris Butler  
**Primary species:** Ground fish, pelagics  
**Products:** Split/salt fish, block frozen capelin/herring/mackerel  
**Capacity:** 38 t/day  
**Cold store capacity:** 1000 ton  
**Employees:** 30 low/peak seasons



Cupids  
1960



Cape Broyle  
1990/65

**Factory Manager:** Barry Payne  
**Primary species:** Snow crab, pelagics, scallops, sea cucumber, cod  
**Products:** Crab sections, cooked/raw snow crab, block frozen capelin/herring/mackerel, butterfly cut/gutted sea cucumber, J-Cut/H&G/HOG Greenland halibut  
**Capacity:** 110 t/day  
**Cold store capacity:** 75 ton  
**Employees:** 135 low/peak seasons

**Factory Manager:** Stephane Garon  
**Primary species:** Prawns, snow crab  
**Products:** Cooked and peeled prawns, crab sections  
**Capacity:** 45 t/day  
**Employees:** 120 low/peak seasons



Matane  
2006



Louisbourg  
1980

**Factory Manager:** Joe Anthony  
**Primary species:** Snow crab  
**Products:** Crab sections  
**Employees:** 90

**Factory Manager:** Guido Koenigs  
**Primary species:** Prawns, snow crab, whelk, scallop, cod  
**Products:** Cooked & peeled, IQF, crab sections/cooked snow crab, in shell/cooked whelk, scallops  
**Capacity:** 195 t/day  
**Cold store capacity:** 300 ton  
**Employees:** 400 low/peak seasons



Old Perlican  
1960



Conche Seafood  
1960

**Factory Manager:** Letto Steadman  
**Primary species:** Snow crab, whelk, pelagics, lobster  
**Products:** Cooked snow crab sections, in shell/cooked whelk, block frozen capelin/herring/mackerel, cod fresh/frozen, J-Cut/H&G/HOG Greenland halibut, lobster fresh/frozen  
**Capacity:** 145 t/day  
**Cold store capacity:** 50 ton  
**Employees:** 70 low/peak seasons

**Factory Manager:** Philip Hillyard  
**Primary species:** Capelin, heering, mackerel, lobster, ground fish  
**Products:** Block frozen capelin/herring/mackerel, fresh/frozen lobster  
**Capacity:** 24 t/day  
**Cold store capacity:** 80 ton  
**Employees:** 50-100 low/peak seasons



Southern Harbour  
1960



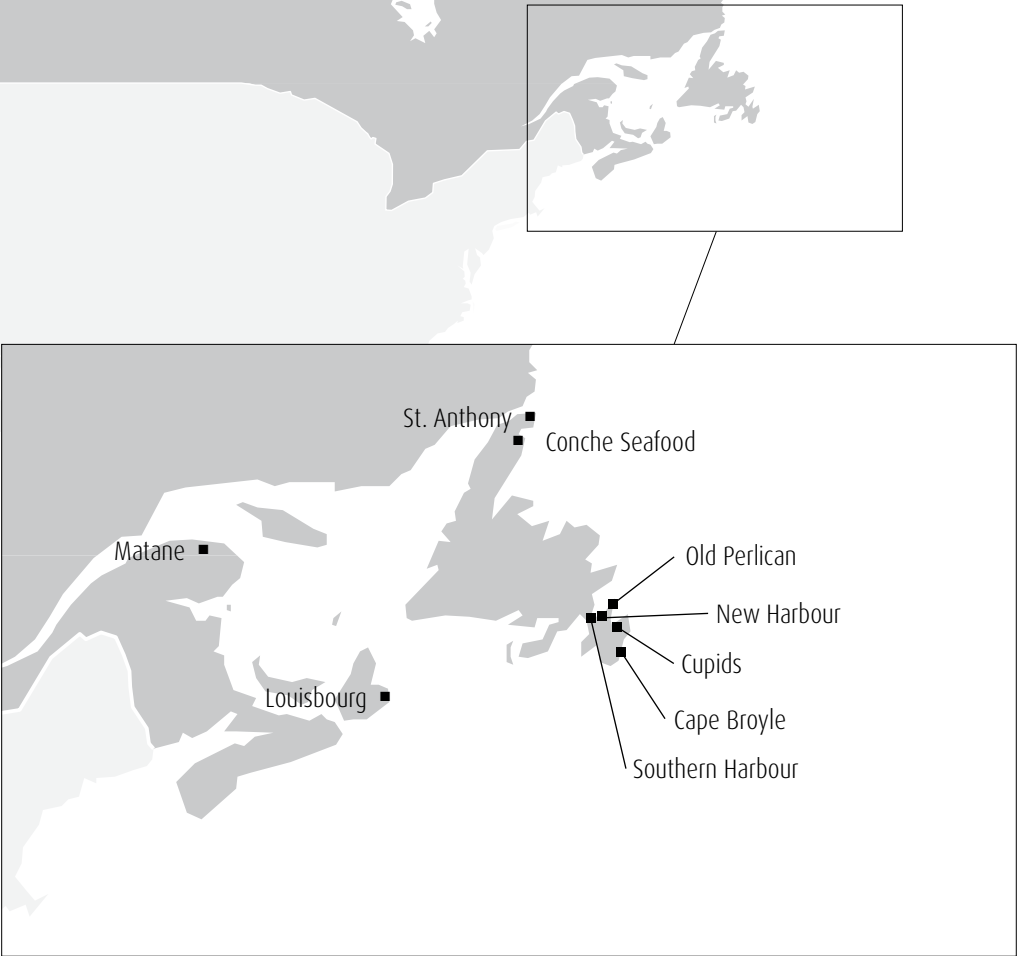
St. Anthony  
1960

**Factory Manager:** Doug Young  
**Primary species:** Prawns, snow crab  
**Products:** Cooked & peeled prawns, crab sections  
**Capacity:** 30 t/day  
**Employees:** 120 low/peak seasons

**Live lobster holding facility**  
**Manager:** Chris Fong  
**Cold store capacity:** 1000 ton  
**Employees:** 30



New Harbour  
1985



PRODUCTION UNITS IN EUROPE

Royal Greenland runs five units at three locations in Cuxhaven. They produce lumpfish roe in jars, fresh fish, as well as prawns in brine, and packed frozen prawns. The factories are subject to shared management and administration.



THE ROYAL GREENLAND FLEET  
– IN SHORE

The coastal fleet comprises 2 vessels for catching prawns, cod and crab. Catches are landed at landing points along the west coast of Greenland. In early 2022, one of the smaller coastal prawn trawlers was sold. This is expected to be replaced by a larger vessel during 2022.



**Master:** Jakup Eli Bech  
Mikael Brandt  
**Length/width:** 43.2 x 9.6 m  
**Production capacity:** 60 ton/day  
**Catch capacity:** 6,000 ton/yearly  
**Hold capacity:** 130 ton  
**Crew:** 10 men  
**Trawler type:** Coastal prawn trawler, cod  
**Ownership:** RG 75%

Lomur  
1988

■ Cuxhaven



THE ROYAL GREENLAND FLEET  
– OFFSHORE

Royal Greenland’s fleet consists of 9 offshore trawlers to fish prawns, Greenland halibut, cod and pelagic species. Most recently, Royal Greenland acquired Nataarnaq from Ictrawl Greenland A/S and renamed it M/tr Kaassassuk, thereby increasing the prawn fishing capacity.

**Master:** Ivan Olsen  
Pauli Olsen  
**Length/width:** 82,65 x 17 m  
**Production capacity:** 30-50 ton/day  
**Catch capacity:** 7-8.000 ton/yearly  
**Hold capacity:** 7-900 ton  
**Crew:** 42 men  
**Trawler type:** Ocean-going fish trawler  
**Ownership:** RG 100%

"Sisimiut" is designed specifically for fishing in the sometimes harsh and icy waters of the North Atlantic, and is packed with modern equipment. One of the main focus points in the design process has been to utilize marine resources 100%. For the same reason, a fishmeal/oil factory has been installed in order to process all cuts and by-catches to commercially viable products.

**Master:** Jogvan Trondarson  
Tordar Dimon  
**Length/width:** 83 x 18 m  
**Production capacity:** 110 ton/day  
**Catch capacity:** 7-10.000 ton/yearly  
**Hold capacity:** 6-800 ton  
**Crew:** 30 men  
**Trawler type:** Ocean-going prawn-/fish trawler  
**Ownership:** RG 100%

"Avataq" is Greenland's largest fishingvessel. The vessel can fish with three trawls and as something new the ship canswitch between prawn and Greenland halibut fishing giving great flexibility in fishing. This means that the factory on board has two lines where one can sort, boil and freeze prawns, while the other is a line for Greenland halibut.

**Master:** Martin Jacobsen  
Davur Mohr  
**Length/width:** 67.5 x 14.5 m  
**Production capacity:** 110 ton/day  
**Catch capacity:** 7-10,000 ton/yearly  
**Hold capacity:** 600 ton  
**Crew:** 22-24 men  
**Trawler type:** Ocean-going prawn trawler  
**Ownership:** Ice Trawl Greenland 100%

M/tr Nataarnaq is a leader in technology for locating, optimizing and recording the catch. With three trawls, the quality of the catch is ensured and the factory on board is optimized for quality processing. The whole catch is processed directly after catch and the finished products are palletised directly in the same operation.



**Master:** Linjohn Christiansen/  
Torbjørn Joensen  
**Length/width:** 75.8 x 14.5 m  
**Production capacity:** 110 ton/day  
**Catch capacity:** 7-10,000 ton/yearly  
**Hold capacity:** 450-750 ton  
**Crew:** 22-26 men  
**Trawler type:** Ocean-going prawn trawler  
**Ownership:** RG 100%

**Skipper:** Michael Dahl-Nielsen /  
Niclas Petersen  
**Length/width:** 67.5 x 14.5 m  
**Production capacity:** 110 ton/day  
**Catch capacity:** 7-10,000 ton/yearly  
**Hold capacity:** 600 ton  
**Crew:** 22-24 men  
**Trawler type:** Ocean-going prawn trawler  
**Ownership:** RG 100 %

Originally Ice Trawl Greenland A/S trawler  
Nataarnaq, purchased by Royal Greenland  
and renamed Kaassassuk.

**Master:** Regin Henriksen  
Pauli Justinussen  
**Length/width:** 66.4 x 14.6 m  
**Production capacity:** 80 ton/day  
**Catch capacity:** 6-7.000 ton/yearly  
**Hold capacity:** 800 ton  
**Crew:** 25 men  
**Trawler type:** Ocean-going Greenland  
halibut-/mackerel trawler  
**Ownership:** RG 25%

**Master:** Hans Petur Samuelson  
Gunnar Olsen  
**Length/width:** 52 x 12 m  
**Production capacity:** 20 ton/day  
**Catch capacity:** 3-5,000 ton/yearly  
**Hold capacity:** 350 tons  
**Crew:** 18 men  
**Trawler type:** Line boat  
**Ownership:** RG 100%

**Master:**Jonfridur Poulsen  
**Length/width:** 84 x 14,6 m  
**Production capacity:** 200 ton/day  
**Catch capacity:** 20-25.000 ton/yearly  
**Hold capacity:** 1400 tons  
**Crew:** 25 men  
**Trawler type:** pelagic trawls and purse  
seines  
**Ownership:** RG 66%

Bought in 2020

**Master:** Jonhard Haraldsen  
**Master:** Kári Petersen  
**Length/width:** 70 x 12,5 m  
**Production capacity:** 60 ton/day  
**Catch capacity:** 10-15.000 ton/yearly  
**Hold capacity:**500 tons  
**Crew:** 10-12 men  
**Trawler type:** Pelagic trawl  
**Ownership:** RG 66%

2021

Royal Greenland A/S

2021

