



BY APPOINTMENT TO THE ROYAL DANISH COURT

**Royal Greenland®**



# ANNUAL REPORT

ROYAL GREENLAND A/S

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01.01.2022 - 31.12.2022

CVR-no. 13645183

The Annual Report was presented at and approved by the company's Annual General Meeting on 09 May 2023

*Peter Schriver*  
*Chairman of the Meeting*

# ANNUAL REPORT

01.01.2022 – 31.12.2022



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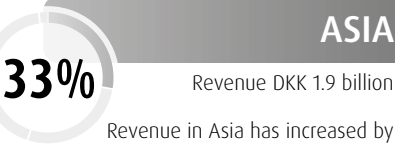
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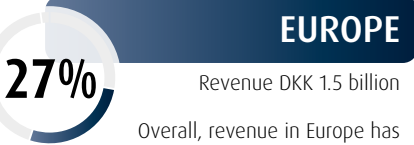
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*The pictures in the annual report mainly derive from Royal Greenland's internal archive. The front page picture is taken by Emil Stach.*



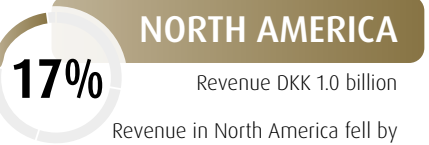
Revenue in Asia has increased by almost DKK 300 million; growth in China has been achieved despite the challenges posed by the many Covid-19 lockdowns in recent years. The Japanese market has been affected by a very low exchange rate for the Japanese yen, but we have succeeded in generating earnings on a par with 2021.



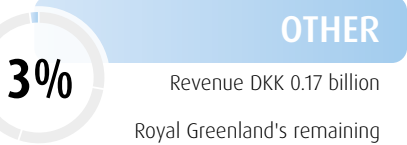
Overall, revenue in Europe has been in line with 2021. Cost increases have made it necessary to raise prices on almost all species. There is still no solution to the challenges created by Brexit and a free trade agreement between the UK and Greenland is still being negotiated.



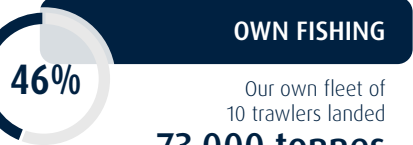
Sales in Scandinavia increased by 5%, mainly due to increased sales of shell-on prawns and cod, while sales of breaded products have decreased as retail sales of these products have been transferred to a partner. Throughout the year, the Scandinavian markets were characterised by the high inflation that hit Europe and Scandinavia in the second half of the year.



Revenue in North America fell by DKK 300 million, primarily due to a challenging market situation for crabs. On the other hand, a good market position has been established for Greenland cod. The organisation in North America is working continuously to increase sales, and progress is being made in spreading knowledge of the North Atlantic species.



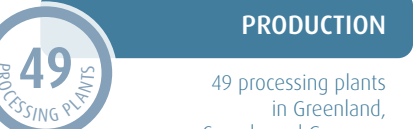
Royal Greenland's remaining sales are distributed primarily to Australia, local sales in Chile through Royal Greenland's involvement in the country and to the United Arab Emirates, where we see a growing interest in our products.



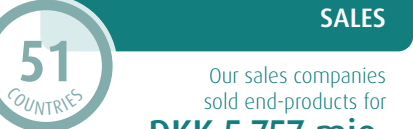
Our own fleet of 10 trawlers landed **73.000 tonnes** of raw materials



Independent fishermen delivered **84.000 tonnes** of raw materials



49 processing plants in Greenland, Canada and Germany processed and packed the catches into end-products



Our sales companies sold end-products for **DKK 5,757 mio.** to 51 countries

34%

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

26%

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

15%

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

7%

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

8%

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

10%

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



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



# Statements and financial highlights

Statement by the Management  
The independent auditors' audit report  
Financial highlights and key ratios

## Statement by the Management

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 2022.

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 2022 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 2022.

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.

Copenhagen, 13 April 2023

### Executive board

Susanne Arfelt Rajamand CEO	Bruno Olesen GROUP SALES DIRECTOR
Nils Duus Kinnerup CFO	Lars Nielsen GROUP PRODUCTION DIRECTOR

### Supervisory board

Maliina Abelsen CHAIRMAN	Niels Harald de Coninck-Smith DEPUTY CHAIRMAN
Susanne Christensen	Arnanguaq Holm Olsen
Johannes Jensen	Jesper Højer
Sara Büllmann Egede <i>Elected by the employees</i>	Niels Ole Møller <i>Elected by the employees</i>
Johan Berthelsen <i>Elected by the employees</i>	

## 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 2022, 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 2022 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 2022, 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 circumstances, 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.

Copenhagen, 13 April 2023

EY Grønland

Godkendt Revisionsanpartsselskab

CVR-no.: 33 94 61 71

Claus Hammer-Pedersen  
State-Authorised Public Accountant  
mne21334

Michael Dahl Christiansen  
State-Authorised Public Accountant  
mne34515

Financial highlights and key ratios

PROFIT/LOSS

KEY FIGURES – DKK mill.	2022	2021	2020	2019	2018
Net revenue	5,757	5,638	4,849	5,327	5,169
Profit from primary operations, incl. associated companies	310	344	(15)	437	292
Net financials	(75)	(18)	(44)	(33)	(29)
Net profit before tax	235	326	(59)	404*	263
Net profit for the year	186	257	(57)	311	175
RG's shareholders' share of the profit for the year	146	226	(92)	267	148

BALANCE SHEET

KEY FIGURES – DKK mill.	31.12.22	31.12.21	31.12.20	31.12.19	31.12.18
Fixed assets	3,331	3,032	2,732	2,679	1,745
Net working capital	2,370	1,388	1,625	1,710	1,597
Equity	2,062	2,011	1,780	1,888	1,601
RG's shareholders' share of equity	1,829	1,797	1,584	1,715	1,467
Net interest-bearing debat	2,879	1,898	2,188	1,964	1,382
Balance sheet total	6,722	5,765	5,430	5,733	4,614
Investments in property, plant and equipment	311	360	311	991	222

RATIOS

%	31.12.22	31.12.21	31.12.20	31.12.19	31.12.18
EBIT-margin	5.4	6.1	(0.3)	8.2	5.7
EBT-margin	4.1	5.8	(1.2)	7.6	5.1
ROIC including goodwill	6.7	8.4	(0.9)	11.1	9.1
Return on equity (ROE)	10.3	15.2	(3.4)	19.6	12.2
Equity ratio	27.6	31.9	29.8	30.7	32.3
Net interest-bearing debt / EBITDA	5.8	3.4	14.4	3.3	3.2

NUMBER OF EMPLOYEES

	2022	2021	2020	2019	2018
Greenland	1,390	1,388	1,452	1,432	1,487
Denmark	152	156	165	199	205
Canada	523	465	450	371	375
Other countries	221	228	163	198	161
Total	2,286	2,237	2,230	2,200	2,228

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



# Management report

Royal Greenland achieved a satisfactory result despite difficult conditions

Financial statements

A year of many global sales challenges

New products and innovation

Rising activity and higher cost prices in fisheries and production

Food safety

Risks

Events during the year

## Royal Greenland achieved a satisfactory result despite difficult conditions

The result should be viewed in the light of significant cost increases and a challenging snow crab market.

The profit from primary operations before tax was DKK 235 million for 2022.

Revenue amounts to DKK 5.8 billion and reflects an increase of 2% from 5% lower sales, measured in tonnage terms.

The satisfactory result is based on the core activities in Greenland. These activities continued the positive development from the second half of 2021, after severe pressure during Covid-19 in 2020 and the first part of 2021.

Shell-on prawns, cooked & peeled prawns and Greenland halibut have returned to the normal earnings levels thanks to positive sales price development, but also positive operational development for the ocean-going activities on the new trawlers in which the Group has invested in recent years. Cod also showed positive earnings in terms of both trawler and land-based activities.

Costs rose strongly in 2022, however. The development is due to rising inflation and in particular the increasing energy prices as a consequence of Russia's invasion of Ukraine. Besides a higher cost level, the crisis has also brought an uncertain market situation in Europe, with a slowdown in recent months.

During the last two years, snow crab has been the cornerstone of Royal Greenland's earnings, but was strongly challenged in 2022 due to very high raw material prices and a slowdown in the North

American market. Sales prices have declined by more than 50% from 2021, since demand within foodservice and retail segments could not support the levels from 2021. Together with the record-high raw material prices, this means that snow crab earnings fell by DKK 400 million in 2022.

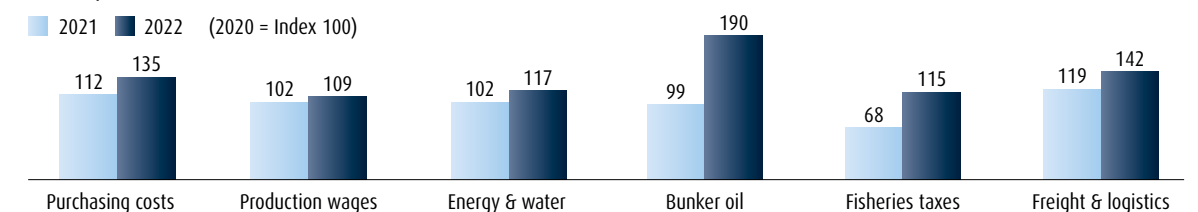
The main principle of the North Atlantic Champion strategy is diversification of activities and thereby risk for various species, geographical stocks and markets, to achieve more stable earnings. The shift in earnings in recent years between snow crab and the core Greenlandic species demonstrates the strength of the strategy.

The profit for the year matches the historically normal level, but as a consequence of the development in snow crab sales and in costs, falls short of the record-high profit in 2021 and the expectations for 2022.

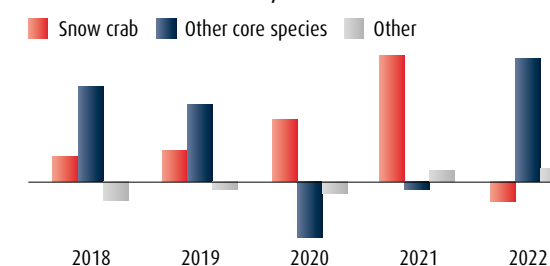
The development in Asia was very positive, and particularly sales to China have regained the level from before Covid-19. This compensates for the slowdown in Europe and the challenges in North America.

As a consequence of Russia's invasion of Ukraine, Royal Greenland stopped sales to Russia at the beginning of March 2022. We were able to compensate for the absence of sales of shell-on prawns to Russia, the world's second-largest market for this category, by increasing sales to China and Scandinavia.

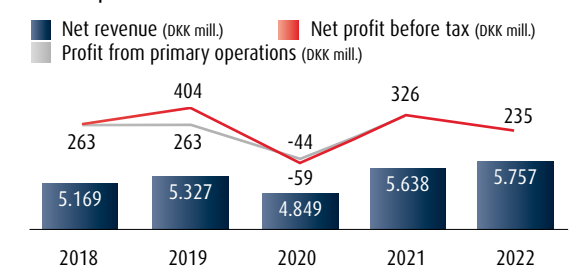
Development in selected costs



Breakdown of turnover by business areas



Development in revenue and results





Over the last ten years, the North Atlantic Champion strategy has documented its value and strength for Royal Greenland, with an ambition of greater vertical integration and risk diversification. We are now following the fourth version, with focus on:

- Value creation and maximising the value of the raw material
- Markets and sales channels
- Expansion for selected core species and geographies
- Sustainability and responsibility

The development in snow crab in North America and the slowdown in Europe have challenged North Atlantic Champion 4.0, however, but the business plan for 2023 will bring Royal Greenland back on the right strategy track.

The strategy is based on the same mission and vision as have applied for the last ten years, and will continue to focus on generating increased value from core species in the form of commercial initiatives and operational expertise.

There is also a better distribution of sales across markets and segments, with continued focus on Asia and Europe, but also greater focus on North America.

Going forward, Royal Greenland will continue to be open to new acquisitions and joint ventures within selected wild-caught high-quality species, where we can achieve privileged access to the resource.

The focus is on sustainability as an integral element of Royal Greenland's business and a natural aspect of the company's DNA. This is a strategically prioritised area, at the level of the market and category initiatives.

Royal Greenland was affected by an extensive cyber attack in December 2021, but thanks to the fantastic efforts of employees throughout the Group, it was possible to keep the business running, and systems and IT infrastructure were re-established during Q1 2022.

Based on a strong global organisation and a strategy and business model that have proved their worth, Royal Greenland has a good starting point for the next many years.

MISSION

"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."

VISION

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



# Financial statements

The profit of DKK 235 million before tax is at the level of previous results and reflects a normalisation for a number of species. The rising level of costs and low snow crab sales increased working capital and interest-bearing debt considerably.

The normalisation of sales prices for most core species is the reason for increasing revenue despite lower sales and significantly lower snow crab sales prices.

Shell-on prawns delivered growth and good earnings, despite the loss of the Russian market. Russia accounted for a revenue loss of DKK 80 million in 2022 for shell-on prawns alone, and a total revenue loss of DKK 100 million. The commissioning of new trawlers in recent years improves this category's operating economy, but earnings are reduced particularly by rising costs of fuel, fisheries taxes and wages. Fuel costs for the full trawler fleet increased by DKK 90 million in 2022.

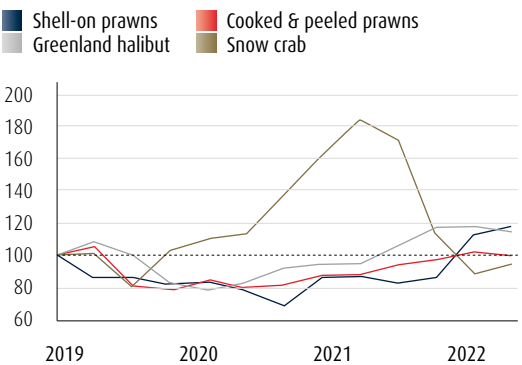
Cooked & peeled prawns were the product category most severely affected by price decreases of up to 20-25% during the pandemic and as a consequence of Brexit. The market situation improved at the end of 2021, however, and in 2022, the category returned to positive earnings after realising losses in the last couple of years. This positive development came to a halt in Q4 2022, however, as a consequence of the market uncertainty generated by inflation and the energy crisis in Europe.

As the world's largest producer of Greenland halibut, with 90% of sales to Asia, this product category is exposed to the pandemic's impact on the Asian markets. The main markets are China, Japan and Taiwan. Despite the pandemic in China in particular, sales of Greenland halibut could be brought back to a normal level. Together with rising sales prices and a strong US dollar, this ensured good Greenland halibut earnings, albeit challenged by significantly higher raw material prices.

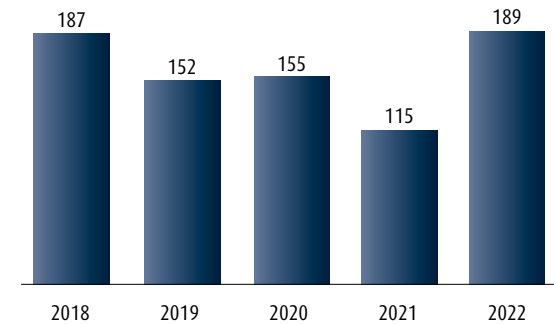
Efforts to strengthen Royal Greenland's raw materials position in Northern Greenland are continuing, as investments in facilities and the establishment of joint ventures. The Arctic Fish Greenland collaboration now comprises three processing plants (Kullorsuaq, Nuussuaq and Nutaarmiut), instead of the previous two. The group of owners consists of fishermen, employees and Royal Greenland.

Over the years, snow crab has developed into an important category for Royal Greenland, and actually provided the foundation for Royal Greenland's earnings in the two preceding years. The activity is based in Newfoundland and Nova Scotia in Canada, but is also supplemented with snow crab from Quebec in Canada, and from Greenland, Norway, and most recently also from Chile. The crab activity in Chile also includes king crabs.

Development in sales prices for main species per quarter, 2019-2022 (Q4 2019 = Index 100)



Development in fisheries taxes (DKK Mill.)



In 2022, this category was strongly challenged by very high raw materials prices, as well as a weak North American market. Sales prices dropped by more than 50% since both foodservice and retail segment demand was insufficient to support the sales prices levels from 2021. Together with the record-high raw materials prices, this reduced snow crab earnings significantly. In contrast to previously, this category thereby returned a loss in 2022. The availability of the species makes this a good resource, with increasing quotas in Atlantic Canada and Greenland.

In contrast to previously, Royal Greenland did not make a loss on North Atlantic cod. Significantly higher sales prices results in a small profit in 2022. This should be viewed against the background of changed supply patterns due to lower quotas in the Barents Sea, as well as increased demand for alternatives to white fish from Russia. The land-based activities in the cod category continue to present challenges. The focus is on increasing the proportion of Nutaaq® cod produced in Maniitsoq, in order to deliver a high-quality product at an attractive price. The proportion of Nutaaq cod did not increase in 2022, however, as the total volume of cod was declining. The proportion of fillets produced also declined.

The pelagic activity did not match the previous year's level. Capelin sales prices were low, and together with significantly higher operating costs, this pushed earnings down. Mackerel was fished from the international zone to a smaller extent. Recent years' efforts to create a basis for commercial fishing for mackerel in Greenlandic waters did not bear fruit in 2022, either, and pelagic fishing in Greenlandic waters was thus once again non-existent in 2022.

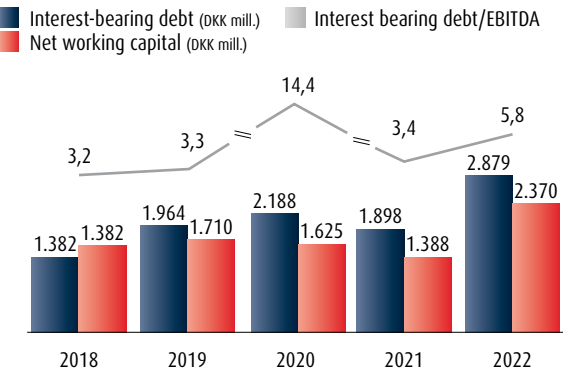
The profit for the year after deduction of minority interests amounts to DKK 146 million. The minority interests in the companies Ice Trawl Greenland, Pelagic Greenland, Gaia Fish, Arctic Fish Greenland, Inughuit Seafood and St. Anthony amount to DKK (40) million.

In view of the development in snow crab and a generally increasing cost base, more liquidity is tied up in working capital and thereby in net interest-bearing debt. Together with the continued planned replacement of the ocean-going fleet, this brings the latter up to DKK 2.9 billion at the end of 2022, compared with DKK 1.9 billion last year.

A new fishing trawler to replace M/tr Tuugalik will be delivered at the end of Q1 2023. A new prawn trawler to replace M/tr Akamalik was ordered in the autumn of 2022, with delivery in 2025, after which Royal Greenland's fleet will be 100% renewed and ready for the future.

The net interest-bearing debt will be reduced significantly during 2023. Available liquidity amounts to DKK 0.8 billion.

Development in interest-bearing debt and net working capital



As a ratio of EBITDA, the net interest-bearing debt accounts for a factor of 5.8, compared to a factor of 3.4 last year. There is high gearing. 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.

A number of measures are being taken to reduce the debt. The aim is still gearing of around 2.5, when the trawler investments have been completed and the trawlers are in operation.

In 2022, private placement loans for DKK 0.5 billion were refinanced. The next major repayments fall due in 2025. The cash flow from operations amounts to DKK (788) million, as a consequence of the increase in working capital. Total cash flows amount to DKK (144) million after financing. In 2022, DKK 113 million in dividend was paid to the Greenland Self-Rule Government.

Equity capital amounts to DKK 1,829 million, while the equity ratio is 28%. In accordance with the dividend policy agreed with the owner (50% of the profit for the year after tax), DKK 73 million in dividend is allocated to the Greenland Self Rule Government.

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

Outlook

Russia's invasion of Ukraine has led to global uncertainty and uncertain markets, particularly in Europe and North America, with rising inflation, higher costs and low growth. The macroeconomic forecasts are not optimistic.

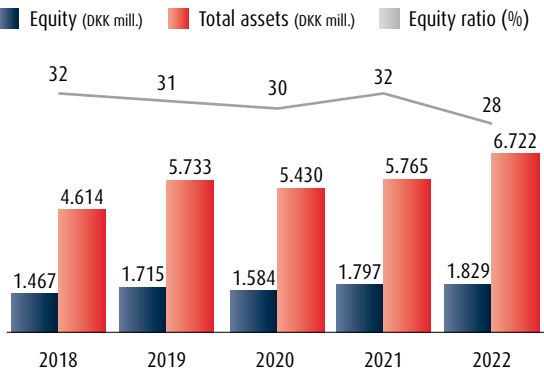
In addition, Covid-19 is still present, which creates uncertainty in Asia in particular.

In overall terms, however, it is expected that, based on larger volumes and higher prices, revenue will be increased to DKK 6.0-6.5 billion, and that the profit for 2023 will be at the historically "normal" level. The core Greenlandic species are expected to end at a slightly lower level than in 2022, due to the market situation in Europe in particular, while it is assessed that the North American snow crab market will normalise to the level from before the pandemic.

The general development in the global economy, amplified by the war in Ukraine, with an uncertain market, and rising prices for raw materials, energy and other goods, and the market consequences of Covid-19 and Brexit, constitute significant uncertainty factors.

Gearing, in the form of net interest-bearing debt, will be reduced in 2023.

Development in balance sheet and equity



# A year of many global sales challenges

2022 was a year that presented new challenges and changes that made high demands of Royal Greenland's capacity for change.

Despite the challenges, it was possible to increase sales by more than DKK 100 million.

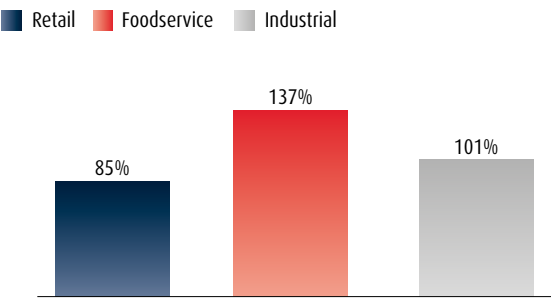
The primary challenges were:

- The snow crab market in North America saw a significant drop in demand, with strongly declining sales prices as a consequence.
- Russia's invasion of Ukraine led Royal Greenland to stop sales to Russia. This meant that a large volume of shell-on prawns had to be sold on other markets than planned.
- An uncertain market situation in Europe, as a consequence of the energy and inflation crisis.
- The finalisation of Brexit and the lack of a free-trade agreement between the UK and Greenland removed the unrestricted access for fish and shellfish from Greenland to the major cooked & peeled prawns market.
- The uncertain market situation affecting the Chinese market, due to the many restrictions and lockdowns of cities affected by Covid-19, continued during the year.
- There was a considerable increase in production prices for Royal Greenland's products, with a consequential need to raise market prices.

Sales to the foodservice segment increased by 37% in 2022, but are not quite at the level from before Covid-19.

Retail sales fell, primarily due to the transfer of ownership of breaded products to Espersen A/S under a new trade agreement.

Revenue – 2022 vs. 2021 (Index 100)



The geographical revenue distribution shows increasing sales to Asia, despite Covid-19, but also a decline in sales to North America, due to the challenging snow crab market.

Asia

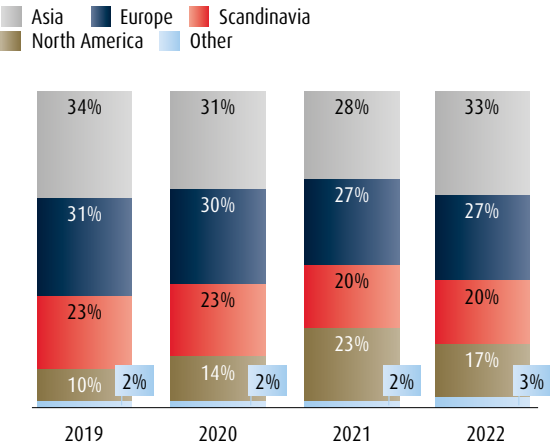
Revenue in Asia increased by almost DKK 300 million, amounting to DKK 1.9 billion. China accounts for all of the growth in Asia.

The growth in China was achieved despite the challenges presented by the many Covid-19 lock-downs during the year. The positive trend that began in mid-2021 continued throughout 2022, with higher sales and improved sales prices.

Sales of shell-on prawns were particularly favourable. China has taken most of the prawn volumes for which other markets had to be found when sales to Russia were stopped. The average sales price also increased by more than 50%.



Historical distribution of revenue on regions



After the Chinese Covid-19 restrictions were eased in the last part of 2022, there was clear positive development in Chinese consumption, which will give positive support to the future market performance.

Another positive trend in China is sales of Royal Greenland's consumer-packaged products. This turnover has more than doubled from 2021 and now amounts to approximately DKK 90 million. Sales take place via traditional supermarkets, and also online.

The Japanese market was affected by the very low JPY exchange rate, as well as continuous challenges with less stable deliveries, particularly from Chinese subsuppliers, of processed North Atlantic products for sushi customers.

The negative course of JPY, together with rising raw materials prices, brought a number of price increases during the year, and the sales organisation in Japan managed to achieve earnings at the 2021 level.

Europe

There were a number of changes in revenue from the European markets, but in overall terms, revenue was constant at just over DKK 1.5 billion. Cost increases made significant price hikes necessary for all species, and the earnings levels from before Covid-19 are being re-established.

Sales to Russia, which predominantly consisted of shell-on prawns and pelagic species, were stopped as a consequence of Russia's invasion of Ukraine. This entailed a loss of sales to Russia worth DKK 100 million, and in particular sales of shell-on prawns were directed to other markets. Sales of shell-on prawns to Ukraine also decreased significantly as a consequence of Russia's invasion, but rallied again in the course of the year.

Sales to the German retail sector declined after sales of breaded products were transferred to Espersen A/S. However, this was partly compensated by increased sales to the foodservice sector of products with a better earnings margin. During the year, Germany invested in strengthening the foodservice organisation.

Revenue in the UK rose by 15%, based on a constant volume. Prices for cooked & peeled prawns and cod showed good increases during the year.

There is still no solution to the challenges created by Brexit. A free-trade agreement between the UK and Greenland is still being negotiated, but so far without results. However, a customs-free volume of cooked & peeled prawns that can be imported for processing and packaging in the UK has been established. An agreement was therefore required with a local external packaging plant to process the products.

The volume of customs-free cooked & peeled prawns entering the UK in 2022 was significantly below the volume producers in Greenland would need to cover a year's requirement and ordinary demand. In 2022, the customs-free volume was exhausted on 1 August. On 15 October, a small extra quota was added, but this was too late to affect the Christmas trade, since customers had entered into agreements with other suppliers.

It is still important for Greenland to establish a free-trade agreement with the UK, which is the world's largest market for cooked & peeled prawns. The other main producer countries, Canada, Iceland and Norway, already have agreements in place.

The Polish market is developing positively. Sales of Greenland halibut and cod to this market have doubled from 2021, and revenue in Poland now exceeds DKK 100 million.

Scandinavia

Sales increased by 5% in 2022, but with a different breakdown. Sales of shell-on prawns and cod rose, while sales of breaded products declined, since sale of these retail products has been transferred to Espersen A/S.

The situation in the Scandinavian markets normalised during the year, after all remaining Covid-19 restrictions were lifted. A challenge was presented by high inflation, which particularly affected Europe and Scandinavia in the second half-year, and reduced purchasing power in the markets.

The cost development pressure made it necessary to raise prices, and a series of price increases took place during the year.

In Norway, a new agreement was established with a major retail customer, whereby Royal Greenland became the main supplier of shell-on prawns. This agreement makes Royal Greenland the market leader in Norway for this product group.

In Sweden, investments were made to strengthen the foodservice organisation, to ensure achievement of the strategic initiative of growth in this sales channel.

At the close of the year, the Scandinavian sales organisation was combined at a new office in Malmö, Sweden. All sales service functions are now gathered in Malmö, where the markets' sales management is also located.

North America

Revenue in North America fell by DKK 300 million to a level just below DKK 1 billion. The reason is the challenging performance of the snow crab market. While 2021 was a fantastic year for snow crab prices, 2022 was the opposite. Royal Greenland sold identical volumes in the two years, but revenue took a significantly negative course.

The background to the course taken in 2022 is that prices in 2021 reached a level which led both retail consumers and customers throughout the foodservice sector to avoid buying snow crab. As a consequence, wholesalers and distributors had large stocks at the start of 2022, in contract to producers. Wholesale stocks would have to be reduced significantly before snow crab could be sold again. Retail and foodservice customers thereby held large stocks of snow crab bought and processed in the 2021 season. Sales normally begin in April, at the start of the catch season, but in 2022, this was not until the end of July, and at prices that were not profitable for producers. Raw materials prices were also record-high.

In price terms, Royal Greenland has monitored the market development and focused on reducing stocks as far as possible prior to the start of the new season in April 2023.

On the positive side, a good market position for Greenlandic cod in North America was established during the year. There was particular demand for the Greenlandic Nutaaq cod, of which the quality is appreciated by the market.

There is continuous focus on increasing sales of the North Atlantic species in the North American market, towards which steps are being taken all the time.

It is still important for Greenland to establish a free-trade agreement with the UK



# New products and innovation

In 2022, as an element of our strategy, a new competence centre was established to strengthen innovation in Royal Greenland. We also strengthened our innovation portfolio and innovation processes.

Our innovation portfolio will continue to reflect the focus on our core species, while packaging and packaging components are also an area of innovation focus in terms of sustainable materials and packaging characteristics. Great weight will also be given to improving utilisation of our side-streams (by-products). The innovation work is fundamentally based on the needs of customers and consumers, combined with Royal Greenland's responsibility to create a more sustainable value chain.

Royal Greenland also maintains and develops our research project portfolio. In close collaboration with universities and research institutes we create results that can be exploited commercially via Royal Greenland's further development, implementation and marketing. Going forward, we will continue to establish new partnerships in our search for new solutions to develop our business.

**NEWSOP erhvervsforskerprojekt går ind i sin sidste fase**  
Production and sale of shell-on prawns is a very important aspect of Royal Greenland's species strategy. 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)".



This project is being conducted in close cooperation with the National Food Institute at DTU in Lyngby, Denmark, and is partly financed by Innovation Fund Denmark.

In March 2022, student industrial researcher Hanne Aarslev Jensen embarked on M/tr Avataq from western Greenland to undertake controlled product tests in realistic conditions. The frozen product samples were shipped to Denmark for further durability analyses at DTU in Lyngby and at Royal Greenland in Svenstrup.

During the following months, the last tests under the NEWSOP project took place. This was followed by writing articles, best practice for shell-on prawn production and, finally, completion of a PhD thesis at the end of June 2023.

**WaSeaBi testing cod side-streams from Nutaaq production in Maniitsoq**  
Royal Greenland continues to participate in the European research project called Waste Seafood Bioeconomy (WaSeaBi), to be completed in autumn 2023. The project involves three research institutes, one industrial cluster and nine European companies.

Based on the Nutaaq production, where live cod is delivered to Royal Greenland's processing plant in Maniitsoq, various samples, comprising fresh cod carcasses, heads and entrails, are frozen.

The frozen samples are sent to the National Food Institute at DTU in Lyngby, where several tests are performed for the further processing and development of ingredients such as flavour enhancers and peptides.

In November 2022, Royal Greenland attended the WaSeaBi annual conference, which was held at Chalmers University in Gothenburg, Sweden. The WaSeaBi project screens various technologies for utilising side-streams in the fisheries industry.

The project is financed under the EU Horizon 2020 programme as a biobased consortium.



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



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.

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

Royal Greenland is part of 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 under the EU programme "ERANET Cofund on Blue Bioeconomy – Unlocking the Potential of Aquatic Bioresources".

The PROFIOUS project focuses on developing commercial use of lumpfish carcasses to produce collagen or gelatine. 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 Royal Greenland's processing plant in Cuxhaven, Germany, which the project group visited in March.

In April, tests under the project took place at Royal Greenland's processing plant in Maniitsoq. The EU project also includes developing alternative product types, based on lumpfish roe as the raw ingredient, for commercialisation.

## Greenland halibut in a new, three-year PhD project – cause and occurrence of jelly fish

Royal Greenland's Greenland halibut business is a core strategic area in which research and development carry great weight in our overall prioritisation of development resources.

In autumn 2022, Royal Greenland was therefore very pleased to have the opportunity to be part of the PhD project entitled "Biological variation of Greenland halibut in Greenland – optimisation of sustainability and commercial market value (Qaleralik)". The project is being conducted by Natacha L. Severin of the University of Copenhagen, under the supervision of Professor Kurt Buchmann, and with the University of Greenland and the Greenland Institute of Natural Resources as cosupervisors in the project group.

The Qaleralik project is financed by the Greenland Research Council, Royal Greenland and the Bank of Greenland's Industrial Fund.

The Qaleralik project is investigating the prevalence of and the reason for the "jelly fish" phenomenon. This occurs when the Greenland halibut fillet becomes crystal-clear, liquefied and slippery/jelly-like in consistency and thereby unsuitable for the production of commercial Greenland halibut products. This is documented by rejected fish in production and complaints from buyers.

The purpose of this PhD project is thereby to contribute essential new knowledge about the reasons for "jelly fish" quality shortcomings in the Greenland halibut, and to investigate technological initiatives to optimise processing and economic utilisation of this raw material, in order to promote more sustainable use of the Greenland halibut quota in Greenland.

The first "jelly fish" tests have already taken place at Royal Greenland in Aalborg. In November 2022, Royal Greenland attended a kick-off meeting for the PhD project at the University of Copenhagen.



**New project: Launch of breaded prawns**

SNACK'it is a new snack concept from Royal Greenland that, among other, consists of small snacks of crispy, breaded cold-water prawns. The prawns can be served in many different ways, and they are easy to prepare directly from the freezer.

Breaded warm-water prawns are most common in the market. SNACK-it has been launched to create a product of high quality with the

sweet flavour and consistency that characterise cold-water prawns. The product has a prawn content of 60%, which is quite high for this type of product category. It has also been sought to develop a product without artificial additives, so that the product can carry the Clean Label.

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



# Rising activity and higher cost prices in fisheries and production

A rising global cost level for all production units has presented challenges after Covid-19, further emphasising the importance of continued focus on optimising the value of the raw materials in Royal Greenland's fisheries and production.

## Greenland

It is vital for Royal Greenland to have privileged access to quotas, whether this access is secured by own fishing or by bringing raw materials from external companies and fishermen to the Group's processing plants.

### Fisheries

Royal Greenland's fleet comprises nine ocean-going trawlers for prawn, Greenland halibut, cod and pelagic species, and one in shore prawn trawler.

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, delivered in 2019, fished for both prawn and Greenland halibut in 2022, and again with extremely good results.

M/tr Nataarnaq was delivered at the end of 2021 from Murueta Astilleros Shipyards in Bilbao, Spain, and was used for prawn fishing throughout 2022. M/tr Nataarnaq started up without problems and fished well throughout the year.

In Pelagic Greenland, the company's trawler, M/tr Tasiilaq, was in operation throughout the year. M/tr Tasiilaq fished reasonably well for mackerel and blue whiting, while capelin failed, due to problems with new fishing equipment.

The beginning of 2023 saw delivery of another newbuilding, M/tr Tuugallik, also from Murueta Astilleros Shipyards in Bilbao, Spain. This trawler replaces the trawler of the same name, which was sold in Q1 2023. One more trawler has been ordered from the same yard. This trawler will replace M/tr Akamalik, with delivery planned for the beginning of 2025, after which the ocean-going fleet will be by and large renewed and secured for the future.

The Group fished a total of 73,000 tonnes in 2022, which is an increase of 8% from 2021. The increase is mainly due to considerable fishing of pelagic species.

The prawn quota was 115,000 tonnes in 2022 but declined by 5,000 tonnes to 110,000 tonnes in 2023. The quota reduction does not affect the Group's total prawn fishing in 2023, as there is a flexible quota from 2022 to 2023.

Production

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

The activity was at by and large the same level as in the preceding year. The prawn processing plants' activities were at a high level. In the Greenland halibut fishing areas and at the processing plants where the halibut required to be landed is processed, the level of activity was relatively stable. The season for Nutaag cod in Maniitsoq started late in 2022, so that there was slightly lower activity than in the preceding year.

The investment level was again high in 2022.

In 2022, there was focus on increasing capacity for cod in particular. Significant investments thus took place in Narsaq and Nuuk. The new cod processing plant in Sisimiut got off to a difficult start, with limited supplies of cod. Supplies began to increase at the end of the year, and 2023 is expected to show a significant improvement.

At the prawn processing plants in Sisimiut and Ilulissat, investments in rationalisation measures continued in 2022, and particularly in building maintenance.

There are still general significant challenges with attracting sufficient manpower, particularly during high season. On this basis, in 2022 there was great focus on reducing the need for manpower and on simplified processes at the onshore facilities. This included working to develop equipment to handle processing in Greenland without increasing the manpower requirement. There has also been considerable focus on improving the working environment, to make it more attractive to work at the company's processing plants in different parts of Greenland.

As the Covid-19 restrictions have gradually been lifted, however, it has once again been possible to recruit more employees from abroad. In total, Royal Greenland thus employed 128 foreign workers in 2022.

Procurement

During the financial year, 60,179 tonnes of fish and shellfish were landed at Royal Greenland's processing plants in Greenland. This is slightly less than in 2021.

Catch landing volumes of cod continue to fall, which reflects the development in the overall coastal cod fishing.

Catch landing of live cod for the Nutaag production in Maniitsoq declined by 10%, due to a late start to the season and a decline in

fisheries. Almost 50% of the year's catch handling of cod for Royal Greenland was live fish for Nutaag production. A new well boat was deployed in 2022, but faced a number of start-up problems. These challenges are expected to be resolved before the 2023 season, when volumes should preferably rise again.

The average catch landing price rose by 10% from 2021 to 2022, after two years of declining prices due to Covid-19. Catch landing prices for Greenland halibut, cod, crab and roe increased particularly.

Payment to coastal fishermen in Greenland amounted to DKK 711 million in 2022, compared with DKK 690 million in 2021. Over a ten-year period, the total payment to the Greenlandic fishermen has increased by DKK 380 million.

Canada

Production

With nine processing plants in Newfoundland, Quebec and Nova Scotia, Royal Greenland has significant in shore fishing activities in Canada. Seven of the nine processing plants are owned via Quin-Sea Fisheries in Newfoundland, including the processing plant in St. Anthony that is owned under a Joint Venture with Clearwater.

Besides snow crab, lobster and prawn, the Newfoundland activities include sea cucumber, cod, Greenland halibut and pelagic species. During the last couple of years lobster has become the most important species. A fresh range for sale in North America is subject to ongoing development. This range comprises cod, scallops, live lobster and Greenland halibut.

In Quebec, Royal Greenland has a processing plant for cooked & peeled prawns and crab. There is more intense competition for raw materials due to excess capacity on the plant side and declining prawn fisheries. Besides prawns and crab, in 2022 lobster production was also started up, and at the end of 2022, extension of the processing plant in Matane was commenced, in order to increase crab and lobster production in the coming years.

In Nova Scotia, a crab factory is operated under the auspices of A&L Seafoods.

In total, more than 23,800 tonnes of raw materials were landed at the processing plants in Atlantic 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, Royal Greenland's subsidiary, Quin-Sea-fisheries, saw increasing activity. The crab stock, and thereby the quota, continues to develop positively in almost all areas of Canada, including Newfoundland. The increasing activity is also related to a larger market share for both crab and lobster. The prawn quota continues to decrease in the coastal areas of Canada, which is reflected in declining prawn production at Quin-Sea Fisheries.

In Quebec/Gulf of St. Lawrence, the prawn stock is still under pressure. In 2022, the quota fell again for the entire area, and a further reduction of up to 40% is expected in 2023. After its start-up in 2020 the crab factory in Matane has operated with rising volumes and efficiency. Furthermore, lobster production was established in Matane in 2022, with expected growth in the coming years.

The crab stock in Nova Scotia is healthy, with expected higher quotas in the coming years. The level of activity in Royal Greenland's subsidiary, A&L Seafoods, was high in 2022, and further growth of 10-15% is expected in 2023, due to expected higher quotas in the Gulf of Saint Lawrence.

As mentioned, more than 23,800 tonnes of raw materials were landed and purchased for processing at plants in Atlantic Canada. This concerns increasing volumes of crab and lobster, but on the other hand a continued decrease in prawn volumes.

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.

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

Chile

Activities in Chile, with focus on seabass and crab, continue to increase. In 2022, there was particular focus on own supplies via investments in own fishing boats and transport vessels, which will strengthen future deliveries and growth in Chile.

We secured 200 tonnes of Chilean snow crab and 800 tonnes of Chilean king crab via our Chilean joint venture. We expect volumes from Chile to stabilise in 2023, after which we can expect increasing volumes again in 2024. Besides crab, we also receive Chilean sea bass.

Norway

The processing plant in Øksfjord has processed 1,500 tonnes of salmon for production of smoked goods by our Danish subsupplier.

Via our Norwegian suppliers, Royal Greenland has purchased around 600 tonnes of snow crab. Snow crab from Norway is fished in the Barents Sea, where the crab are processed onboard the vessel immediately after catch.

Denmark

Royal Greenland's range of smoked products is produced by a sub-supplier in Denmark. The Group has no other production activities in Denmark. The smoked products agreement will expire during 2024, so that during 2023 another solution must be found concerning future deliveries of smoked products.

China

For many years, Royal Greenland has collaborated with Chinese secondary suppliers that process raw materials from Greenland into high-quality sushi products for the Japanese market. Processing of Greenlandic cod in China has been resumed, due to the difficult supply situation after Russia is no longer used as a supplier of frozen raw materials to Royal Greenland. MSC-certified cod is retained in China.

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 1,200 tonnes of supplementary quantities of Greenland halibut were purchased, in addition to Greenland halibut from Greenland. The Greenland halibut is primarily used for processing in Asia for the Japanese market. A small proportion is used for smoked goods for the European market.

Raw materials such as salmon and MSC-certified cod are procured in the world market. MSC-certified cod, primarily from Norway, constitutes the largest individual element, at 6,000 tonnes. The cod is a supplement to the Greenland cod. Salmon is purchased for the smokery in Denmark, and as a trade commodity. The volume of externally purchased cod is declining, and it is sought to continuously replace this volume with cod from Greenland. Sales of processed cod from Greenland are primarily to English and Scandinavian customers.







# 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. Transparency with 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 down to our 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, supplying fresh raw materials and shellfish to our processing plants on a 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 materials supplier, it must be checked and ensured that there is no illegal, unreported or unregulated (IUU) fishing.

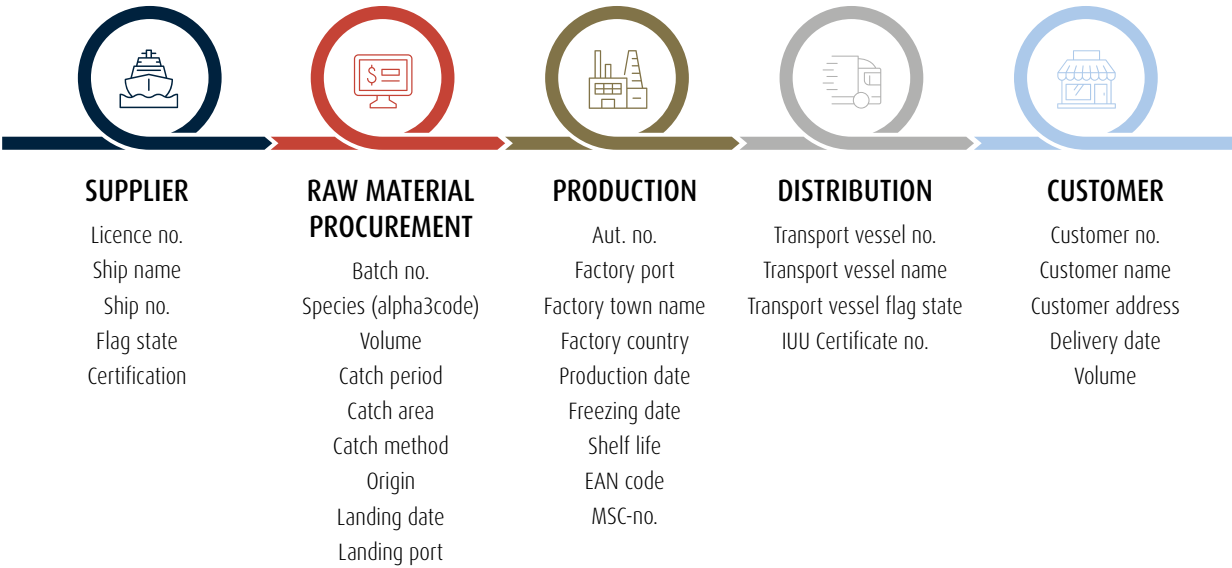
Among other things, it is checked whether the raw materials supplier and/or the secondary supplier's ships appear on EU blacklists.

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

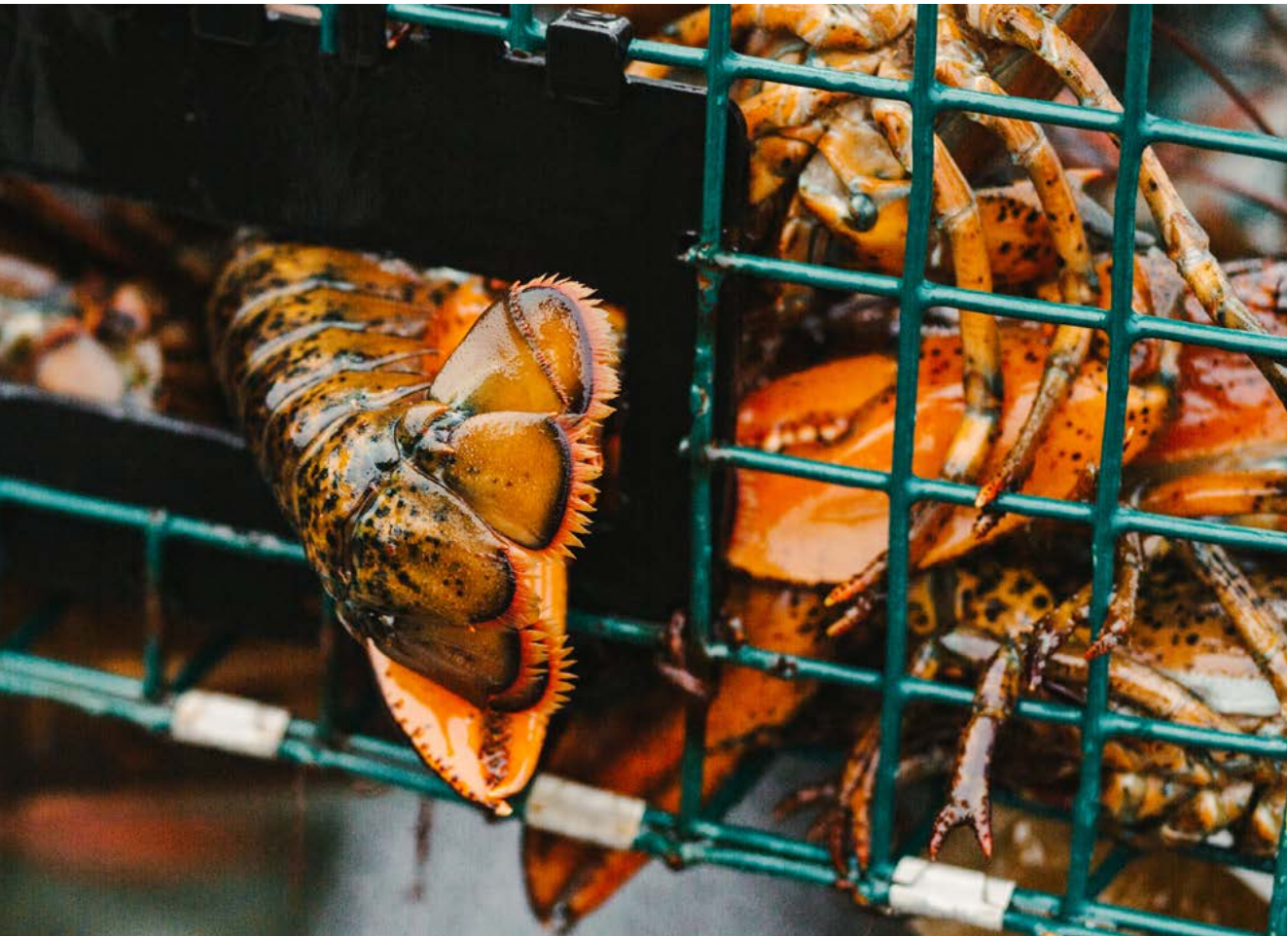
**Royal Greenland safeguards high food safety and quality**  
Certification in accordance with the international food standards (BRC, IFS FSSC 22000, etc.) and certification in sustainable fisheries are today considered to be key elements that represent Royal Greenland externally in relation to our customers.

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.







# 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. In the same way, sales are spread across several geographical markets and sales offices. 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 it still requires readiness for change in every area of operations, in order to minimise the damage left in its wake.

A number of measures have been taken to reduce the impact. This concerns the development of new sales channels, such as e-commerce, a better balance between sales channels such as retail and foodservice, a reduction of fisheries and production, a lower cost base, and a 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 this greater diversification will reduce the impact of any such extraordinary situations.

In its actions during the last three years, Royal Greenland has documented the company's ability to navigate through the pandemic, thereby strengthening Royal Greenland's position after the 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 around Greenland and eastern Canada. These stocks constitute 87% 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, but with a small decline in 2023. 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 in shore Greenland halibut in the three management areas in Greenland is unchanged 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 2.8 billion. We seek continuously to maintain the relative earnings level, irrespective of the development in raw material prices and other costs. This situation has become highly relevant in view of the current energy crisis and high inflation. 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. It must be emphasised, however, that this can be extremely difficult in the current market situation.

### 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 the 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 89% 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 24% 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, Canadian dollars and 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 exchange rate risks within six months, and 50% of the currency risks during a 6-12 month period.

Large contracts are hedged individually. The currency risk in relation to EUR is not hedged.

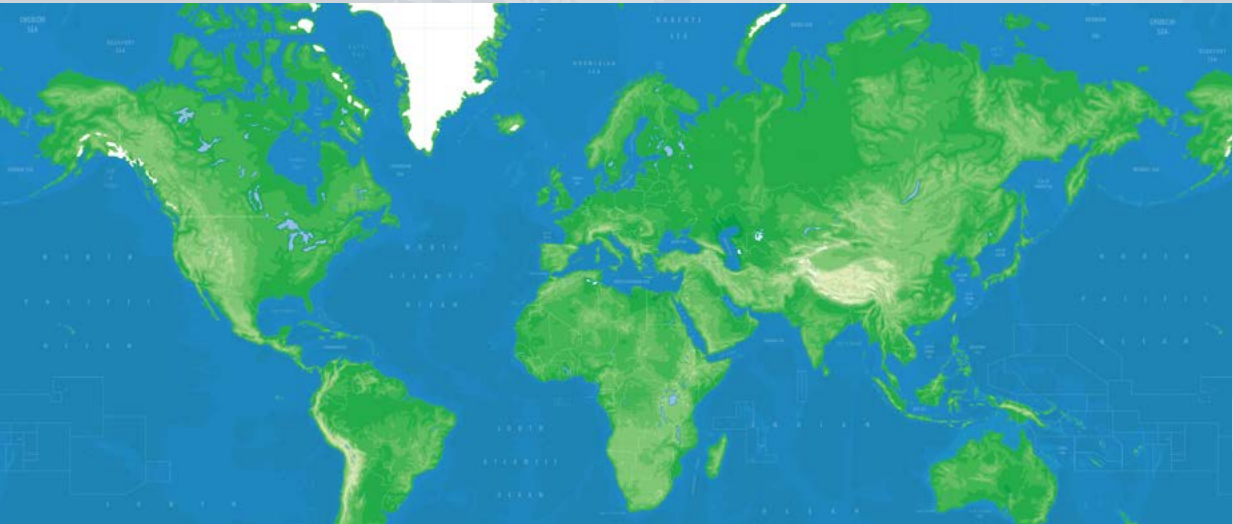
### Interest rate risks

The interest-bearing debt has been swapped for DKK, EUR, JPY and USD. The proportion of the net interest-bearing debt at variable interest rates was 40% 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 11.6 million.

During the last three years, Royal Greenland has documented the company's ability to navigate through the pandemic



# Events during the year



## Risk diversification strengthens the business

One of the key elements of Royal Greenland's strategy is to spread sale of our core species across several markets. Again in 2022, this strategy proved its worth.

The core Greenlandic species have performed well, while snow crabs, whereof the main part is fished outside Greenland, have been challenged on price. In many ways, this is completely opposite to the development in 2021, where snow crabs were a highly profitable category, while other species were challenged.

It is thus very healthy for Royal Greenland's business to spread the commercial risk across different species and markets. In 2022 the sales office in Boston managed to increase cod sales which will give the market more legs to stand on, previously being a market very dependent on snow crab.

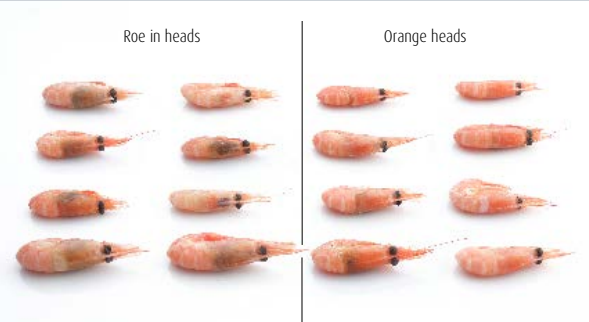
Another example of risk diversification is to put more efforts into strengthening sales of cooked and peeled prawns and snow crab in China, while in Europe it will be key to sell more Greenland halibut, the continent today dominated by sales of cod and prawns.



## Sales into China reaches important milestone

In 2022, Royal Greenland succeeded in getting sales in China back to the same level as before the Covid-19 pandemic hit the world. Both in terms of volume, but also price.

In fact, sales are slightly higher than before the pandemic, and this shows the robustness of Royal Greenland's long-term collaboration with key customers in China, just as it emphasises that Royal Greenland is gaining more and more ground in this huge market.



In 2022, Royal Greenland managed to obtain the best price ever in the orangehead shrimp category. This was important because it helped to compensate for declining snow crab prices, which had been high in previous years.

The future for sales in China looks bright, as the society re-opened at the end of 2022 after several hard lockdowns. China is Royal Greenland's largest single market, and at the same time it is a market prepared to pay for the high quality that Royal Greenland delivers.



## New trawlers contribute from the very beginning

For some years Royal Greenland has been implementing a major transformation programme of the fleet. The first new trawler was incorporated into the fishery in 2019, and since then Royal Greenland has continuously replaced the trawler fleet with new and more modern vessels. The result is increased production capacity, higher efficiency, more flexibility, reduced climate impact per kg raw material caught as well as better conditions for the crew on the trawlers.

In 2022, the fifth new trawler meant to replace M/tr Akamalik was ordered for delivery in 2025. In the beginning of 2023 M/tr Tuugaalik will be delivered. Lars Nielsen, Production Director at Royal Greenland, is satisfied with the transformation programme: 'With the whole fleet

replaced our fishing will be even more efficient, have better fuel economy and better facilities for our crews. So far the continuous replacement and integration of the new trawlers into the production chain has worked very satisfactory', he concludes.

The fleet replacement programme represents the largest investment in Royal Greenland's history, and in spite of the high complexity of the project it has been possible to integrate all the vessels quickly into production. A good example of this was when the latest trawler, M/tr Nataarnaq, was already fishing on the vessel's maiden voyage from the ship yard and thus became part of Royal Greenland's production immediately.



## A Farewell to the Russian market

Russia's war against Ukraine entailed a complete withdrawal from the Russian market in 2022. In the year leading up to the war, the market accounted for around 25% of sales of sea-cooked shell-on prawns, and it was not without challenges to exit the market without major losses in sales.

Fortunately, Royal Greenland's diversification strategy also proved itself in that situation. Other markets were ready to absorb the

shell-on prawns normally destined for Russia. Especially China and in the Scandinavian countries demand for shell-on prawns is high and with strong market insight and solid customer contacts, the shell-on prawns found new ways to market.





### The taste of Greenland directly to Chinese customers

Two major events last year created renewed awareness of Royal Greenland in China.

In October, Royal Greenland participated for the third time in the CIIE (China International Import Expo) trade fair in Shanghai.

It was, as in 2021 and 2020, not possible to travel to China without severe restrictions and quarantine, but Royal Greenland was well represented at the fair by our employees in China, who presented several daily servings to the participants at the fair.

The Danish Embassy in China, represented by Ambassador Thomas Østrup Møller, supported the event, which resulted in interesting customer meetings and high interest in our Greenlandic products.

In November, the Danish Consulate in Shanghai organised an event where Royal Greenland together with large food companies from Denmark, presented our products to a group of popular Chinese influencers and Key opinion leaders within food and lifestyle.

The purpose of the day was to increase awareness of the Danish and Greenlandic products among the many followers of the invited opinion leaders. After the event news and inspiration for the influencers' many followers were diligently shared on Wechat, Tik-Tok, Weibo and other popular Chinese Social Media platforms.



### Full speed forward for Royal Greenland in the UK

After a couple of tough years with Covid-19 lockdowns, 2022 was again a busy year for Royal Greenland in the UK with face-to-face meetings and the rebuilding of customer relationships. The first major event of the year was an exhibition at the International Food & Drink Event in London in March.

Here, Royal Greenland's UK team was in great shape, presenting not only prawns on the menu, but also with exciting presentations of lobster and snow crab, Greenland halibut and Nutaaq® cod.

With the UK being one of the world's biggest markets for cooked and peeled prawns, Royal Greenland has a big task in ensuring that our products remain in the minds of local product developers and chefs.

That's why in 2022 we once again repeated our sponsorship of the British & Sandwich Food to Go Designer Award, where over a hundred professional chefs and product developers competed to be crowned Designer of the Year. The standard of the product presentation was high and once again we were surprised by the positive feedback on our prawns.

Great British Chefs is a forum for foodies. In 2022, Royal Greenland launched a sponsorship collaboration with the organisation to support the broad knowledge and demand for prawns.

In collaboration with skilled chefs from Great British Chefs, a range of recipes and inspirational material was developed for the food-loving members; material that was viewed online more than 300,000 times.



### The Italian chefs of tomorrow meet Royal Greenland

For several years, Royal Greenland's Italian sales company has had an excellent collaboration with the Italian national team of chefs and has succeeded in cementing Royal Greenland's position in the very quality-conscious kitchens that are inspired by the best.

In the future, however, Italy's future chefs should also be familiar with Royal Greenland's products. In 2022, a collaboration was therefore established with 11 cookery schools around the country. The programme was developed together with the Assoittica association, an organisation representing companies in the seafood sector in Italy.

Assoittica has an in-depth knowledge of seafood at a technically high level and in collaboration with the association, Royal Greenland Italy developed teaching material for use by the cookery schools.

Based on teaching the distinctive characteristics and properties of the products, the students of the cookery schools developed recipes and composed menus that bring out the taste and quality of Royal Greenland's products in the best possible way. The project has been implemented as a 'fish week' with detailed training at all 11 cookery schools.

### Finding our way to the consumers through market insight

It is not always enough to produce and deliver products of good and high quality. In order to reach consumers with the right messages that make them want to order Royal Greenland's products in restaurants or buy them in the supermarket, it is also important to understand the users' motives and preferences.

Royal Greenland's German sales office has therefore carried out an analysis of consumption and awareness of prawns in Germany. The purpose of the analysis was to gain a better understanding of both chefs' and consumers' attitudes to and use of prawns.

The analysis was carried out during the summer of 2022 in both northern and southern Germany and resulted in lots of interesting insights, including answers to questions such as:

*When and how often do people eat prawns? Is there a difference between cold and warm water prawns? What are prawns used for? How are prawns served? Which packaging is most convenient? Do consumers prefer frozen prawns or prawns in brine?*

The German sales office is already using the insights in their daily sales and marketing work, and the insights from this study can be used in the design of similar studies in other countries.





## Customer workshops and product demonstrations bring us forward in Canada

One of the objectives for the North American sales organisation in 2022 was to lay the foundation for broader sales to chains and private restaurants in Canada. More specifically, the goal was to secure distribution agreements with two nationwide foodservice wholesalers in Canada.

Canadian restaurants and their guests are already familiar with snow crab and cod, but less so with prawns and Greenland halibut. Based on wide recognition of the high quality of Royal Greenland's snow crab and cod, the North American sales organisation was therefore well placed to present also the other species. The objective is over time to develop a range that can be sold to restaurants directly via wholesalers rather than to industrial customers.

The promotion programme was developed in close co-operation between marketing, sales, category and product development. Royal Greenland's products were presented in a number of well-attended customer workshops.

The efforts bore fruit, and we succeeded in being selected as a supplier by leading wholesalers, and we now look forward to inspiring restaurants in Canada with recipes and menu suggestions based on Royal Greenland products.



## New Royal Greenland concept wins New Foodservice Product of the year award

In the spring of 2022, the sales organisation Royal Greenland Nordic launched a new concept named SNACK'it.

The concept won the award for the best foodservice innovation of the year 2021/2022 in Denmark, awarded by the Danish trade organisation for brand suppliers (MLDK).

SNACK'it consists of crispy and tasty snacks and appetisers, with breaded prawns as a core part of it.

Throughout the year, the concept was presented at several foodservice fairs in the Nordic region, where food service end users responded very favourably. Customers from a wide range of segments were interested in ordering the products – from public institutions catering for children and the elderly to concept restaurants, cafés, hotels and conference centres.

The small crispy snacks/finger food are simple and easy to eat and for kitchen staff it is flexible to dose the correct amount directly from the freezer – the way to avoid food waste.





# Sustainability

Sustainability – The natural choice

Sustainable fisheries

Responsible footprint

Healthy working lives

Education in Greenland

Events of the year

Sustainability goals

Notes to the overview of key figures

## Sustainability – the natural choice

We want to base our business on sustainable fisheries, making full use of the available resources, and thereby ensuring an economic and social foundation in the countries in which we operate.

This section on sustainability is Royal Greenland's CSR report, which is based on the statutory CSR report, cf. Section 99a of the Danish Companies Act, and the gender diversity in management policy, cf. Section 99b.

### Business model

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.

Royal Greenland's raw materials are sourced using our own vessels in Greenlandic fisheries, while catch landings in both Greenland and Canada are also significant contributors to production at 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 great responsibility to act sustainably, and to train and pass on knowledge to employees, to ensure future jobs in the many towns and settlements of Greenland. At all our processing plants in Greenland, Canada and Germany we have a social and ethical responsibility to ensure that the workplace has a good physical and psychosocial working environment with a high level of well-being for employees.

### Sustainability – the UN's Sustainable Development Goals

Royal Greenland has built up a broad sustainability programme that is founded on our business strategy, with specific targets 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 which considered the Sustainable Development Goals' 169 targets in depth and assessed them in relation to Royal Greenland's national and international stakeholders' contributions. Fifty-two targets were selected for more detailed analysis, comprising an assessment of risks and opportunities, and investigation of potential goals for the individual elements.

Input for the analysis came from customers and suppliers, and internal workshops were held with employees in different parts of the company.

The analysis resulted in the selection of four SDGs that are assessed to be of particular importance for Royal Greenland.

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 these four Sustainable Development Goals, we have defined our sustainability programme under the following sub-headings:

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



Fig. 1: Royal Greenland's stakeholders.



# SUSTAINABLE DEVELOPMENT GOALS

## SELECTION OF PRIMARY SUSTAINABLE DEVELOPMENT GOALS



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



### 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 and the Director of Marketing, as well as senior employees within Communication, HR 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.



Fig. 2: Competence and coherence between the sustainability steering group and decision-makers

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.

### Policies and reporting

Royal Greenland has drawn up ten policies in the sustainability area:

- 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)
- Climate and Environmental Policy (2019)
- Human rights policy (2019)
- Anti-bullying and harassment policy (2018)
- Equal Gender Policy (2014)
- Anti-corruption policy (2014)



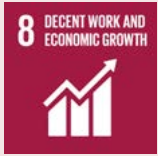

The policies can be read in their full length on our website: [www.royalgreenland.com](http://www.royalgreenland.com).

Review of the SDGs and evaluation of achievement of the goals

Below, risks & opportunities for each of the four SDGs and targets are reviewed. Royal Greenland's actions and results for 2022 for each

goal are supplemented with an overall evaluation of achievement of the goals for the 2019-2022 period, as defined in the materiality analysis 2018 (reference year). Each section is concluded with the outlook for the coming year and ambitions for 2030.

UN SDGs# and targets

	<b>#14 Sustainable fisheries</b>	<div>1. Sustainable raw materials <i>Risks and opportunities / Actions and results 2022 / Goals and achievement of the goals, 2019-2022 / Outlook for the coming year / Ambitions for 2030</i></div> <div>2. Third-party certification <i>Risks and opportunities / Actions and results 2022 / Goals and achievement of the goals, 2019-2022 / Outlook for the coming year / Ambitions for 2030</i></div> <div>3. Commercialisation of new species <i>Risks and opportunities / Actions and results 2022 / Goals and achievement of the goals, 2019-2022 / Outlook for the coming year / Ambitions for 2030</i></div>
	<b>#12 Responsible footprint</b>	<div>1. Energy consumption <i>Risks and opportunities / Actions and results 2022 / Goals and achievement of the goals, 2019-2022 / Outlook for the coming year / Ambitions for 2030</i></div> <div>2. CO<sub>2</sub> emissions <i>Risks and opportunities / Actions and results 2022 / Goals and achievement of the goals, 2019-2022 / Outlook for the coming year / Ambitions for 2030</i></div> <div>3. Maximum utilisation of resources <i>Risks and opportunities / Actions and results 2022 / Goals and achievement of the goals, 2019-2022 / Outlook for the coming year / Ambitions for 2030</i></div> <div>4. Paper, cardboard and plastic <i>Risks and opportunities / Actions and results 2022 / Goals and achievement of the goals, 2019-2022 / Outlook for the coming year / Ambitions for 2030</i></div> <div>5. Water consumption <i>Risks and opportunities / Actions and results 2022 / Goals and achievement of the goals, 2019-2022 / Outlook for the coming year / Ambitions for 2030</i></div>
	<b>#8 Healthy working lives</b>	<div>1. Job creation <i>Risks and opportunities / Actions and results 2022 / Goals and achievement of the goals, 2019-2022 / Outlook for the coming year / Ambitions for 2030</i></div> <div>2. Gender breakdown of the executive management levels <i>Risks and opportunities / Actions and results 2022 / Goals and achievement of the goals, 2019-2022 / Outlook for the coming year / Ambitions for 2030</i></div> <div>3. Working environment <i>Risks and opportunities / Actions and results 2022 / Goals and achievement of the goals, 2019-2022 / Outlook for the coming year / Ambitions for 2030</i></div> <div>4. Ethical supply chain management, human rights and due diligence <i>Risks and opportunities / Actions and results 2022 / Goals and achievement of the goals, 2019-2022 / Outlook for the coming year / Ambitions for 2030</i></div> <div>5. Anti-corruption and fraud <i>Risks and opportunities / Actions and results 2022 / Goals and achievement of the goals, 2019-2022 / Outlook for the coming year / Ambitions for 2030</i></div>
	<b>#4 Education in Greenland</b>	<div>1. Building competences in Greenlandic society <i>Risks and opportunities / Actions and results 2022 / Goals and achievement of the goals, 2019-2022 / Outlook for the coming year / Ambitions for 2030</i></div> <div>2. Royal Greenland Academy <i>Risks and opportunities / Actions and results 2022 / Goals and achievement of the goals, 2019-2022 / Outlook for the coming year / Ambitions for 2030</i></div>



Sustainable fisheries

Our fisheries must be managed in accordance with the 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 categories our raw materials as originating from ocean-going fishing, coastal fishing and direct purchases from local fishermen, and farmed species. 98% of the raw material volumes come from ocean-going and coastal fishing, with an almost equal distribution between the two, while farmed species only account for 2%.

Royal Greenland's Sustainable Fisheries Policy obliges us to adhere to new fisheries requirements, react to scientifically proven changes in fish stock, and participate actively in the development of new technologies. Royal Greenland is also active in Sustainable Fisheries Greenland, which works to promote sustainable fisheries and MSC certification of the principal species.

1. Sustainable raw materials

Risks

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

- For some species, a Total Allowable Catch (TAC) exceeding the scientific advice is determined
- Excess capacity in the coastal fleet in particular can impose more pressure on fish stocks
- Impact on habitats and vulnerable species from fishing using active tools in contact with the sea-bed
- Large by-catch volumes of sea birds, for example

For several years, the fixed 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.

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. This means that ocean-going Greenland halibut fishermen, for example, must apply for a licence

to fish in areas outside the customary area. It must also be assessed whether this is responsible in terms of habitats and ecosystems. Authorities, NGOs and MSC certification also generally require greater consideration of unfished areas where there may be potentially vulnerable ecosystems and habitats.

The proportion of farmed resources in Royal Greenland's own production is very small. Farmed resources can present risks concerning medication and environmental pollution. In 2021, we developed a policy for the procurement of farmed salmon, 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

The focus on sustainable fishing safeguards resources going forward, by ensuring the best possible advice as the basis for optimum economic management. A stable supply of resources will enable towns and settlements to continue their fishing and production activities, for the benefit of the industry and the local communities. Sustainable fishing will also maintain and give access to new markets.

The European markets, in particular, are imposing requirements for certification, but greater interest from Asia and the USA has also been seen in recent years.

Actions and results 2022

In 2022, against the background of Sustainable Fisheries Greenland's (SFG) extensive Fishery Improvement Project (FIP) concerning coastal Greenland halibut fishing, new management measures were taken. All coastal Greenland halibut fishing in West Greenland is subject to quotas, and three new management areas have been established in West Greenland within NAFO 1B-1F, as well as one in Qaanaaq.

A working group has also been established, comprising commercial operators, advisers and managers, that works to define a goal for fisheries and how this goal can be achieved. The plan is for the subtopics during the next year to be combined in a management plan. Furthermore, coastal Greenland halibut is considered to be



a "blind end stock", which means that spawning takes place away from the fjords of Greenland, and the primary question is therefore whether fishing in the fjords takes place at the optimum time, in terms of the growth of the stock.

Besides the work on the management plan for coastal Greenland halibut fishing, in 2022 there was focus on management plans for off shore Greenland halibut in East Greenland, and marine ecosystems and habitats. Royal Greenland participated in these working groups appointed by Greenland's Ministry of Fisheries, Hunting and Agriculture, in cooperation with Sustainable Fisheries Greenland.

The work on the *Management plan for Greenland halibut in East Greenland* has been completed and approved by Naalakkersuisut. There is now a basis for sustainable fisheries that can be followed by MSC certification.

*The work on the management plan for marine ecosystems and habitats* will establish a procedure for how vulnerable marine areas, preservation and biodiversity can be protected, and fishing may possibly be discontinued. The work is expected to be completed during 2023.

Goals and achievement of the goals 2019-2022

In principle, we want all raw materials to originate from fully sustainable fisheries, but due to socioeconomic conditions, less sustainable fishing can be accepted for a period, since account is taken of the development and existence of local communities. However, efforts will always be focused on promoting sustainability, based on the scientific advice.

Goal:

- More than 85% of our raw material is sustainable, according to internal assessment

Achievement of the goal:

The ratio of sustainable species has increased to 93%, see Figure 4.

The end-goal for 2019-2022 has been achieved in terms of the general internal assessment of the total supply of raw material, which 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.

Previously, for a number of years, many new Greenland halibut and cod licences were issued in fisheries, which exerted increased political pressure for TACs to be fixed that were in conflict with the scientific recommendations. This was particularly apparent towards the end of the year when the quotas were often raised. No new licences have been issued in the last couple of years, which has reduced the pressure on the quota. Furthermore, the updating of the Order on fishing licences and quotas for Greenland halibut in December 2020 made it possible to reorganise the quota distribution from vessels to small boats, which reduces the pressure on the overall quota.

However, there is still fishing in Greenland, as well as raw materials from Chile, that are assessed to be less sustainable. This primarily concerns coastal cod fishing in West Greenland, where the TAC is set significantly higher than the advice, and where several genetically

different stocks are unavoidably fished together, since they cannot be distinguished visually. The crucial aspect is that this fishing includes the off shore West Greenland stock, for which the advice is no fishing. This is a difficult regime to advise on and manage correctly, as reflected in the high TAC that is set.

In the product range from Chile, Chilean seabass and king crab are assessed to be less sustainable. For both species, improved management is required. Royal Greenland has no direct influence on this work. For king crab, an MSC preassessment has been prepared, showing that several areas should be improved, before this fishing can be classified as sustainable.

The critical species account for only 0.3% and are eliminated in real terms.

Outlook for the coming year

In the coming year, we expect to maintain the level for sustainable raw material, and to work on improvements within the species requiring follow-up. This applies particularly to the work on coastal fishing in Greenland, and to the species from Chile.

Ambitions for 2030:

- More than 95% of our raw material is sustainable, according to an internal assessment

2. Third-party certification

Risks

The last decade has seen increasing requirements for third-party certification of fish and shellfish products sold in the retail market. This development has been pioneered in Europe in particular, although more and more customers in other countries, such as the USA and Japan, also set this requirement or, as a minimum, participation in a Fisheries Improvement Project (FIP). In some markets, third-party audits and authorisation are a condition for sale. Lacking certification or participation in an FIP can thereby prevent any sale from taking place.

Opportunities

Certification or FIP can thus pave the way for new sales activities and give access to new markets. Moreover, certification can secure stable raw material supplies, since a third-party audit, conducted by experts, entails assessment of the sustainability of the fishing and the stock. External assessment of advice, management and fisheries secures impartial external access and ensures credibility.

Actions and results 2022

Royal Greenland's capelin fishing was MSC-certified in 2022, when SFG entered into an agreement with the Icelandic organisation, Iceland Sustainable Fisheries (ISF), which undertakes actual certification and follow-up on audits. As a partner in SFG, Royal Greenland has achieved certification of this fishing.

In addition, the procurement of salmon for our Norwegian processing plant achieved Global Gap (GG) certification, while a smaller proportion is purchased as ASC-certified.

The work on the existing certification continues via SFG, adhering to the conditions applying to each individual certificate. In 2022, there was collaboration between SFG, the Greenland Institute of Natural Resources and local lumpfish fishermen in Nuuk on the documentation of birds and other by-catches in lumpfish nets. The result is presented in this article: [https://www.int-res.com/articles/meps\\_oa/m702p123.pdf](https://www.int-res.com/articles/meps_oa/m702p123.pdf)

Also in 2022, off shore Greenland halibut fishing in West Greenland has been re-certified.

Goals and achievement of the goals 2019-2022:

Goal:

- More than 60% of our raw materials are certified

Achievement of the goal:

The goal for the ratio of certified fish resources has been achieved, and the ratio is now 63% of all raw materials. Several types of fishing were added to the list in the 2019-2022 period, and as from 2018 as the base year the ratio of certified raw materials has increased by 11%. This is due to such factors as good prawn – and Greenland halibut fishing and, as stated above, the certification of capelin fishing in East Greenland and the Global Gap certification of salmon. There is also a continuous external purchase of MSC-certified fish.

Our processing plants are Chain-of-Custody-certified, to ensure traceability from raw material to end-product, and thereby the credibility of end-products' labelling with the MSC logo. This significant share of MSC-certified raw materials means that more than half of our end-products can be labelled with the blue MSC logo.

Fishery Improvement projects (FIP)

In 2019, Royal Greenland started up FIP for Canadian lobster (*Homarus amarus*). More parties have subsequently joined this project, which is now taking place in cooperation with other parties in Newfoundland and Labrador, under the Association of Seafood Producers.

The project was started up in the "prospective" category and transitioned to a "comprehensive" FIP project in 2020. The project made strong progress in achieving the goals set during the past year, at progress that can be monitored at [www.fisheryprogress.org](http://www.fisheryprogress.org). The project will run until 2025, after which the fisheries should be ready for certification.

During the 2018-2022 period, SFG undertook an FIP for coastal Greenland halibut fishing in West Greenland, where the aim was to establish dialogue between fishermen, buyers, advisers and authorities. The project included several seminars in the largest towns with Greenland halibut fishing, and the project was the background to proposals for an objective for this fishing. The project was an important milestone towards achieving sustainable fishing. The full report is available at <http://www.sfg.gl/da/om-sfg/fisheries-improvement-project>.

In 2020-2021, in cooperation with SFG, a crab project was undertaken, with focus on opportunities for MSC certification. The project has resulted in a fisheries management plan, and the fisheries are assessed to be prepared for certification.

In the 2021-2022 period, king crab from Chile was part of a prospective FIP project, in cooperation with a customer and a locally-based consultancy, to investigate opportunities for development of fisheries towards MSC certification. The project is currently on stand-by.

Habitats and ecosystems

For more than ten years, Sustainable Fishery Greenland (SFG) has worked with the Zoological Society of London and Pinngortitaleriffik (the Greenland Institute of Natural Resources) to investigate trawled and non-trawled seabed areas.

One of the requirements in the MSC standard is that fisheries do not irreversibly damage vulnerable marine areas. Provisional analyses indicate that there are cold-water corals and sponges, especially in the southern, untouched areas.

In recent years, SFG has co-financed a project focusing on the identification of vulnerable habitats and ecosystems within ocean-going Greenland halibut fishing. The project has identified a vulnerable area at the Toqqusaq bank, an area that is known by fishermen, and which is not fished. Moreover, several areas with indicator species for corals have been observed within the Greenland halibut area. This area was further investigated in 2022, but the results are not yet available.

Outlook for the coming year

West Greenland prawn will be subject to re-certification in 2023, and this is expected to run according to plan. The task still remains of harmonising the fishing with the small element of Canadian fishing of the same stock.

Royal Greenland would like to achieve MSC certification of snow crab in Greenland. The fishing is in principle ready for certification, so that the process could be started up. If SFG's members can agree, a certification process will be started up in the spring of 2023 and will be completed during 2024.

Ambitions for 2030:

- Certification of more than 75% of our raw material

3. Commercialisation of new species

Risks

Fishing for wild species is deemed to concern a renewable, but limited, resource, and there can be a risk that environmental impacts, as well as excessive fishing, can affect a given stock. This would have extensive consequences for the communities from which Royal Greenland procures fish, both in Greenland and the areas of Canada in which we operate.



Fig. 3: Annual RG assessment of fish resources

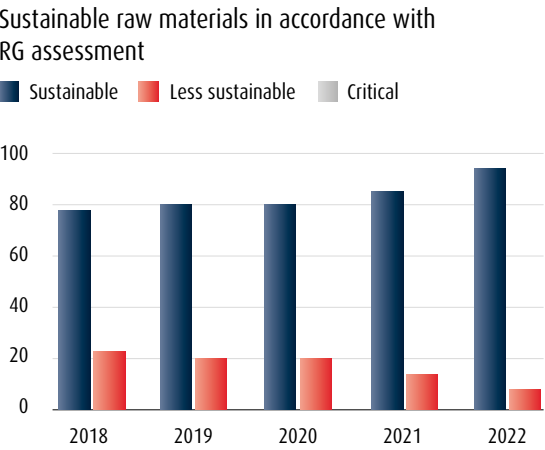


Fig. 4: Share of certified fish resources

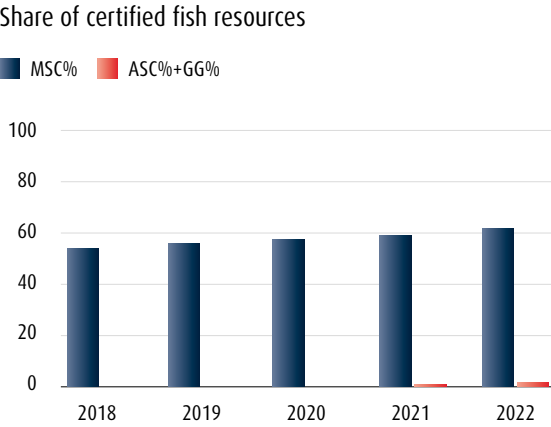


Fig. 5: MSC certification of Greenlandic fisheries, of which Royal Greenland is part.



Fig. 6: Development in the share of certified fisheries and ambitions for 2030

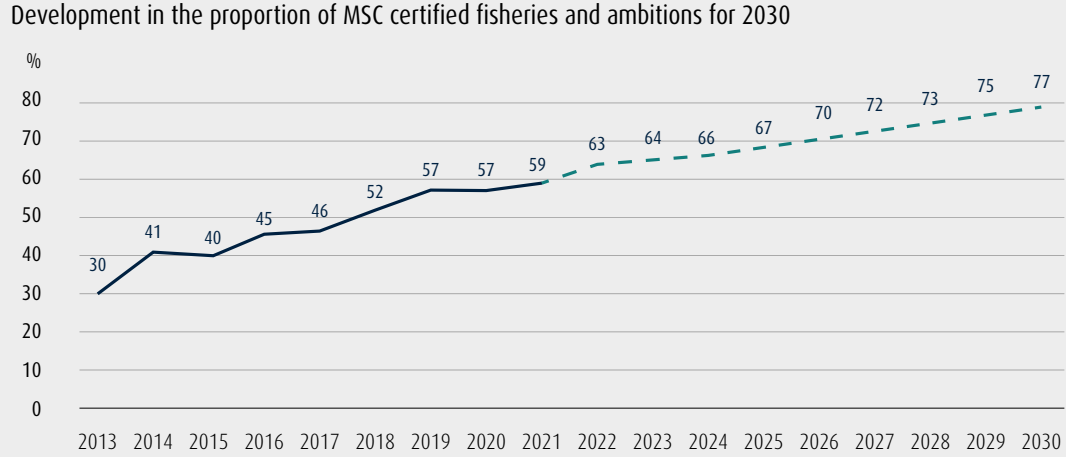
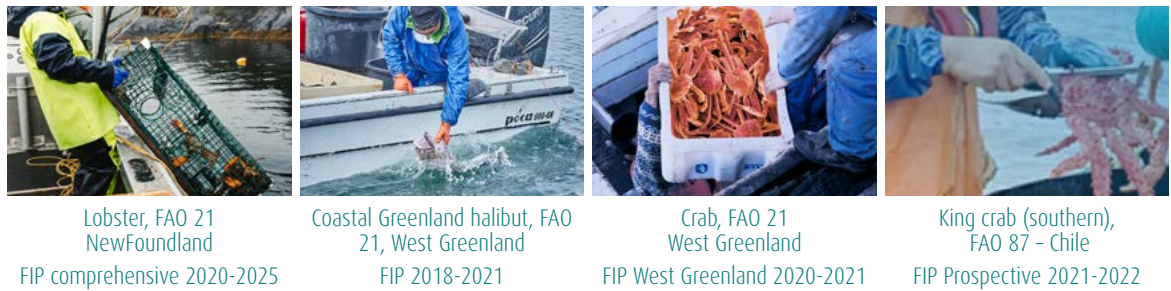


Fig. 7: Royal Greenland's participation in FIPs (Fishery Improvement Projects)



### Opportunities

At Royal Greenland we therefore work to promote sustainable fishing of existing species, and to commercialise new species and fisheries. We see opportunities to exploit smaller species such as sea cucumber, sea urchins and sea snails, which can be sold on specific markets. In recent years we have worked with production trials and upscaling of seaweed cultivation, as a consumer product and also for CO<sub>2</sub> capture.

### Actions and results 2022

During the year, seaweed production was an area of intense activity, as a production method has been developed that, subject to adjustment, can be expected to function in the Arctic climate. The challenges in 2022 included ice deposits, algae formation on ropes, and the optimum time to set out the seaweed plants.

### Goals and achievement of the goals 2019-2022

#### Goal:

- Commercialisation of at least one new species

#### Achievement of the goal:

Despite significant efforts to develop new species, it has not yet been possible to commercialise any of the new fishing tested, or the seaweed production. Seaweed for a pesto product has been tested, as well as trial sales of sea urchin roe, but so far this has not been successful.

Royal Greenland began to cultivate seaweed on an experimental scale back in 2018, in Maniitsoq, in order to investigate whether the project could be achieved in Greenlandic waters. Greenland is deemed to have unique potential for the cultivation of seaweed of very high quality, and during the next few years the aim is to increase harvest yields, and to process and sell the product.

For sea urchin and whelk, there are challenges in obtaining permits to use suitable tools for this task. It is necessary to scrape the seabed to catch the benthic species that live very close to the seabed, and do not move. This is a matter to be resolved in cooperation with Greenland's Ministry of Fisheries, Hunting and Agriculture, as fishing can be limited to selected locations. It is naturally important that the seabed is not permanently damaged to an unacceptable extent.

### Outlook for the coming year

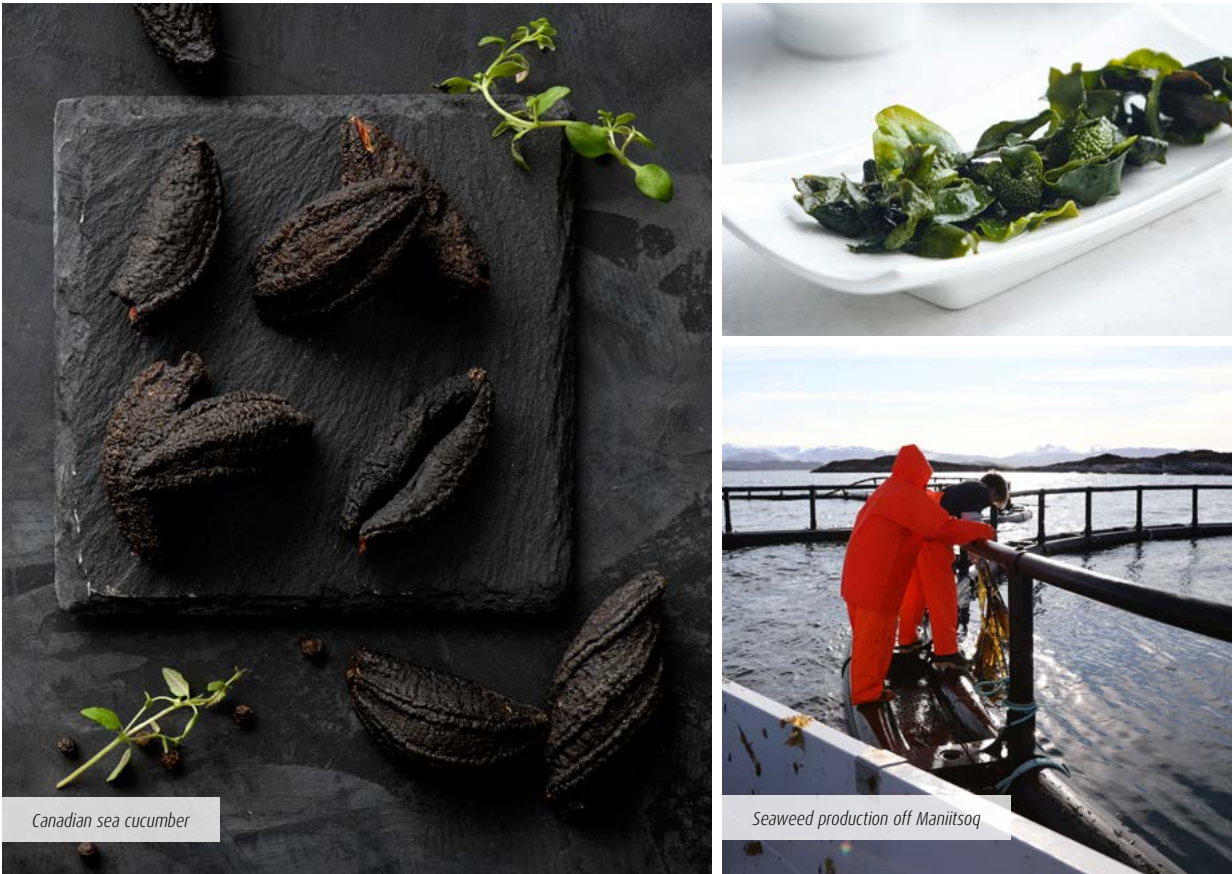
We expect that the great efforts within seaweed production will be worthwhile and that the right production method for cultivation of seaweed will be optimally developed. The method must be further adapted to Arctic conditions in terms of both growth and time of harvest, as well as the occurrence of ice and other sea-based phenomena.

In 2023, a seaweed utilisation project is being launched, in collaboration with Danish universities and the company Nordisk Tang. The main purpose of the project is to develop methods to process the harvested fresh seaweed into a food-grade product with a good flavour and a high nutritional value. The project is supported by GUDP (Green development and demonstration programme) and is named ValueKelp.

There is great potential for seaweed production in Greenland, and it is expected this production can be increased significantly, with a supply of large volumes of end-product.

### Ambitions for 2030

- Commercialisation of at least three new species







# 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 *Climate and Environmental Policy*.

The policy focuses on responsible utilisation of environmental resources and describes initiatives within the following areas:

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

The policy also includes targets for the greatest possible utilisation of the fish and shellfish landed at our processing plants or processed onboard our ocean-going factory trawlers.

Awareness of companies' climate impact has increased considerably in recent years, and the requirements for Royal Greenland to take action also increased in 2022. The requirements are made particularly by European customers, of which some require endorsement of the Science Based Target Initiative (SBTI).

## 1. Energy consumption

### Risks

The greatest risk on using large amounts of fossil-fuel based energy is the emission of CO<sub>2</sub> to the atmosphere, thereby increasing global warming. The risk which rising temperatures present for 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, entailing higher water levels.

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

### Opportunities

Fisheries and the subsequent value chain depend on energy for engines and machines. Hydroelectric power is available in several

of the countries in which we operate, but we still rely heavily on fossil fuel supplies.

Royal Greenland will aim at preventing a further increase in global warming and its consequential local and global effects. This is a difficult task, but we can see opportunities in joining forces to tackle climate change, through improvement and reduction projects, as well as cooperation with energy supply companies that are working to achieve sustainable, climate-neutral energy forms.

### Actions and results 2022

As presented in the data overview on page 43, the Group's energy consumption in 2022 totalled around 465 GWh, which is an increase of 16% from 2021. At the same time, the raw material volume increased by 8%, which indicates that, in relative terms, energy was used less efficiently in 2022 compared to 2021.

The Group's energy consumption is influenced by many factors. For each unit, there is significant basic consumption, and the smaller the volumes fished or produced per unit, the higher the relative consumption per unit.

Ocean-going trawlers account for the largest share by far of the Group's energy consumption. The vessels exclusively use Marine Gas Oil, which has a low sulphur content and is recommended for Arctic regions. They consume energy during navigation, fishing, processing and freezing onboard. Fishing is primarily of demersal species, close to the seabed, which requires more energy than fishing pelagic species, which inhabit the water column.

In 2022, there was a beginning interest in finding replacement oils or other energy types that can be implemented in the next generation of vessels. To some extent, the current new vessels can run on other types of oil besides fossil fuels, but this requires improved supply reliability, permits and a better financial basis, for this to be possible for Greenlandic vessels.

Half of the energy consumption at processing plants in Greenland is based on electricity. Renewable hydroelectric power accounts for 58% of electricity consumption, and in overall terms 28% of the total energy consumption, which includes oil, in Greenland. The processing plants in Ilulissat, Sisimiut, Narssaq and Nuuk all receive hydroelectric power-based energy. Besides electricity, oil is purchased directly for heating of premises and water, steam production at the prawn processing plants, and for diesel trucks in the processing plants.

At the onshore production units, energy consumption per tonne of end-product has increased by 8%. Royal Greenland's production in Greenland is distributed on 37 plants, so that there are many units where minor deviations may occur. Fossil fuels are primarily used to heat buildings and to heat water, as well as for diesel trucks, while electricity is used to run machines.

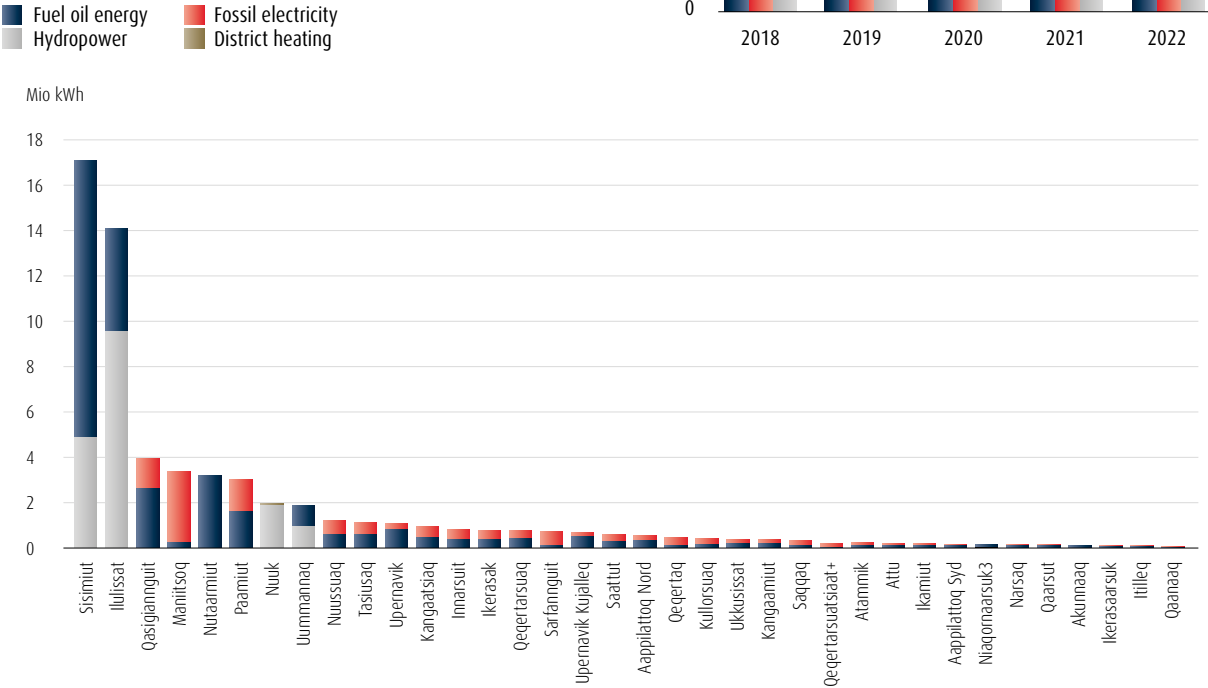
In 2022, solar panels were installed in Qeqertarsuaatsiaat. The contribution is relatively low, but the test is an attempt to use alternative energy sources.

Royal Greenland owns three generator plants in Greenland, which supply more than is needed by the local processing plants. Freezing and freezer stores use either ammonia or CO<sub>2</sub> as refrigerant. Only the smallest plants have a refrigeration unit comprising an approved freon-based system.

As Figure 8 shows, the processing plants in Sisimiut and Ilulissat, where prawns are heated with steam, account for the highest energy consumption. Hydropower is available in the two towns, but fossil oil is still necessary to ensure an adequate energy supply. It can be seen that fossil-fuel consumption is particularly high in Sisimiut, where hydropower is in short supply.

Fig. 8: Energy consumption at land-based facilities in Greenland in 2022

### Energy consumption at land-based facilities in Greenland 2022



### Goals and achievement of the goals 2019-2022

#### Goal:

- Continued reduction of energy consumption per tonne of end-product in the Group by around 5% per annum

#### Achievement of the goal:

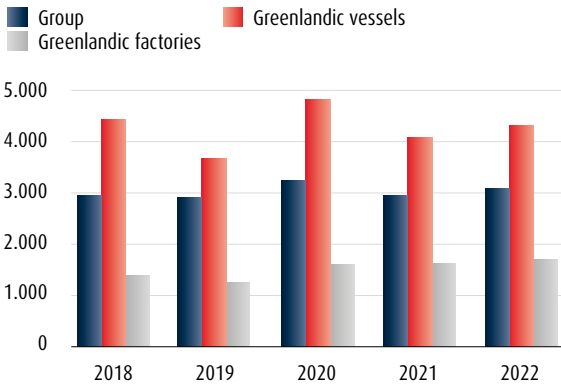
In 2019 a goal was set for energy consumption per tonne of end-product to be reduced by 5% per annum. Calculation of the development in consumption from 2018 to 2022 shows an increase of 7%, so that the goal has not been reached.

In the same way, Figure 9 shows an increase in energy consumption per tonne of end-product for the Group.

Unfortunately, no reduction could be achieved, since the vessels account for the highest consumption, and there are currently no real alternatives to the fuel type used. Opportunities to use biofuel were investigated during the past year, but so far this is still only at the investigation stage. But the policy is clear: we wish to minimise our activities' CO<sub>2</sub>e emissions by using renewable energy. This means that, over time, other forms of energy besides biofuel might be interesting to consider.

Fig. 9: Energy consumption in kWh/tonnes of end-product

### Energy consumption – kWh/tonne of end-product





The investments in new vessels in the 2019-2022 period have made consumption of fossil fuels as efficient as possible. This has been achieved by switching from hydraulic to electrically powered winches, using triple trawls instead of double trawls, and having more robust vessels that can fish in any weather conditions. In addition, the vessels' holds are significantly larger than in the older vessels, which considerably reduces the amount of sea transport required to the port of discharge.

Fishing trawlers in particular have overall shown increased efficiency on direct comparison with the equivalent older version. The new vessel, M/tr Sisimiut, is a very robust vessel that manages fishing in even the roughest weather conditions and makes fishing more efficient. Comparison of the new M/tr Sisimiut in 2021 with the older M/tr Sisimiut in 2018 shows that energy consumption per tonne of catch is reduced by more than 20%. Total CO<sub>2</sub>e emissions rose in 2022, however, primarily due to a change in activity pattern.

The reduction is smaller for the new prawn trawlers than for fishing vessels. The newest vessels are all 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 also both fish and process prawns and fish, making this ship flexible and more efficient.

Despite the new vessels, energy consumption will still be significant, since propulsion and fishing depend on fossil fuels.

The same applies to energy consumption at land-based processing plants, where it has also not been possible to reduce consumption.

Figure 8 on page 45 showed the ratio of renewable energy consumed at the various production sites used by Royal Greenland. 58% of the electricity consumption is based on hydroelectric power, and this ratio can be increased by implementing an electrical boiler in Ilulissat, to replace a fossil-fuel based boiler, as well as via Naalakkersuisut's plans to establish additional hydroelectric power stations within the next few years. The electrical boiler is expected to be commissioned in 2023.

Outlook for the coming year

There will be continued focus on reducing the energy consumption of all plants, while detailed planning of the vessels' fishing tours will naturally focus on energy efficiency.

Ambitions for 2030:

- Continued reduction of energy consumption, with a total reduction for the Group of 30% from 2018

2. CO<sub>2</sub>e emissions

Risks

The risk of increasing CO<sub>2</sub>e emissions is a negative impact on the surroundings, with a risk of the ice melting, leading to climate impacts, including less stable weather conditions, more storms and wider temperature spans from freezing to thawing, and vice versa.

These phenomena affect fisheries and impose difficult conditions on the crew onboard vessels. Climate change can also affect fish stocks in terms of both increases and reductions.

Opportunities

Rising temperatures can bring new species to the otherwise very cold waters. In recent years, cod has returned to Greenlandic water, just as pelagic species such as mackerel have been welcomed.

Today there is strong focus on companies taking responsibility for emissions from their own activities, with opportunities to join forces with other enterprises to achieve climate projects in this industry.

Actions and results 2022

The Group's emissions in 2022 totalled approximately 128,000 tonnes of CO<sub>2</sub>e equivalents. The breakdown of activities in shown in Figure 10. As can be seen, the larger ocean-going vessels account for approximately 78%. The second-highest emissions come from the processing plants in Greenland.

In 2022 there was an increase in the factory trawlers' emissions of tonnes of CO<sub>2</sub>e per tonne of volume fished. This was due to several yard visits, engine failures, and a long distance to fish in the Barents Sea and Melville Bay. Furthermore, none of the vessels functioned as catch landing vessels, as was the case in 2021. The result was thus affected by several parameters and unforeseen events.

Goals and achievement of the goals 2019-2022

Goal:

- No goal has been set for vessels' CO<sub>2</sub>e emissions.
- Determine a method for calculation of Scope 3
- Develop and test a method for calculation of product groups' carbon footprint

Achievement of the goal:

During the period, vessels' CO<sub>2</sub>e emissions were monitored closely to learn more about the development over the years, during the implementation of the new vessels. No actual reduction goals have been set. The CO<sub>2</sub>e emissions over a number of years, and across types of vessels, reflect differences in fishing patterns, coastal and ocean-going fishing, and seabed or surface fishing. As shown by Figure 11, in which emissions are calculated per tonne of catch, the pelagic vessels with fishing in the water column, together with 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 fish trawler and longline category is seen to peak in 2019, reflecting the replacement of the vessels and relatively high energy consumption for navigation.

Calculations for Scope 3 have not been completed, but this will be addressed in 2023. As Royal Greenland is a vertically integrated company with activities throughout the value chain, from fisheries to sales, according to the Greenhouse Gas Protocol Scope 1 constitutes the most 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>e emissions, while Scope 2 concerns indirect emissions via purchased power and district heating.

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

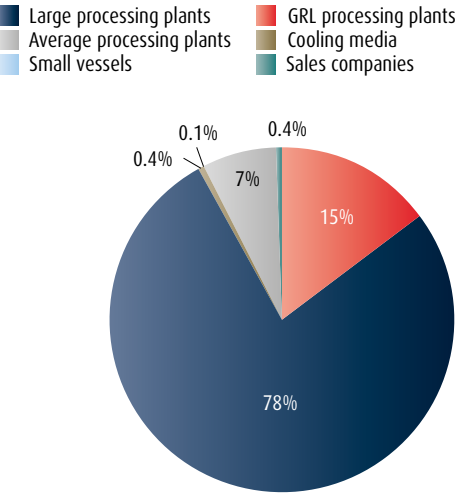


Fig. 10: CO<sub>2</sub>e emissions from the Group's activities

Product groups' carbon footprint

In general, calculations of climate footprint per kg of end-product does not show clear results, as several calculation methods are often used without describing the method in further detail. Royal Greenland is involved in an EU project to determine category rules for the calculation of the Product Environmental Footprint (PEFCR) for fish products. Here, the calculation of CO<sub>2</sub>e equivalents will be part of the climate consequence calculation on a comparable and transparent basis. Under the PEFCR method, climate impact is calculated from fishing to the consumer's waste handling. Once the rules are approved, it will be possible to compare the results.

The project is approaching completion, and in autumn 2022, one of Royal Greenland's products was tested in a case study. The task is to give input to the European Commission on imprecise wording and conditions in PEFCR that are difficult to handle in practice.

Royal Greenland has also worked with an analysis institute in Sweden on the calculation of the CO<sub>2</sub>e emissions for four prawn products. In this analysis, emissions from fishing until dispatch from the processing plant are calculated. The project has not yet been fully completed.

Denmark is working towards a voluntary climate labelling scheme. Royal Greenland is awaiting a decision on method and form before any climate labelling of products.

Outlook for the coming year

A climate project will be launched in 2023 to review Scopes 1 and 2 and the calculation of Scope 3. This will form the basis for a proposal for an actual climate strategy for Royal Greenland, as well as proposed reduction targets. This will make it possible to gauge support for the Science Based Target Initiative and related necessary change processes. The strategy will also provide the background for future projects and development.

Ambitions for 2030:

- To reduce CO<sub>2</sub>e emissions by 25% from 2018, measured as CO<sub>2</sub>e/tonnes caught

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

■ 2019 ■ 2020 ■ 2021 ■ 2022

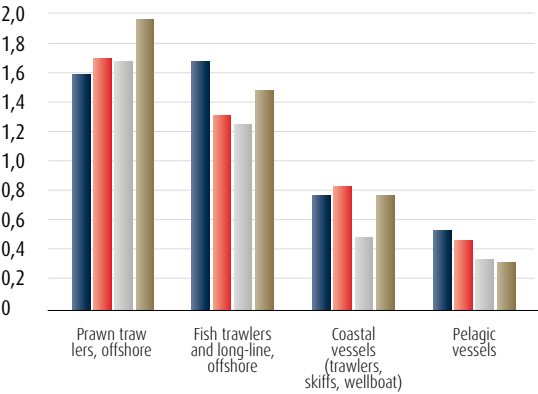


Fig. 11: CO<sub>2</sub>e emissions from the Group's vessels

3. Maximum utilisation of resources

At Royal Greenland, we have a strong focus on achieving the greatest possible utilisation of our raw materials and thereby fewer residual materials from side-streams. This can be achieved by developing new food products, ingredients or feeds, and by using new technologies in cooperation with other sectors.

Risks

Utilising side-streams presents the challenge that the residual raw materials differ considerably from the products traditionally produced. Often a special technology or extensive manual work is required to utilise the last-remaining quantities, so that disposal may be the only option left.

In addition, some of the residual raw materials arise at processing plants that are logistically distant from each other, and where the infrastructure makes production less profitable.

The overall risk is the loss of a good organic resource that could be used for new product types.

Opportunities

When a fish is filleted, the head, skin and carcass will be left, while shells in large quantities will be left when shellfish such as prawn and crab are peeled. Innovative solutions, investments, possible external business partners and better resource allocation will make it possible to increase resource utilisation.

Nutaaq is a product whereby live cod is landed at the processing plant in Maniitsoq, and from which there are relatively large quantities of residual materials. This is because the entrails and heads that, in coastal fishing, are discarded at sea, are included in the first stage of the processing of live cod. It is possible to utilise heads, entrails, skin and other elements that are not part of the filleted product.

At the prawn processing plant in Sisimiut, it is possible to utilise a large proportion of the prawn shells for prawn meal, for example, although demand is declining. 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.



Actions and results 2022

2022 was another good year for sale of cod heads from Maniitsoq, which are sold for drying and as fishing bait.

In Newfoundland, processing of dried fish skin into pet food has been tried out. This really fine product has been tested and has proved to be a viable idea to develop further.

An innovation department was established in 2022, with the task of developing raw materials into new products, including promoting the degree of utilisation of the raw material resources.

Goals and achievement of the goals 2019-2022

Goal:

- Increase the utilisation of potential raw materials in the Group's onshore facilities to minimum 80%
- Develop new products with positive financial returns
- Reduce the discharge of shells and fish remains via wastewater pipes

Achievement of the goal:

In Ilulissat, prawn shells are dried, to make prawn meal. This product has been produced for more than 20 years and this is still the only place in Greenland where shells are used for human nutrition. However, there are still soluble and dispersed prawn parts that cannot be collected and which are discharged in wastewater. Previous trials have been run to extract this fraction by flotation, but the challenge is that a relatively large plant is required, while demand for the product that is extracted is actually declining.

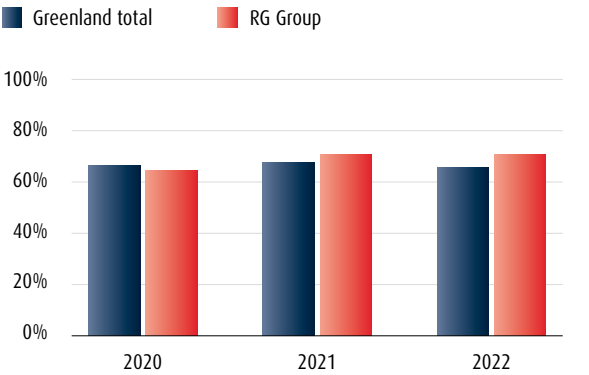
Several projects and tests of both prawn and cod residual materials have been carried out. Royal Greenland is thus involved in a four-year EU project, WaSeaBi, to analyse the potential use of side-streams in new product types, such as proteins and minerals, and other high-tech products. Nutaag side-streams were Royal Greenland's focus area under this project.

Among other significant projects is the development of fish bait, which is a dried disc based on crab shells. The selected projects have not yet been implemented but are important steps in the process of investigating opportunities.

Our result for the period is 70% utilisation of the overall raw materials, calculated as all residuals, including waste, entrails and fractions that are very difficult to utilise. Our goal of 80% utilisation of the marine potential from our onshore facilities' raw materials was not achieved.

Fig. 12: Resource utilisation at the Group's processing plants

Resource utilisation



Closer analysis of the primary potential of the Greenlandic raw materials at the processing plants shows that for around 40% of the raw materials, the utilisation ratio exceeds 90%, which is very satisfactory. This group includes Greenland halibut, which is a major fish resource in northern Greenland. A large proportion of the resource is sold as whole fish, but when the fish is processed in Greenland, heads, tails and fins are also sold as popular products. Today, around half of the remaining resource volume is utilised, and by focusing on these raw materials, the utilisation ratio is expected to be increased.

For onshore production in Greenland, a utilisation ratio of around 75% of the total raw material volume is assessed to be potentially realistic.

There is a high degree of utilisation of cod by-products at the processing plants in Newfoundland, from where heads, carcasses and cod trimmings are sold for bait or for the pet food market. For several years, shellfish stock has been produced by evaporating the crab and prawn cooking broth.

Ocean-going vessels have onboard production. On the prawn vessels, 75% of the prawns that are caught are cooked and packed, while 25% are landed at onshore processing plants for cooking and peeling.

The fishing vessels fish for cod, saithe and haddock in the Barents Sea, and for Greenland halibut in West and East Greenland. On board, the fish is processed into packaged products for which the raw material is filleted, packed and frozen. Cod filleting leaves a residual raw material that the new trawler M/tr Sisimiut, added to the fleet in 2019, can use, as fish meal and fish oil processing facilities are installed on board. The plant has not yet been commissioned, however, as the vessel is registered in Greenland, which does not expect to have legislation governing the production of animal feed ingredients in place before 2023.

The residual raw material from salmon production in Norway is sold for extraction of oil and proteins.

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 a real foundation for the development of new products. In Greenland, we see the best opportunities within prawn shells, crab shells and cod trimmings, while in Newfoundland, this applies to prawn shells and crab shells.

If the aforementioned residual raw materials could be utilised, disposal via wastewater, or by dumping, would be reduced considerably.

Outlook for the coming years

Adjustment of the legislation concerning animal feed is a condition 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 final technical barriers have been eliminated, it will be possible to start up production of fish meal and fish oil on M/tr Sisimiut.

Ambitions for 2030:

- Full utilisation of potential raw materials in the Group's onshore facilities and on its vessels.

4. Paper, cardboard and plastic

The *Climate and Environmental Policy* concerns the recirculation of packaging for intermediates and end-products, as well as materials in production, particularly 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. Furthermore, 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. As a consequence of the directive, a tax is

imposed on packaging for end-products for the market as from 2025. This is called the Extended producer responsibility. The size of the tax will depend on whether the plastic can be recirculated, including the type of plastic material and the material's colour. There is thus considerable focus on plastic materials in consumer packaging, where there is a risk of having to pay high taxes, but also that it can be difficult to find alternatives to the material used.

Opportunities

Royal Greenland wishes to increase reuse and recycling in its activities. Recipients of used plastic can produce plastic granulate, which can be turned into new plastic items, although there are still some plastic elements that cannot be recycled. Plastic that does not consist of mono-materials is not recyclable.

Actions and results 2022

In 2022, the extensive work continued of mapping and registering the material composition of all packaging, in order to build up an effective digital reporting system in time for the phasing-in of the Extended producer responsibility.

In 2022, the extensive work continued of mapping and registering the material composition of all packaging

There is ongoing work on introducing new, recyclable packaging in both onshore production and onboard vessels. This is a process that includes the selection of new material, production testing, quality testing and system adjustment. This has not been completed for all required intermediate and end-product plastic packaging, nor for packaging with a mixture of paper, or cardboard with plastic layers. Some of these packaging types constitute a large proportion of the total volume, and as they are adapted, a large percentage will be recyclable.

Coordination of production testing and the transition to new materials is now part of the new innovation department. The initial focus will be on consumer packaging and subsequently on intermediates and industrial goods.

Goals and achievement of the goals 2019-2022

Goal:

- Packaging:
- Minimum 85% of Royal Greenland's plastic packaging consists of reusable mono-materials
  - All cardboard and paper are FSC-certified, or the equivalent

Plastic in production and fisheries:

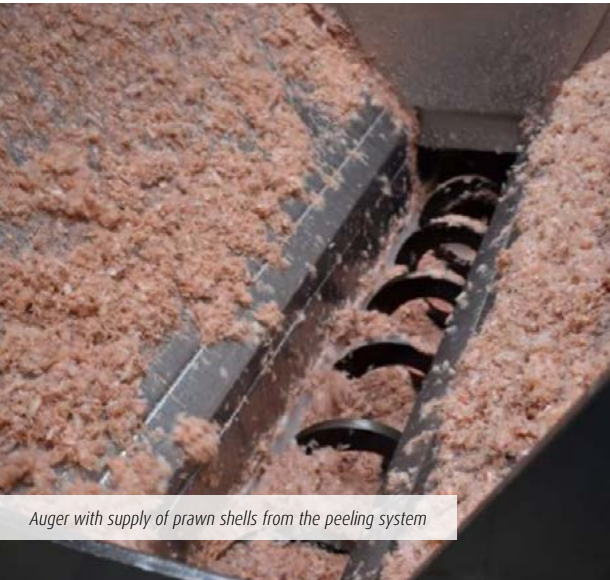
- Fish tubs are changed from polyethylene (PE) or polyurethane (PUR) to the mono-material PE/PE
- Used fish boxes and tubs are collected and granulated for recycling
- Fish trawl nets and gill nets are collected, processed and recycled

Achievement of the goal:

All paper and cardboard used consists of FSC<sup>1</sup>-certified materials.

Packaging:

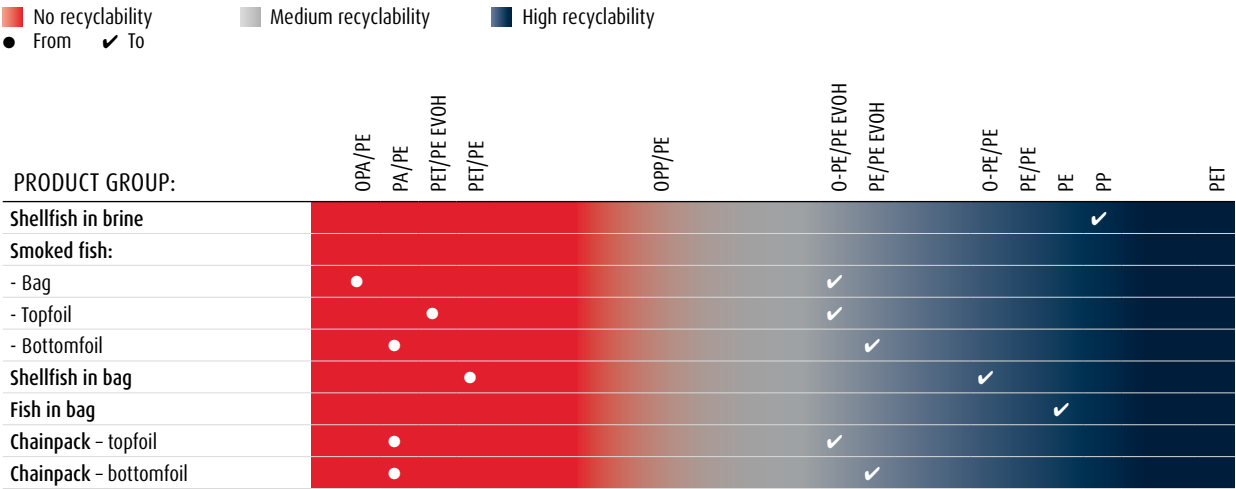
Major project activities were launched in 2020 within both packaging and plastic onboard vessels and at onshore facilities. The work also includes quantification of the plastic types and material compositions used in packaging by building up a database of actual component weight units, in order to follow up on our goals and be ready to report



<sup>1</sup> FSC: Forest Stewardship Council



Plastic materials for seafood products by recyclability



under the Extended producer responsibility in 2025, and thereby document compliance with the EU requirements.

In addition, a number of retail products have been switched from multi-layer plastic to mono-materials, together with ongoing production trials using other packaging, to facilitate the transition to sustainable plastic.

Positive results have also been achieved with large bulk packaging, whereby multi-layer packaging comprising paper and plastic can be replaced with mono-layer, polypropylene (PP) packaging.

The recyclable plastic statistics solely include plastic materials for intermediates and end-products. These packaging types together comprise 35% of the packaging in which plastic is used.

The status for plastic packaging is that 80% of Royal Greenland's packaging is made from a material that can be recycled, which is an improvement from the previous year. The goal has not quite been achieved, but during the period major improvements were made within systematic project management and access, test execution and a general focus on plastic.

Composite packaging, which consists of cardboard or paper with a thin plastic lining, accounts for 63% of Royal Greenland's packaging. There is thus still a large share for which it is challenging to implement viable solutions.

**Fish boxes and tubs**  
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 environment, to ship plastic from Greenland to Denmark, Iceland or elsewhere.

On a trial basis, in 2021 Royal Greenland sent approximately 1,300 fish boxes from Nuuk for recycling in Denmark. Here, they were melted down and used for, among other things, refuse bins for Danish households. This was a good way of using worn-down fish boxes.

Under a new rule introduced in Greenland, fish tubs may only be made from the mono-material polyethylene. A large number of tubs have already been replaced, but there are still many with a different core material to the exterior material. These cannot be processed into granulate but must be repaired and sold for recycling.

**Trawls and other fishing gear**  
During the period, work took place to find solutions for used fishing gear, gill nets or long-lines from coastal fisheries. Unfortunately, it was not possible to find a satisfactory collection solution, so that no procedure in this area has been launched.

Loss of equipment while fishing at sea is something that fishermen themselves focus on. In several instances, Royal Greenland has contributed financially to cleaning up in the Disko Bay, and in 2022, the authorities drew up a national procedure for reporting of lost equipment, via buyers, to GFLK, the Greenlandic control authority. This procedure will be implemented in 2023.

A trawl consists of many parts, and reuse is typically of rockhopper, balls, wire and net residues, which can be used for repairs. When a trawl can no longer be used, it is handed into a waste station.

**Outlook for the coming years**  
In 2023-2025, more multi-layer plastic packaging will be replaced with monolayer materials. This work also includes materials made from cardboard or paper, with a thin layer of plastic. Preparation of reporting under the European Extended producer responsibility scheme requires a lot of work, including weight registration and substitution with materials that have greater recirculation potential.

The search continues for solutions to collect fish boxes and tubs from coastal facilities, so that they can be reused optimally.

**Ambitions for 2030:**

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

5. Water consumption

At Royal Greenland's production units, fresh water may originate from surface water, ground water or sea water. Fresh water, whatever the origin, is delivered from local utility companies.

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 purified 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.

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

Where water resources are limited, this is often because the water originates from a desalination plant, a lake with a declining water level, or from a river to which winter flows have declined. On a day-to-day basis, special attention is paid to facilities with a small water reserve.

**Goals**  
To counter any situation with a shortage of fresh water, it is important to hold coordinating meetings with the utility companies.

We can see opportunities in cleaning seawater up to microbiological drinking water quality. Our tests have yielded good results, but unfortunately no permits have as yet been granted for its use, other than for whole fish.

- 



Fish boxes ready for shipment from Greenland for recycling

**Actions and results 2022**  
As the presentation of results on page 66 shows, water consumption per tonne of end-product at Group level increased from 2021 but was generally stable in the three preceding years. The reason can be traced back to one processing plant, which contributed more than 70% of the increase.

Goals and achievement of the goals 2019-2022

**Goal:**

- 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

**Achievement of the goal:**  
Water consumption per tonne of end-product remained relatively stable during the period, despite the reduction goal. The prawn factories in particular accounted for very high water consumption, since fresh water is used for both cooking and cooling of prawns. At one prawn processing plant in Greenland, however, there was a significant improvement from 2020 to 2022, when water consumption was reduced by 20%.

It has generally proved difficult to reduce water consumption, since it is important to stay focused on a high standard of hygiene in the production units, and, ultimately, for the end-products.

Seawater is only approved as a possible source of supply for the first steps of the production of Nutaaq cod. Purified seawater has not yet been generally approved for the production of fish products.

**Outlook for the coming years**  
Royal Greenland expects the permit from the Greenlandic veterinary and export authorities for the purification of seawater for use on fish products to be approved in 2023, 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 level of fish processing in the settlements, thereby creating new employment.

**Ambitions for 2030:**

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





# 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.

## 1. Job creation

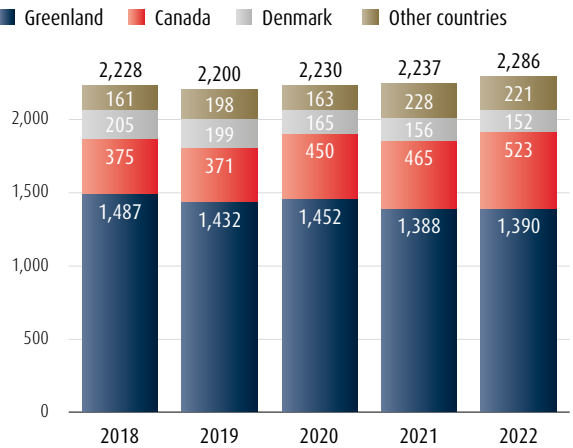
The number of employees in the Group (FTEs) totalled 2,286 in 2022. At the processing plant in Cuxhaven, there are also 19 full-time positions based on temporary contracts. In Canada, the number of employees has increased in recent years.

### 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 towns with competing employment, such as in Ilulissat.

Fig. 13: a) Number of full-time employees (FTE) and b) employee breakdown in 2022

No. of employees



### Opportunities

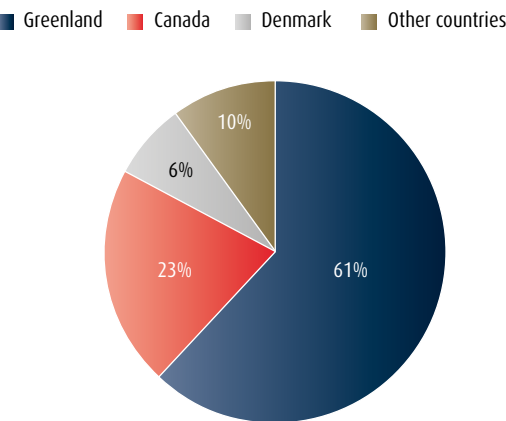
In recent years, foreign manpower has been recruited from China and the Philippines, for long-term stays in Greenland. In addition, employment under the Nordjobb exchange programme in towns and settlements of Greenland has been a great success. Under the Nordjobb programme, young students from the Nordic 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 work-places 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.

### Actions and results 2022

Our objective includes focus on women as part of the workforce. There is a wish for a balanced combination of the two genders, as this ensures a good working atmosphere. Today, women account for around one third of the production workforce in Greenland. During the year, it was possible to improve the working environment by, among other things, reducing heavy lifting.

Employee distribution in 2022



## Goals and achievement of the goals 2019-2022

### Goal:

- Establishment of specifications and goals for recruitment of external employees, including a minimum housing standard.
- 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.

### Achievement of the goal:

During the period, both Chinese and Filipino employees were recruited for the Greenlandic processing plants, to supplement the local workforce. The foreign employees have settled in well and take part in the work on an equal footing with other permanent employees.

In the same way, foreign manpower is also recruited for the Canadian factories in Newfoundland and Quebec. In total, the Group has recruited around 280 employees from abroad.

To ensure the best conditions for the foreign employees, in 2021 a recruitment policy for migrant employees was drawn up to address the actual recruitment conditions regarding payment for travel, ID documents and information for the new employees. Since then, recruitment has taken place via a professional agency that complies with the policy.

### 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 bestordered conditions during the recruitment process by using professional agencies for this task.

### Ambitions for 2030:

- Full implementation of working opportunities for special workforce groups.

## 2. Gender breakdown of the executive management levels

### Risks

Under Section 99b of the Danish Financial Statements Act, a company of Royal Greenland's size must set target figures for the proportion of the underrepresented gender in the executive management body, as well as for other management levels, and must also describe when the target figures are expected to be achieved.

In general terms, very little succession at executive management levels and the lack of a structured approach to this task may entail that the target figures are not achieved.

### Opportunities

Broader gender diversity can be expected to enhance employees' well-being, and this applies to the Supervisory Board, executive management and production environment. A high degree of diversity in the Supervisory Board and the executive management levels can have a spin-off effect on the lower employee levels in the company's decision-making hierarchy.

### Actions and results 2022

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 50/50, which complies with the policy. In 2022, for the first time in the history of Royal Greenland, a female Chair of the Supervisory Board was elected. Calculation of the composition of the full Supervisory Board, including the members elected by the employees, shows that the under-represented gender accounts for 44%.

In 2022, the under-represented gender accounted for 14% of the other management levels. This means that there have been no significant changes during the period in which the gender structure of the three management levels below the Supervisory Board has been measured. There is full awareness of the goal and the task, however. In order to actively increase recruitment of the under-represented gender, Royal Greenland has taken several specific measures to improve recruitment efforts. This has resulted in the appointment of two women at the second management level. Furthermore, in autumn 2022, a new female CEO was appointed, so that the first management level below the Supervisory Board changed as from 1 February 2023.

Including the next management levels onshore, the under-represented gender accounts for 32% in total, which exceeds the goal, and indicates that it is possible to recruit women to the top management levels. Including all officers at sea, and including affiliated and associated companies, women account for 17% of a combined group of 424 people in total. The group of officers on vessels accounts for around one half of the employees in the Group.

### Achievement of the goal:

Throughout the period, the composition of the Supervisory Board has been within the framework of equal distribution, and in most years consisted of 50% women and 50% men.

There have been no significant changes in the gender structure of the other management levels. There has been a very stable management team throughout the period, with a low turnover rate. There is one area, however, on which there will be greater focus in the coming years.

### Future outlook

In future, a more structured recruitment process will be established, to ensure that new job openings appeal to both genders. This will

	Total	Men	Women
Members of the Supervisory Board elected by the Annual General Meeting	6	50%	50%
First management level below the Supervisory Board and managers reporting to the CEO	5	100%	0%
Managers, cf. the gender policy	104	86%	14%
All managers excluding officers	204	68%	32%
All managers including officers with associated companies	424	83%	17%



result in updating of the policy concerning the under-represented gender, and the determination of a procedure to use for the process.

Section 99b of the Danish Annual Financial Statements Act concerning target figures was updated in 2022, and this determines and defines requirements for reporting of the gender structure in the coming reporting period. This concerns requirements to report the composition of the Supervisory Board as elected by the Annual General Meeting, and the next two management levels. Reporting of other management levels is voluntary.

Ambitions for 2030

- Equal composition of Royal Greenland's Supervisory Board
- 26% of the under-represented gender at other management levels

3. Working environment

The psychosocial and physical working environment is important for Royal Greenland and all employees, as expressed in the *Policy on Health and Safety* (2020). There are also three policies which set the framework for the work in the social area. These are the *Human Rights Policy* (2019), the *Recruitment Policy for Migrant Employees* (2021) and the *Policy for Royal Greenland's Whistleblower Scheme* (2021).

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 policies are 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 in Greenland. This has provided knowledge of critical working conditions, of which the three most critical working-environment related conditions at the processing plants are (i) heavy lifting, (ii) cold and draughts, and (iii) slippery floors.

Opportunities

We can see great opportunities in promoting a good and uniform working environment by taking a structured approach that is described in a simple overall working environment system in the Group. Uniform procedures can be set up, and tools can be created that are adapted to local conditions. This will result in transparency and ensure a uniform approach to this work across the Group. Education and training must

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

Actions and results 2022

According to the table on page 67, the number of injuries per full-time employee declined in 2022. This is very satisfactory and can be attributed to recent years' increased focus on the working environment.

The reporting of occupational injuries shows that most injuries are related to falling and tripping accidents due to slippery and uneven surfaces at processing plants and onboard vessels. Knives and non-mechanical tools are another area with relatively many injuries, which also applies to falling objects that hit a toe or another part of the body. Heavy lifting is also one of the challenges onshore (see Figure 14), and there is also a group of injuries that are not further defined by the reporter.

Workplace assessments

Workplace assessments took place at the processing plants and facilities in Greenland in 2022. In total, 77% responded out of 1,024 persons invited. Questions concerned both the physical and psychosocial working conditions, and the results, indicate the preferred course of the work going forward.

Concerning the physical working environment, this particularly concerns the indoor climate, noise level, slippery and uneven floors, and heavy lifting. In addition, several processing plants must be better at carrying out emergency drills, including evaluation drills in the event of fire.

Within the psychosocial working environment, a small proportion describe challenges with bullying and sexual harassment. Action plans are drawn up for each of these areas. These plans are considered locally, in the main safety committee, and by the working environment team at HR.

Goals and achievement of the goals 2019-2022

Goal:

- Build up a simple, well-functioning Occupational Health and Safety Management System (OHSMS), in harmony with the external environment.

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.

Achievement of the goal:

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. We wish to have cooperation across the regions, but today the work primarily takes place within the three national units.

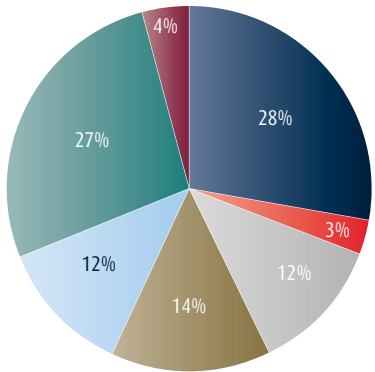
A joint quality, health & safety and environmental management system (QEHS) is being established. The work has started to identify the best system to cover this need. We have therefore not yet built up a Group-wide system, but this is expected to take place during 2023.

To achieve the goal for 2022, there was considerable focus on establishing and maintaining the existing health and safety organisation. In recent years more resources have therefore been allocated to the area in Greenland, which has strengthened the work nationally and locally.

Fig. 14: Distribution of occupational injuries in 2022 by reason for injury.

Distribution of occupational injuries in 2022

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



The main safety committee in Greenland has been strengthened. The committee includes supervisors and employee representatives, and four annual meetings are held. The committee considers proposed procedures, instructions and general health and safety measures.

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 external online whistleblower scheme, which makes it possible to raise an objection to the incident, while also protecting the employee.

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

We expect to build up a QEHS system that will apply to the entire Group. Work will also take place on the risks that have been revealed, in the form of injuries, as well as in workplace assessment reports for Greenland.

Ambitions for 2030:

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

4. Ethical supply chain management, human rights and due diligence

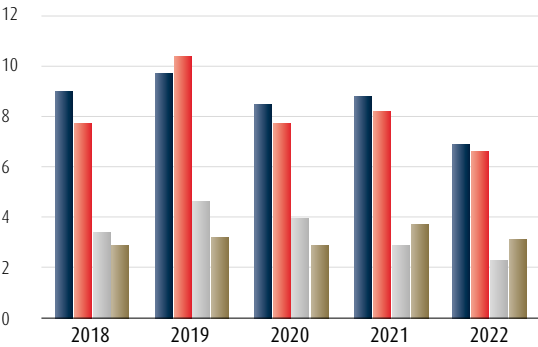
Royal Greenland operates in value chains across national borders, legislation and cultures. Royal Greenland's Supplier Code of Conduct (SCOC) ensures a set of minimum rules for our suppliers, based on internationally recognised standards (ILO, IMO, FN). By signing our code, suppliers undertake to work in accordance with these rules.

Wherever we trade, and whoever it is with, we have an obligation to ensure compliance with human rights and employee rights,

Fig. 15: 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)



protection of the environment, and that product traceability requirements are fulfilled.

Risks

According to our risk analysis, which is based on official assessments (Human Development Index, Environmental Index and Corruption Index), our suppliers are divided into high-, medium- and low-risk groups, depending on which country the products are produced in, so that differentiated documentation requirements can be set.

Our own risk analysis is updated with BSCI (Business Social Compliance Initiative) assessments. The greatest risks are defined as knock-out points, which are child labour, employee rights, safety and the environment.

Opportunities

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 conditions, 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 ambitions for 2030.

Actions and results 2022

The Supplier Code of Conduct has been updated to match Royal Greenland's new recruitment policy for migrant employees, and requirement for third-party auditing (SMETA) of fish and shellfish suppliers from high-risk countries. The Supplier Code of Conduct also sets policy and strategy requirements concerning reduction of suppliers' climate impact on the surrounding environment.

Goals and achievement of the goals 2019-2022

Goal:

- Fulfilment of Royal Greenland's supply chain management system and required third-party audits of raw material and end-product suppliers from high-risk countries, as a minimum every second year.



Achievement of the goal:

As Figure 16 shows, in the last five years we have had close to a 100% response from and approval of suppliers from medium-risk and high-risk countries. In the mandatory self-evaluation there is particular focus on issues concerning the health and safety of employees, 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.

The number of suppliers from low-risk countries is the greatest by far. The response rate is relatively low, however, since suppliers are continuously being replaced.

The requirement for third-party audits has been launched, and many suppliers of raw materials and end-products from high-risk countries are SMETA-audited.

Future outlook

Our supply chain management system has been implemented for several years and experience has been positive. Today, the system does not include the Canadian suppliers, who are awaiting implementation.

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

Ambitions for 2030:

- Fulfilment of Royal Greenland's supply chain management system and third-party audits of raw material and end-product suppliers, and ingredient and packaging suppliers, from high-risk countries, as a minimum every second year.

5. Anti-corruption and fraud

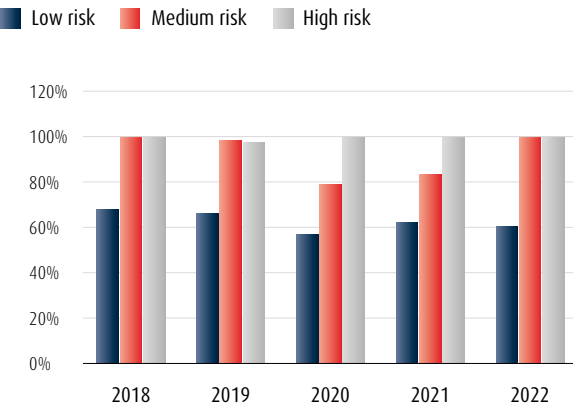
Risks

Royal Greenland trades in a global market, with many different stakeholders. It is therefore important that 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* from 2014.

Fig. 16: Status of response to self-evaluation and acknowledgement of the RG Supplier Code of Conduct

Supplier approvals in 2022



Opportunities

To increase risk awareness, employee training is very important. If criminal activity is discovered in the company, the whistleblower scheme can be used.

Actions and results 2022

In 2022, there was extensive training of employees selected on the basis of a risk analysis. In total, 212 employees from several departments across the Group attended this training. The content was expanded from anti-corruption dilemmas and procedures, to also include abuse of power and the whistleblower scheme.

Goals and achievement of the goals 2019-2022

Goal:

- 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

Achievement of the goal:

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 fully-owned activities.

Financial crime can be reported, including corruption and irregularities in connection with auditing, as well as environmental pollution and 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 was subject to external evaluation in 2022 and is recommended to be expanded to also apply to partly-owned companies and suppliers.

Outlook for the coming year

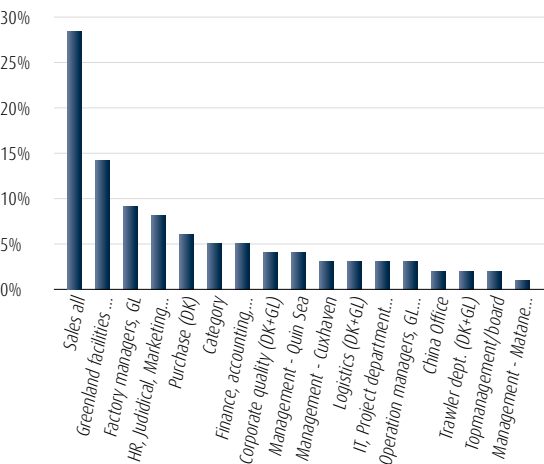
It is expected that the whistleblower scheme will be expanded to also apply to partly-owned subsidiaries. It will also be assessed whether suppliers should be added.

Ambitions for 2030:

- The whistleblower scheme is active and has been expanded to include partly-owned companies.

Fig. 17: Breakdown of attendees of training to detect fraud and abuse of power

Fraud and abuse of power training 2022



Education in Greenland

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.

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 upper secondary education and has a great responsibility for achieving more trainees and apprentices in the fishing industry, and that they complete a course of education.

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

1. 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. There is a risk of a lack of the right competences for the necessary jobs. A lack of education would present both a financial and professional risk for the company.

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

Opportunities

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.

Actions and results 2022

We have a strong focus on Greenland, but we also educate and train employees in other parts of the company. At Group level there were 62 apprentices and trainees in 2022, of whom 50 were based in Greenland. In total, 16 apprentices, trainees or students completed their course of education in 2022.

In Greenland, a total of nine students were attached to Royal Greenland, and 22 students through-out the Group. There is thus good cooperation with universities in several regions, from where students come to Royal Greenland in connection with their master's theses, for example.

Particular measures are taken to support students from Greenland who are taking vocational higher education programmes. A total of 28 students were attached to Royal Greenland via bachelor's degree or master's internships and projects.

In addition, the processing plants have taken the initiative to arrange school visits in cooperation with local schools.

Goals and achievement of the goals 2019-2022

Goal:

- Training of apprentices and trainees for the fishing industry: Minimum 50 employees per annum
- *Qaqisa*<sup>2</sup> lower secondary school exchange programme at processing plants and facilities

<sup>2</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.



Achievement of the goal:  
Throughout the period there were close to 50 active trainees and apprentices in the Group, and in 2020-2021 the level was even higher. Trainees and apprentices were employed in the areas of food products, technology and administration. The objective of at least 50 was thereby fulfilled, which is very satisfactory. Not everyone completes a full apprentice-trainee programme, however, even though there has been considerable focus on this at trainee meetings and follow-up.

The *Qaqisa* project, which is led by CSR Greenland, functioned well in previous years, but during the Covid-19 period the project came to a halt and was subsequently discontinued. Royal Greenland was an active member of the steering group and has continued its fundraising so that the project can continue.

**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.

**Ambitions for 2030:**

- Maintain a minimum of 50 trainees and apprentices per year
- *Qaqisa* is the standard procedure

## 2. 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 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**  
Royal Greenland Academy gives employees opportunities for professional and personal development via tailored courses.

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

**Actions and results 2022**  
After the years of Covid-19 restrictions, training started up again in 2022, and many good courses were held. Our goal was for 20% of the workforce, equivalent to 273 employees, to attend Royal Greenland Academy. In 2022, the number of attendees was 245, which is slightly below the objective. But it does take time to start up the activity again.

Sulisa+  
In 2022, a total of four *Sulisa+* courses were held in Greenland: two of these were *Sulisa+* follow-ups for Sisimiut and Nuuk, respectively, while the processing plants in Upernavik and Ilulissat were involved for the first time. At the end of 2022, all Royal Greenland's largest processing plants had taken *Sulisa+*, so that the company achieved its goal in 2022.

When *Sulisa+* is held, both managers and employees complete a programme focusing on personal development and trauma therapy, after which managers take a separate course in management and setting values and objectives for the processing plant. Finally, both employees and managers gather for a couple of value days, whereby the individual processing plants themselves define which values they will work by and be known for.

Bootcamp for Royal Greenland's trainees held in Nuuk  
Bootcamp is a physical gathering of Royal Greenland's trainees in Greenland, and its purpose is to ensure motivation, fellowship and retention. In addition, trainees acquire both professional and personal tools to manage their respective study programmes.

The programme for the three-day bootcamp consisted of presentations by the HR department's development and training unit, team-building, group work, individual reflection, and social events such as shared meals and a film evening.

Practical training supervisors gathered for the second consecutive year  
A course was held for practical training supervisors of which the purpose was to prepare the individual participants for the role of practical training supervisor and to gather input for a coming practical training supervisor's handbook.

There was also a wish to strengthen and disseminate the network for practical training supervisors at Royal Greenland that was established in 2021. The network should be used to exchange ideas and get advice from each other and also from Royal Greenland's education consultant.

In total, the course was attended by 11 practical training supervisors from different parts of Greenland. The three days of the course were spent on presentations by the development and training department, group work, discussion of challenges and opportunities as a practical training supervisor, discussion and points of attention going forward regarding the individual's responsibility for trainees.

Furthermore, in 2022 a Siukkat management course was held for managers from Royal Greenland's processing plants.

### Goals and achievement of the goals 2019-2022

Goal:

- Completion of *Sulisa+* management development at selected processing plants 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

Achievement of the goal:  
Royal Greenland Academy is a learning platform for Royal Greenland employees. It has existed for more than 20 years and many employees have attended these training activities. *Sulisa+* is the latest programme developed and has received good feedback. The programme was run at a number of processing plants, and the course will be held more and more regularly, just as other processing plants will be offered an updated version.

2021 was one of the few years without any courses, due to the challenges to Royal Greenland Academy presented by the Covid-19 restrictions. The restrictions made several planned programmes impossible and the number of participants was reduced to a third.

Our goal for local fishermen to attend our courses was not achieved. But this is being planne, and is expected to be launched during 2023.

**Future outlook**  
The *Sulisa+* and Siukkat courses are expected to continue, and a long-term plan is being drawn up.

Under the auspices of Royal Greenland Academy, in 2023 we expect to establish a minimum of two courses for fishermen, in collaboration with the selected processing plants.

**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

Fig. 18: Development and status for numbers of trainees, apprentices and students attached to Royal Greenland.

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

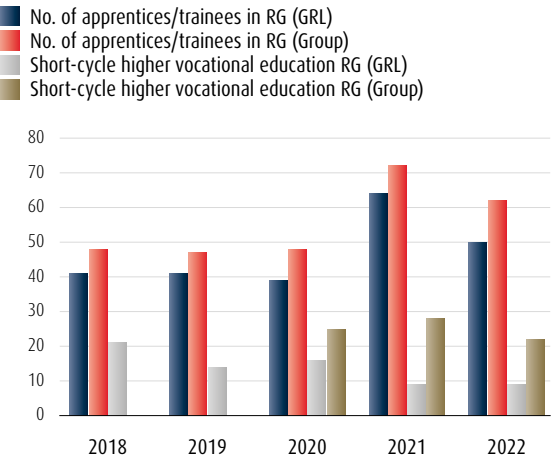
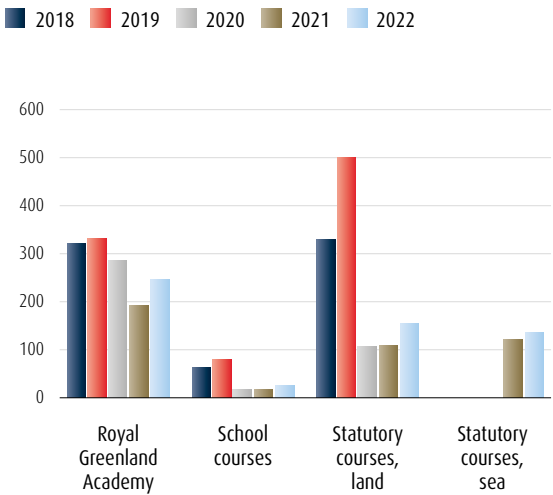


Fig. 19: Course activities for Royal Greenland employees, 2018-2022

#### Course activities in Greenland





# Events during the year



## New lifting system on its way to the factories

In 2022, Royal Greenland developed a new lifting system that can relieve heavy lifting in production.

This was done as part of Royal Greenland's continuous work to improve working conditions for our employees. Not least the employees who work in factories and warehouses on a daily basis and who carry out physically demanding work every day.

The system has so far been installed at two factories in Tasiusaq and Appilatoq, where it is currently being tested. However, the plan is to expand the system to other factories along the coast, so that more employees will benefit from less lifting in their everyday work.

The lifting system works for lifting frames of fish and can be used over a larger area in the plants, where it can be moved around freely.



## Foreign workers revitalise factories and settlements

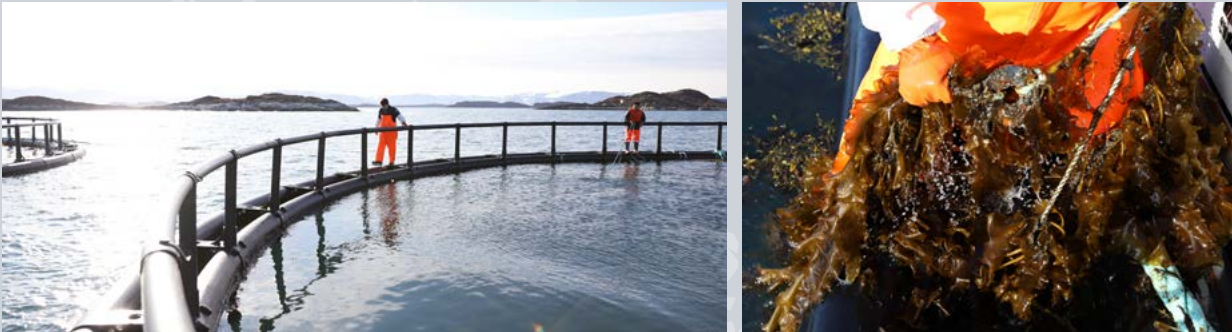
Foreign labour is today an essential part of production in Greenland, where employees from many different countries are employed.

Since Royal Greenland employed the first foreign colleagues in 2017 for the factories in Greenland, where shortage of local labour is a general challenge, things have only improved.

The foreign colleagues have helped to create new activities in towns and settlements and have made production more stable all year round to the benefit of not only the Group but also for all fishermen who trade with Royal Greenland.

Also in 2022, Royal Greenland has had a strong focus on ensuring that our foreign employees thrive and are well integrated into the local communities. Among other things this is done with ongoing follow-up from the HR department in Greenland.

Today, the Group has foreign employees from the Philippines, China, Thailand, Japan and Sri Lanka.



## New sales adventure may be on the way with Greenlandic seaweed

Royal Greenland is ready to farm seaweed commercially.

An investment has been made in a seaweed farming facility at Maniitsoq in West Greenland. The plan is to harvest 32 tonnes in the summer of 2023, according to Lars Nielsen, Production Director at Royal Greenland.

- Here in Greenland, we have a unique opportunity to grow seaweed of very high quality, and we have now decided to pursue it. Of course, we hope for a good harvest in 2023, which we can both process ourselves and sell to customers abroad, he says. However, the new facility is just the beginning. If harvest and production goes well, the plan is to expand significantly over the coming years.

- We see great potential in Greenlandic seaweed farming and hope that in the future we will have a production that is capable of delivering much larger quantities than the 32 tonnes we expect to harvest this summer, explains Lars Nielsen.

The seaweed facility was set up in August 2022 and is located 3.5 nautical miles east of Maniitsoq, at Inuttoq. Future expansions of the production will probably also be around Maniitsoq.

The species grown are winged kelp and sugar kelp, both can be used for seaweed salad and seaweed pesto, but also as plant based meat supplements.

## Leadership development programmes along the coast in Greenland

During 2022, Royal Greenland has conducted the Siukkat leadership development programme for managers at a number of the largest factories in Greenland.

Siukkat was started in 2018 primarily for top managers from the head office in Nuuk. Today, however, the concept has been further developed and adapted for factory managers.

- It is important that our factory managers are well equipped to handle a busy and changing everyday life in our large factories. A development programme like Siukkat will help to ensure this, explains HR Development Manager Sara Biilmann Egede, who is responsible for the programme.

This year, Siukkat has been divided into four modules. The first module was held in February, while the last module took place in November.

Kaj S. Egede, Technical Manager in Maniitsoq, participated in the programme and he has benefitted in several ways: 'I feel sure that the leadership tools will help in our everyday lives and make the cooperation among colleagues better in the future', he says.

Kaj hopes that all participants will implement the learnings from Siukkat: 'From my perspective I feel better equipped to improve my personal performance and to see which areas I need to improve in the future', he explains.

The next step for Royal Greenland is to design a concept that also addresses the factory team leaders and foremen, as well as the managers in the smaller settlements.







### Off shore Greenland halibut fishery in West Greenland re-certified for the next five years

In spring 2017, the off shore Greenland halibut fishery was MSC certified for a period of five years. The certification was the result of a joint effort by fishermen, the local seafood industry and Greenlandic authorities, who joined forces in the organisation Sustainable Fisheries Greenland. Together the stakeholders commissioned analyses, documentation and inspections of fishing methods, biological data, equipment and factories.

Now, 5 years later, the fishery has been re-certified. The evaluation of the fishery emphasises that the Greenland halibut stock is healthy

and that a well-structured management plan for the fishery is in place.

In recent years, the in shore fishery for Greenland halibut has undergone a so-called Fishery Improvement Project, which has led to a number of new management measures. A working group has been set up to define objectives for the fishery. The plan is to develop an actual management plan hopefully leading to a MSC certification process in the future.



### Intern from new DTU fisheries engineering programme

In the first half of 2022, Pernille Bak Andreassen was an intern at Royal Greenland in connection with her Bachelor of Engineering in Fisheries Technology programme at DTU in Lyngby.

The first two years of the fisheries engineering programme takes place in Sisimiut in Greenland, where the fisheries engineers are trained in all aspects of work in the entire value chain from marine life, fishing, hunting and food production and technology. Also, sustainable fishery management is part of the programme.

During the internship period, Pernille participated in various development projects at Royal Greenland, including the ongoing EU-

PROFIUS project, which aims at defining commercial applications for the lumpfish carcass such as production of collagen or gelatine.

Pernille was one of nine students on a higher education programme affiliated with Royal Greenland in Greenland in 2022. During 2022, a total of 62 apprentices and trainees were employed by the Group, of which 50 were in Greenland. 16 trainees, apprentices or students completed their education in 2022.

It is Royal Greenland's ambition to have a minimum of 50 trainees and apprentices affiliated each year.



### On adventure in Canada with the entire family

When former crew manager at Royal Greeenland, Mika Heilmann from Nuuk, was offered the position as factory manager with Royal Greenland in Cape Broyle, Newfoundland, Canada, there was no doubt in the family's mind: the opportunity had to be seized. So Mika, his wife and their two children moved to St. John's, Canada in March 2022.

After the initial settling-in period, they quite quickly managed to create a good life for the whole family including a sound work-life balance. The couple's eldest daughter is happy in school and is already beginning to master the English language, while their youngest child is still being looked after at home.

Mika says: 'Of course, there are many practical things you have to deal with when travelling as a family. Fortunately, we work well together and manage to make everyday life work'.

Mika also enjoys his daily work with English-speaking colleagues and is excited about what the future holds: 'We are here indefinitely, so

only time will tell what the future brings. I am certainly happy to have been given the opportunity to get to know more of Royal Greenland outside Greenland's borders'.

For the coming season Mika has been promoted to Production Manager at Royal Greenland's largest factory Old Perlican in Newfoundland, a factory 5-6 times the size of Cape Broyle.

**Royal Greenland's talents are going out into the world**

Mika Heilmann is far from the only Royal Greenland employee who has been given the opportunity to work abroad. Royal Greenland has a tradition of offering employees various job opportunities abroad across the Group.

Jens K. Lyberth, Director of Communication and HR at Royal Greenland, says: 'It is clearly in Royal Greenland's interest that our employees recognise their workplace as an international company. We have many young and talented employees who can contribute positively in our many departments around the world'.







# Sustainability goals

						
	Sustainable fisheries	2019	2020	2021	Goal 2022	Ambition 2030

Sustainable fisheries and utilisation of resources						
Share of sustainable species, cf. Royal Greenland <sup>1</sup>	80%	80%	86%	>85%	93%	>95%
Share of less sustainable species	20%	20%	14%	<15%	7%	<5%
Share of critical species	0%	0%	0%	0%	0%	0%
MSC certification of raw materials	56%	57%	61%	60%	63%	>75%
Commercialisation of new species from coastal fisheries	-	0	0	1	0%	3

						
	Responsible consumption	2019	2020	2021	Goal 2022	Ambition 2030

Utilisation of resources						
Utilisation of resources, processing plants in Greenland <sup>2</sup>	67%	67%	67%	-	66%	-

Utilisation of resources, Royal Greenland	-	65%	70%	80% of RG's marine potential	70%	Full utilisation of RG's marine potential
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Energy consumption						
Energy consumption, all production units and trawlers, GWh <sup>3</sup>	307	399	400	-	465	-
Royal Greenland (kWh/tonnes of end-product)	2,660	3,230	2,904	2,300	3,138	Total reduction of 30% from 2018
Greenland processing plants (kWh/tonnes end-product)	1,350	1,560	1,631	-	1,671	-
Vessels (kWh/tonnes end-product) <sup>4</sup>	4,316	4,784	4,075	-	4,348	-

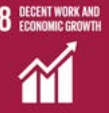
CO <sub>2</sub> e-emissions						
GHG emissions from vessels, measured in tonnes of CO <sub>2</sub> e/t catch:						
Prawn trawlers, off shore	1,57	1,66	1,71	-	1,92	25% reduction from 2018
Fisketrawlere og langline, udenskærs	1,64	1,46	1,23		1,45	
Coastal vessels (trawlers, cutters, well boats) <sup>5</sup>	0,76	0,82	0,48	-	0,81	25% reduction from 2018
Pelagic vessels	0,53	0,46	0,34	-	0,32	25% reduction from 2018
Total emissions for Royal Greenland Scope 1, tonnes <sup>5</sup>		101.691	106.762		116.480	
Total emissions for Royal Greenland, Scope 2, tonnes <sup>6</sup>		12.625	13.733	-	11.990	25% reduction from 2018
Total Scope 1 and Scope 2		114.316	120.495		128.470	

Total emissions of GHG, including Scope 3, in Royal Greenland, measured in tonnes of CO <sub>2</sub> equivalents	-	Not calculated	Not calculated	The calculation method is determined and status compiled	Not calculated	
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Product groups' Carbon Footprint <sup>7</sup>	-	Method screened in 2020 for iced prawns	Participation in the PEF EU project	Develop and test method	LCA calculated on four prawn products. Case study according to PEF method	Communication of product groups' carbon footprint and reduction of carbon footprint
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<div><div>12 RESPONSIBLE CONSUMPTION</div></div>						
Responsible consumption	2019	2020	2021	Goal 2022	2022	Ambition 2030
Water consumption						
Royal Greenland (m³/tonnes end-product)	41	48	45	35	47	Total reduction min. 20% from 2018
Greenland processing plants (m³/tonnes end-product)	41	49	49	Development of seawater resource	57	Stable water resource
Plastic, paper, cardboard						
Fish boxes and tubs changed to monomaterials and recycled	Subject to planning	Substitution has commenced	Substitution from multilayer to monolayer. Testing of reuse of fish boxes	Full recycling is possible	Substitution from multilayer to monolayer. Testing of reuse of fish boxes	Full recycling is possible
Fish trawls and nets are processed and recycled	Subject to planning	Status quo	Trawl recycling project	Reuse/recycling of most of the trawls and gill nets owned by RG	Trawl disposed of to supplier, recyclable components used	Full recycling of all trawl and gill nets owned by RG
RG plastic packaging is recyclable <sup>a</sup>	41%	73%	73%	85%	80%	All packaging
Paper and cardboard of FSC fibre		100%	100%	100%	100%	100%

<div><div>8 DECENT WORK AND ECONOMIC GROWTH</div></div>						
Healthy working lives	2019	2020	2021	Goal 2022	2022	Ambition 2030
Number of employees						
Royal Greenland in total	2,200	2,230	2,237	-	2,286	-
Greenland	1,432	1,452	1,388	-	1,390	-
Canada	371	450	465	-	523	-
Denmark	199	165	156	-	152	-
Other countries	198	163	228	-	221	-
Greenland, in %	65%	63%	62%	-	61%	-
Canada, in %	17%	17%	21%	-	23%	-
Denmark, in %	9%	7%	7%	-	6%	-
Other countries, in %	9%	7%	10%	-	10%	-
Diversity						
Board of Directors (w/m)	50%	50%	40% M	50%	50%	50%
Management <sup>9</sup> , the under-represented gender, see the gender equality policy	14%	14%	15%	26%	14%	26%
Management <sup>10</sup> , the under-represented gender	27%	26%	26%	26%	32%	-

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	Environmental/ occupational health and safety management system (OHSMS) being developed	Fully implemented and functioning OHSMS and EMS
Adjustment of the labour supply to include women, young employees and seniors	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	On average 38% 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	Policy for migrant employees drawn up	Targets and specifications have been determined and incorporated	Rules for recruitment in policy and Supplier Code of Conduct	Targets and specifications are fully implemented

8

DECENT WORK AND  
ECONOMIC GROWTH

Healthy working lives	2019	2020	2021	Goal 2022	2022	Ambition 2030
Employee safety						
Occupational injuries <sup>11</sup> per 100 employees in Greenland	9	10	9	Developing and implementing an adapted occupational health and safety management system (OHSMS) and environmental management system (EMS)	7.0	Fully implemented and functioning OHSMS and EMS
Occupational injuries <sup>3</sup> per 100 employees, Other countries	8	11	8		6.4	
Occupational injuries <sup>3</sup> with min. one day of absence per 100 employees, Greenland	4	5	4		2.3	
Occupational injuries <sup>3</sup> with min. one day of absence per 100 employees, Other countries	3	3	3		3.2	
Employee satisfaction						
Job satisfaction <sup>12</sup> , score for Royal Greenland in Greenland, max. 100	81	-	82	Held every second year	Held every second year	
Anti-corruption						
Anti-corruption training, percentage completed among selected participants <sup>13</sup>	23%	-	Whistleblower system implemented Training postponed until 2022	Training in 2021. Implementation of whistleblower scheme	Training in 2022 for 212 leading employees, corresponding to 98%	

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	Besides fulfilling RG's supply chain management system, all fish and shellfish suppliers from high-risk countries must be third-party audited	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
Suppliers from high-risk countries <sup>14</sup> , percentage completed among those selected	96%	100%	100%	100%	100%	100%
Suppliers from medium-risk countries, percentage completed among those selected	98%	79%	85%	95%	100%	100%
Suppliers from low-risk countries, percentage completed among those selected	66%	57%	63%	60%	60%	75%



<div><div><div>4</div><div>QUALITY EDUCATION</div></div></div>						
Education in Greenland	2019	2020	2021	Goal 2022	2022	Ambition 2030
Training and education – Greenland						
RG Academy course participants	331	285	192	20% of employees	245	30% of employees
Number of RG Academy course days	1471	732	863	-	691	-
Number of RG Academy courses	21	15	20	-	18	-
Course participants, other colleges	80	17	17	-	26	-
Number of course days, other colleges	620	405	405	-	172	-
Number of courses, other colleges	11	4	4	-	21	-
Course participants, statutory courses	2174	107	109	cf. legislation	155	cf. legislation
Number of course days, statutory courses	294	374	267	-	334	-
Number of courses, statutory courses	22	13	12	-	22	-
Number of seafarers on statutory courses	188	14	120	-	136	-
Total courses	2773	423	438	-	562	-
Sulisa+ management development at selected factories and trawlers in Greenland	Three large processing plants	Three large processing plants	Two large processing plants	Performed at selected processing plants	Four large processing plants	Leadership development in a fixed system
Qaqisa lower secondary school exchange programme at all factories and facilities in Greenland	Qaqisa in Royal Greenland is subject to planning	Qaqisa completed	Qaqisa was not held, due to Covid-19 restrictions	Qaqisa as inspiration for young people's interest in education implemented	Qaqisa not held	Qaqisa is a standard programme for young people
Courses for local fishermen in Greenland as suppliers	Not commenced	Not commenced	Not commenced	Commenced in min. 5 towns	Not commenced	Part of RGA
Apprentices/trainees and students						
Royal Greenland, number of apprentices and trainees	47	48	72	>50	62	>50
Greenland, number of apprentices and trainees	41	39	64	50	50	50
Greenland, attached students taking higher vocational education in Greenland	-	25	28	-	22	-
Royal Greenland, attached students	14	16	9	-	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 2022, as well as goals for 2022 and ambitions for 2030. A large proportion of the results are presented in the section's 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 fully-owned by and affiliated with Royal Greenland. Homes are not included in the figures, even though they receive energy from 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 emissions

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 2021 database, as the basis for the calculation, and the actual emissions from Nukissiorfiit (Greenland's Energy Supply).

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

## Water consumption

Water consumption is calculated for the same facilities for which energy consumption is calculated.

## Plastic, cardboard and paper

Calculation of the recyclability of the plastic materials is based on the total purchase of plastic volumes to be used for intermediates and

end-products during the year, which is changed to weight, after which the recyclable percentage is calculated. Cardboard and paper with a thin plastic coating are not included in the figures.

## Employees

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

## Diversity

Calculation of the Supervisory Board's gender structure is based on members elected by the Annual General Meeting. 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 processing plants. The occupational injury frequency is calculated per 100 FTEs for reported injuries and for injuries with at least one day's absence.

## Anti-corruption

Training within anti-corruption, abuse of power and the whistleblower scheme 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 medium-risk and 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.



# Consolidated financial statements and annual accounts

Income statement

Assets

Equity and liabilities

Statement of changes in equity – Group

Statement of changes in equity – Parent

Consolidated cash flow statement

Notes to financial statements

## Income statement

		Group		Parent	
	Note	2022 DKK 1,000	2021 DKK 1,000	2022 DKK 1,000	2021 DKK 1,000
Revenue	2	5,756,592	5,638,063	3,291,817	2,674,049
Change in inventories of finished goods		596,760	(107,784)	39,475	(48,924)
Other operating income	3	172,080	102,386	52,383	64,176
		<b>6,525,432</b>	<b>5,632,665</b>	<b>3,383,675</b>	<b>2,689,301</b>
Costs of raw materials and consumables		(3,788,802)	(3,089,937)	(1,717,213)	(1,366,446)
Other external expenses		(1,080,450)	(933,891)	(591,270)	(566,944)
Staff costs	4	(1,184,437)	(1,084,309)	(748,289)	(665,645)
Depreciation, amortisation and impairment losses	5	(187,305)	(213,981)	(115,701)	(127,251)
Other operating costs		(10,771)	(1,702)	(5,393)	(136)
<b>Operating profit</b>		<b>273,667</b>	<b>308,845</b>	<b>205,809</b>	<b>(37,121)</b>
Profit/loss from investments in group enterprises after tax		0	0	10,543	254,976
Profit/loss from investments in associates after tax		36,361	35,187	1,677	17,701
Financial income	6	84,802	63,219	35,412	23,150
Financial expenses	7	(159,445)	(81,323)	(76,484)	(43,820)
<b>Profit before tax</b>		<b>235,385</b>	<b>325,928</b>	<b>176,957</b>	<b>214,886</b>
Tax on profit	8	(48,920)	(68,999)	(30,873)	10,870
<b>Profit for the year</b>		<b>186,465</b>	<b>256,929</b>	<b>146,084</b>	<b>225,756</b>
The Group's profit is distributed as follows:					
Shareholders of Royal Greenland A/S		146,084	225,756		
Minority interests		40,381	31,173		
		<b>186,465</b>	<b>256,929</b>		
Proposed distribution of profit:					
Proposed dividend				73,042	112,878
Reserves according to the equity method				(28,567)	81,007
Retained earnings				101,609	31,871
				<b>146,084</b>	<b>225,756</b>



Assets

	Note	Group		Parent	
		31.12.22 DKK 1,000	31.12.21 DKK 1,000	31.12.22 DKK 1,000	31.12.21 DKK 1,000
Intangible assets	9	101,640	159,505	32,935	37,548
Buildings		480,768	434,582	253,259	260,553
Plant and machinery		257,381	258,626	108,913	105,784
Vessels		1,363,697	1,335,036	957,342	924,930
Other fixtures and fittings, tools and equipment		28,479	23,532	18,082	16,160
Fixed assets in progress		101,374	53,858	78,235	38,226
Property, plant and equipment	10	2,231,699	2,105,634	1,415,831	1,345,653
Investments in group enterprises	11	0	0	2,080,347	2,119,831
Receivables from Group enterprises	12	0	0	137,877	120,379
Investments in associates	11	234,814	229,870	40,889	46,018
Receivables from associates	12	186,333	113,447	25,434	4,370
Derivative financial instruments		104,041	131,328	104,041	131,327
Other fixed asset investments	13	472,394	292,827	87,186	74,584
Fixed asset investments		997,582	767,472	2,475,774	2,496,509
FIXED ASSETS		3,330,921	3,032,611	3,924,540	3,879,710
Inventories	14	2,106,534	1,459,618	738,439	664,336
Trade receivables		931,777	905,495	12,048	15,119
Receivables from Group enterprises		0	0	1,140,695	251,235
Receivables from associates		22,349	9,684	0	517
Other receivables	15	107,337	54,618	21,983	4,028
Deferred tax assets	17	85,965	94,098	0	0
Income tax receivable		83,793	3,623	0	0
Prepayments	16	9,331	16,556	4,437	9,393
Receivables		1,240,552	1,084,074	1,179,163	280,292
Cash		43,938	188,391	193	52,168
CURRENT ASSETS		3,391,024	2,732,083	1,917,795	996,796
ASSETS		6,721,945	5,764,694	5,842,335	4,876,506

Equity and liabilities

	Note	Group		Parent	
		31.12.22 DKK 1,000	31.12.21 DKK 1,000	31.12.22 DKK 1,000	31.12.21 DKK 1,000
Share capital		850,000	850,000	850,000	850,000
Reserve for net revaluation under the equity method		0	0	47,806	81,007
Retained earnings		905,886	834,544	858,080	753,537
Proposed dividend		73,042	112,878	73,042	112,878
Shareholders of Royal Greenland A/S' share of equity		1,828,928	1,797,422	1,828,928	1,797,422
Minority interests		233,184	213,184	0	0
TOTAL EQUITY		2,062,112	2,010,606	1,828,928	1,797,422
Deferred tax	17	97,348	79,887	38,371	26,227
Other provisions	18	10,547	10,128	901	445
PROVISIONS		107,895	90,015	39,272	26,672
Other credit institutions		2,588,120	1,895,410	2,538,439	1,824,415
Other long-term debt		19,738	0	0	0
Derivative financial instruments		4,257	0	4,257	0
Long-term liabilities other than provisions	19	2,612,115	1,895,410	2,542,696	1,824,415
Short-term portion of long-term liabilities other than provisions		10,778	493,403	3,938	482,949
Credit institutions		1,038,421	213,366	763,125	99,978
Trade payables		477,410	502,409	213,217	151,802
Payables to Group enterprises		0	0	152,764	140,587
Payables to associates		85,468	137,754	85,468	136,243
Income taxes	8	19,729	53,516	0	0
Other payables	20	301,333	358,615	212,846	216,438
Deferred income		6,684	9,600	81	0
Short-term liabilities other than provisions		1,939,823	1,768,663	1,431,439	1,227,997
LIABILITIES OTHER THAN PROVISIONS		4,551,938	3,664,073	3,974,135	3,052,412
EQUITY AND LIABILITIES		6,721,945	5,764,694	5,842,335	4,876,506
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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 2020	850,000	673,758	60,000	1,583,758	196,635	1,780,393
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>
Addition	0	0	0	0	3,540	3,540
Exchange rate adjustment	0	(1,314)	0	(1,314)	79	(1,235)
Fair value adjustments recognised in equity	0	(351)	0	(351)	0	(351)
Tax, fair value adjustments	0	(35)	0	(35)	0	(35)
Paid dividend	0	0	(112,878)	(112,878)	(24,000)	(136,878)
Net profit for the year	0	73,042	73,042	146,084	40,381	186,465
<b>Equity at 31 December 2022</b>	<b>850,000</b>	<b>905,886</b>	<b>73,042</b>	<b>1,828,928</b>	<b>233,184</b>	<b>2,062,112</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 2020	850,000	0	673,758	60,000	1,583,758
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>
Exchange rate adjustment	0	(4,634)	3,320	0	(1,314)
Fair value adjustments recognised in equity	0	0	(351)	0	(351)
Tax, fair value adjustments	0	0	(35)	0	(35)
Paid dividend	0	0	0	(112,878)	(112,878)
Net profit for the year	0	(28,567)	101,609	73,042	146,084
<b>Equity at 31 December 2022</b>	<b>850,000</b>	<b>47,806</b>	<b>858,080</b>	<b>73,042</b>	<b>1,828,928</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	2022 DKK 1,000	2021 DKK 1,000
Net profit for the year		186,465	256,929
Adjustments relating to net profit for the year	26	173,933	228,501
Working capital changes	27	(1,001,567)	161,426
Cash flows from operating activities before net financials		(641,169)	646,856
Ingoing payments relating to financial items		67,562	48,070
Outgoing payments relating to financial items		(76,855)	(51,974)
Cash flows from ordinary activities		(650,462)	642,952
Paid taxes		(137,814)	(108,546)
<b>Cash flows from operating activities</b>		<b>(788,276)</b>	<b>534,406</b>
Purchase of intangible assets and property, plant and equipment		(311,859)	(366,364)
Purchase of shares in associates		(207)	(1,603)
Purchase of other fixed asset investments		(246,869)	(119,668)
Sale of intangible assets and property, plant and equipment		157,167	114,963
Sale of shares in associates		1,680	0
Sale of other fixed asset investments		60,759	52,128
Dividends received from associates		30,380	9,503
<b>Cash flows from investing activities</b>		<b>(308,949)</b>	<b>(311,041)</b>
Proceeds from obtaining/(instalments on) long-term liabilities		261,055	(83,242)
Debt displacement on credit facilities		825,055	(46,977)
Paid dividend		(112,878)	(60,000)
Sale to/supply of capital from minority interests		3,540	1,752
Dividends paid during the year to minority interests		(24,000)	(16,850)
<b>Cash flows from financing activities</b>		<b>952,772</b>	<b>(205,317)</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>(144,453)</b>	<b>18,048</b>
Cash and cash equivalents, beginning of year		188,391	170,343
<b>Cash and cash equivalents, end of year</b>	<b>28</b>	<b>43,938</b>	<b>188,391</b>



# Notes to financial statements

## 1. Accounting policies

### General information

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 Group financial statements comprises Royal Greenland A/S (the parent company) and its 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 97.

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.

In the acquisition of new companies wherein the parent company achieves a controlling interest, the purchase method is used, after which the newly acquired company's identifiable assets and obligations are measured at fair market 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

In 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 to the exchange rate on the balance sheet date are included directly in the 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 financial fixed assets 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, reve-nue 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 with that share, which can be attributed to the year's profits and losses and directly in equity with the share which can be recognised in items directly in 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 of all temporary differences between the accounting and taxable values of assets and liabilities, wherein the taxable value of the assets is calculated based upon 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 fixed 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 recoverable amount in the income statement should the carrying amount exceed the expected future net income from the company or operations which the goodwill is attached to.

### 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.

Tangible fixed assets

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, sub-suppliers and salaries.

Interest costs on loans for financing the manufacture of tangible fixed assets are included in the cost price providing 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, which are included under 'vessels'	5 - 10 years
Production facilities and machinery	5 - 20 years
Other facilities, operating equipment and fixtures	3 - 5 years

Tangible fixed assets are written down to the recoverable amount should this be lower than the carrying amount.

Gains and losses on the disposal of tangible fixed assets 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 life-time 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.

Financial fixed assets

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 on Group goodwill or negative 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 financial fixed assets

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 market price. 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.

Providing a financial liability is effectively hedged by a derivative financial instrument, the financial liability is measured at fair market value, and any changes to the fair market value are recognised in the income statement under financial items along with any changes in the fair market 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 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.

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	=	$\frac{\text{Net interest-bearing debt}}{\text{EBITDA including associated companies}}$

2 – Net revenue – Geographical markets

	Group		Parent	
	2022 DKK 1,000	2021 DKK 1,000	2022 DKK 1,000	2021 DKK 1,000
Scandinavia	1,251,937	1,106,712	-	-
Europe	1,480,162	1,515,594	2,905,494	2,393,265
Asia	1,860,342	1,589,346	-	-
North America	997,367	1,287,242	-	-
Other markets	166,784	139,169	386,323	280,784
	5,756,592	5,638,063	3,291,817	2,674,049

Business segments

Retail	1,168,500	1,372,343		
Food service	1,032,057	755,584		
Industry	3,509,833	3,477,332		
Other	46,202	32,804		
	5,756,592	5,638,063		

3 – Other operating income

Management fees	7,319	4,068	4,917	3,915
Rental income	7,368	5,542	5,533	4,957
Sale of annual quota	13,645	26,871	23,990	23,871
Profit on sale of fixed assets	110,101	36,706	14,988	30,689
Grants received	2,453	3,598	0	0
Other operating income	31,194	25,601	2,955	744
	172,080	102,386	52,383	64,176

4 – Staff costs

The total amount of wages and salaries, etc. is specified as follows:

Salaries and wages	1,030,297	957,879	665,325	594,171
Pension contributions and other social costs	58,125	48,650	44,088	37,974
Other staff costs	96,015	77,780	38,876	33,500
	1,184,437	1,084,309	748,289	665,645

Average number of employees	2,286	2,237	1,370	1,350
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Remuneration of the Supervisory Board and Executive Board

Remuneration of the Parent Company's Supervisory Board	2,245	2,296		
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Remuneration of the Executive Board	Fast løn 2022	Bonus 2022	I alt 2022	Fast løn 2021	Bonus* 2021	I alt 2021
Mikael Thinghuus	3,372	4,557	7,929	4,496	2,806	7,302
Nils Duus Kinnerup	3,307	187	3,494	2,918	644	3,562
Bruno Olesen	3,145	340	3,485	2,762	1,171	3,933
Lars Nielsen	3,178	331	3,509	2,793	1,141	3,934
Executive Board in total	13,002	5,415	18,417	12,969	5,762	18,731

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. However, this year's bonus severance pay to Mikael Thinghuus amounts to TDKK 4,496. Group Production Director Lars Nielsen is subject to 18 months' notice of termination by the company, and must himself give six months' notice of resignation. The other executive directors are subject to 12 months' notice of termination by the company, and must themselves give six months' notice of resignation. CEO Mikael Thinghuus resigned on 30 September 2022. CEO Susanne Arfelt Rajamand took up the position on 1 February 2023.

5 – Depreciation, amortisation and impairment losses	Koncern		Moderselskab	
	2022 DKK 1,000	2021 DKK 1,000	2022 DKK 1,000	2021 DKK 1,000
Buildings	42,969	41,516	30,595	30,946
Plant and machinery	65,140	60,864	34,457	33,782
Vessels	50,775	76,580	37,413	48,208
Other fixtures and fittings, tools and equipment	9,938	9,061	7,172	6,838
Goodwill	9,407	8,875	2,524	2,525
Quotas	613	653	298	338
IT and licences	3,303	4,681	3,242	4,614
Other intangible assets	5,160	11,751	0	0
	187,305	213,981	115,701	127,251

## 6 – Financial income

Capital gains	51,504	47,504	7,887	8,106
Interest from affiliated businesses	-	-	22,544	10,993
Interest on bank deposit	774	483	544	0
Income from fixed asset investments	32,388	14,850	4,373	4,051
Other financial income	136	382	64	0
	84,802	63,219	35,412	23,150

## 7 – Financial expenses

Capital loss	98,681	41,446	29,021	9,996
Interest on bank and mortgage debt	54,045	36,628	45,572	33,585
Interest to affiliated businesses	-	-	545	76
Other financial expenses	6,719	3,249	1,346	163
	159,445	81,323	76,484	43,820

## 8 – Tax on profit

Current tax for the year	(2,000)	(81,404)	0	0
Other taxes	(20,954)	(24,227)	(18,175)	(19,694)
Deferred tax for the year	(30,594)	36,632	(14,412)	30,564
Effect of changed tax rate	2,302	0	2,302	0
Adjustment to previous years	(588)	0	(588)	0
Adjustment of deferred tax for previous year	2,914	0	0	0
	(48,920)	(68,999)	(30,873)	10,870

Reconciliation of tax rate:				
Greenland tax rate	27%	27%	27%	27%
Other taxes	0%	0%	10%	9%
Deduction for declared dividend	(13)%	(5)%	(17)%	(7)%
Effect of changed tax rate	1%	0%	(1)%	0%
Tax concerning previous year	(1)%	0%	0%	0%
Write-down of tax assets in foreign companies	8%	0%	0%	0%
Effect of difference in tax rate between Greenland and foreign enterprises	(2)%	2%	0%	0%
Tax-free income (net) from affiliated and associated companies, etc.	(1)%	(3)%	(2)%	(34)%
Non-deductible costs, etc.	2%	0%	0%	0%
Tax rate expensed	21%	21%	17%	(5)%

## 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 01.01.2022	119,947	153,509	38,857	11,764	102,646
Value adjustment at year-end rate	190	0	0	0	292
Transferred from plant under construction	0	0	481	0	0
Additions for the year	0	0	970	0	0
Disposals for the year	0	(2,918)	0	0	(63,038)
Cost at 31.12.2022	120,137	150,591	40,308	11,764	39,900
Amortisation and impairment losses at 01.01.2022	(39,711)	(151,544)	(32,184)	(11,764)	(32,015)
Value adjustment at year-end rate	312	0	4	0	(997)
Amortisation for the year	(9,407)	(613)	(3,303)	0	(5,160)
Amortisation regarding disposals for the year	0	2,918	0	0	22,404
Amortisation and impairment losses at 31.12.2022	(48,806)	(149,239)	(35,483)	(11,764)	(15,768)
Carrying amount at 31.12.2022	71,331	1,352	4,825	0	24,132
Carrying amount at 31.12.2021	80,236	1,965	6,673	0	70,631

### 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 – Intangible assets

	Parent			
	Goodwill DKK 1,000	Quotas DKK 1,000	IT DKK 1,000	Development projects DKK 1,000
Cost at 01.01.2022	52,991	118,279	37,851	11,764
Additions for the year	0	0	970	0
Transferred from plant under construction	0	0	481	0
Disposals for the year	0	(2,918)	0	0
<b>Cost at 31.12.2022</b>	<b>52,991</b>	<b>115,361</b>	<b>39,302</b>	<b>11,764</b>
Amortisation and impairment losses at 01.01.2022	(22,302)	(117,888)	(31,383)	(11,764)
Amortisation for the year	(2,524)	(298)	(3,242)	0
Amortisation regarding disposals for the year	0	2,918	0	0
<b>Amortisation and impairment losses at 31.12.2022</b>	<b>(24,826)</b>	<b>(115,268)</b>	<b>(34,625)</b>	<b>(11,764)</b>
<b>Carrying amount at 31.12.2022</b>	<b>28,165</b>	<b>93</b>	<b>4,677</b>	<b>0</b>
Carrying amount at 31.12.2022	30,689	391	6,468	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 01.01.2022	1,205,405	929,521	1,621,060	92,699	53,858
Value adjustment at year-end rate	319	704	(567)	(64)	34
Transferred from plant under construction	27,764	16,192	(3,012)	206	(41,632)
Additions for the year	63,064	48,041	94,865	15,805	89,114
Disposals for the year	(5,708)	(9,985)	(54,632)	(8,638)	0
<b>Cost at 31.12.2022</b>	<b>1,290,844</b>	<b>984,473</b>	<b>1,657,714</b>	<b>100,008</b>	<b>101,374</b>
Amortisation and impairment losses at 01.01.2022	(770,823)	(670,895)	(286,024)	(69,167)	-
Value adjustment at year-end rate	227	698	203	129	-
Amortisation for the year	(42,969)	(65,140)	(50,775)	(9,938)	-
Amortisation regarding disposals for the year	3,489	8,245	42,579	7,447	-
<b>Amortisation and impairment losses at 31.12.2022</b>	<b>(810,076)</b>	<b>(727,092)</b>	<b>(294,017)</b>	<b>(71,529)</b>	<b>-</b>
<b>Carrying amount at 31.12.2022</b>	<b>480,768</b>	<b>257,381</b>	<b>1,363,697</b>	<b>28,479</b>	<b>101,374</b>
Carrying amount at 31.12.2021	434,582	258,626	1,335,036	23,532	53,858

The vessels item includes financially leased vessels at a total value of DKK 266,226k.

10 – Property, plant and equipment

	Moderselskab				
	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 01.01.2022	955,050	526,798	1,154,830	65,031	38,226
Transferred from plant under construction	8,159	14,055	6,988	206	(29,889)
Additions for the year	15,142	23,757	66,563	9,576	69,898
Disposals for the year	(2,428)	(4,846)	(40,119)	(6,287)	0
<b>Cost at 01.01.2022</b>	<b>975,923</b>	<b>559,764</b>	<b>1,188,262</b>	<b>68,526</b>	<b>78,235</b>
Amortisation and impairment losses at 01.01.2022	(694,497)	(421,014)	(229,900)	(48,871)	-
Amortisation for the year	(30,595)	(34,457)	(37,413)	(7,172)	-
Amortisation regarding disposals for the year	2,428	4,620	36,393	5,599	-
<b>Amortisation and impairment losses at 31.12.2022</b>	<b>(722,664)</b>	<b>(450,851)</b>	<b>(230,920)</b>	<b>(50,444)</b>	<b>-</b>
<b>Carrying amount at 31.12.2022</b>	<b>253,259</b>	<b>108,913</b>	<b>957,342</b>	<b>18,082</b>	<b>78,235</b>
Carrying amount at 31.12.2021	260,553	105,784	924,930	16,160	38,226

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	64.603	18.264	2.066.133
Additions for the year	207	207	65
Disposals for the year	(12.140)	(12.140)	0
<b>Cost at 31.12.2022</b>	<b>52.670</b>	<b>6.331</b>	<b>2.066.198</b>
Value adjustments at 01.01.2022	164.822	27.309	53.698
Exchange rate adjustments	(20)	0	(4.634)
Share of profit/loss for the year	36.361	1.677	10.543
Dividends	(30.380)	(5.789)	(45.458)
Capital adjustments	0	0	0
Disposals for the year	10.460	10.460	0
<b>Value adjustments at 31.12.2022</b>	<b>181.243</b>	<b>33.657</b>	<b>14.149</b>
<b>Offset in receivables</b>	<b>901</b>	<b>901</b>	<b>0</b>
<b>Carrying amount at 31.12.2022</b>	<b>234.814</b>	<b>40.889</b>	<b>2.080.347</b>
Carrying amount at 31.12.2021	229.870	46.018	2.119.831

For the Group, the original diffence in value on the acquisition of ownership interests in associated companies amounts to DKK 43,128k.. Book value at 31.12.2022 alounts to DKK 25,346k.

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 31.12.2022 amounts to DKK 0k.

The Group overview on page 97 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 01.01.2022	113,447	4,370	120,379
Value adjustments	9,572	0	0
Additions for the year	64,121	21,871	17,498
Disposals for the year	(807)	(807)	0
<b>Cost at 31.12.2022</b>	<b>186,333</b>	<b>25,434</b>	<b>137,877</b>
<b>Carrying amount at 31.12.2022</b>	<b>186,333</b>	<b>25,434</b>	<b>137,877</b>
Carrying amount at 31.12.2021	113,447	4,370	120,379

13 – Other fixed asset investments	Group	Parent
	DKK 1,000	DKK 1,000
Cost at 01.01.2022	308,636	85,725
Value adjustments	(5,744)	0
Additions for the year	246,869	32,054
Disposals for the year	(60,759)	(18,197)
<b>Cost at 31.12.2022</b>	<b>489,002</b>	<b>99,582</b>
Provisions for losses at 01.01.2022	(15,809)	(11,141)
Value adjustments	456	0
Change in provisions for the year	(1,255)	(1,255)
<b>Provisions for losses at 31.12.2022</b>	<b>(16,608)</b>	<b>(12,396)</b>
<b>Carrying amount at 31.12.2022</b>	<b>472,394</b>	<b>87,186</b>
Carrying amount at 31.12.2022	292,827	74,584

14 – Inventories

	Koncern		Moderselskab	
	31,12,2022 DKK 1,000	31,12,2021 DKK 1,000	31,12,2022 DKK 1,000	31,12,2021 DKK 1,000
Holdings of raw materials	368,500	334,273	41,699	33,847
Holdings of goods in process	14,172	14,150	981	2,037
Holdings of finished products	1,511,327	931,807	569,610	530,134
Holdings of other products	212,535	179,388	126,149	98,318
	<b>2,106,534</b>	<b>1,459,618</b>	<b>738,439</b>	<b>664,336</b>
Of which the carrying amount of goods at net realisation value	<b>275,954</b>	<b>116,851</b>	<b>44,055</b>	<b>77,280</b>

15 – Other receivables

VAT and customs receivable	61,680	34,734	0	0
Insurance compensation receivable	8,577	1,855	8,412	1,855
Other receivables	37,080	18,029	13,571	2,173
	<b>107,337</b>	<b>54,618</b>	<b>21,983</b>	<b>4,028</b>

16 – Prepayments, assets

Prepaid rent and consumption taxes	1,137	1,135	0	0
Other prepayments	8,194	15,421	4,437	9,393
	<b>9,331</b>	<b>16,556</b>	<b>4,437</b>	<b>9,393</b>



## 17 – Deferred tax

	Group		Parent	
17 – Deferred tax	31.12.2022 DKK 1,000	31.12.2021 DKK 1,000	31.12.2022 DKK 1,000	31.12.2021 DKK 1,000
Deferred tax concerns the following items:				
Intangible assets and property, plant and equipment	64,159	79,874	44,380	57,651
Fixed asset investments	38,992	31,592	0	0
Other accounting items	(274)	(3,976)	(480)	(3,821)
Deficit carried forward	(5,529)	(27,603)	(5,529)	(27,603)
	<b>97,348</b>	<b>79,887</b>	<b>38,371</b>	<b>26,227</b>
Deferred tax assets concern the following items:				
Deficit carried forward	48,790	40,661	0	0
Other tax assets	37,175	53,437	0	0
	<b>85,965</b>	<b>94,098</b>	<b>0</b>	<b>0</b>
Deferred tax (net):				
Beginning of year	14,211	(22,739)	(26,227)	(58,644)
Adjustment to previous years	2,914	0	0	0
Value adjustments	(182)	(1,536)	0	0
Change in the income statement during the year	(30,594)	36,632	(14,412)	30,564
Effect of changed tax rate in the income statement	2,302	0	2,302	0
Change in equity during the year	(34)	1,854	(34)	1,853
<b>End of year</b>	<b>(11,383)</b>	<b>14,211</b>	<b>(38,371)</b>	<b>(26,227)</b>

As at 31 December 2022, the Group had a recognised tax asset totalling DKK 85,965k. The tax asset comprises taxable deficits carried forward of DKK 64,197k and non-utilised taxable deductions in the form of timing differences of DKK 21,768k.

Based on the budgets up to 2027, 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 01.01.2022	10,128	8,910	445	177
Value adjustments	(702)	(256)	0	0
Additions for the year	1,121	1,474	456	268
Disposals for the year	0	0	0	0
<b>Other provisions at 01.12.2022</b>	<b>10,547</b>	<b>10,128</b>	<b>901</b>	<b>445</b>

Other provisions concern pensions.

## 19 – Long-term liabilities other than provisions

	Group		Parent	
19 – Long-term liabilities other than provisions	31,12,2022 DKK 1,000	31,12,2021 DKK 1,000	31,12,2022 DKK 1,000	31,12,2021 DKK 1,000
After 5 years or later the following fall due:				
Credit institutions	1,681,836	1,253,785	1,650,191	1,230,007
	<b>1,681,836</b>	<b>1,253,785</b>	<b>1,650,191</b>	<b>1,230,007</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.	6,26%	3,99%	20	20
Bank loans	8	Var.	4,00%	1,65%	49	55
Private Placements	7	Fast/Var.	2,80%	1,33%	2,465	2,209
					<b>2,534</b>	<b>2,284</b>
Weighted average effective interest rate			<b>2,86%</b>	<b>1,36%</b>		

20 - Other debt

	Group		Parent	
20 – Other debt	31.12.2022 DKK 1.000	31.12.2021 DKK 1.000	31.12.2022 DKK 1.000	31.12.2021 DKK 1.000
Payable salaries, A-tax, social contributions, etc.	111,290	139,583	88,084	83,780
Holiday pay commitments	49,751	49,395	40,851	39,414
Interest	8,571	4,122	8,053	3,197
VAT and taxes	59,202	52,202	47,364	40,613
Other costs payable	72,519	113,313	28,494	49,434
	<b>301,333</b>	<b>358,615</b>	<b>212,846</b>	<b>216,438</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	152,671	129,590	0	0
<b>Contractual obligations</b>				
Contracts have been entered into for the delivery of fixed assets for a value of	550,401	0	550,401	0
There are rental and leasing obligations falling due after the balance sheet date amounting to	119,152	79,693	53,088	46,181
Of which falling due within one year	42,938	32,567	27,295	22,696
<b>Surety and guarantee commitments</b>				
Associates	0	5,000	0	0
Third party	2,095	2,457	2,095	2,457
Associated companies	-	-	887,978	819,839

### 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.

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
Positions in the key currencies:				
USD	555,014	(362,338)	(268,385)	(75,709)
GBP	13,747	(46,833)	(14,883)	(47,969)
SEK	26,079	(63,618)	0	(37,539)
JPY	157,098	(129,063)	(48,485)	(20,450)
	751,938	(601,852)	(331,753)	(181,667)

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 250.000.000.

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 31.12.2022.

	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	(6,092)	(899,086)	(1,628,790)	(1,716,937)	0.6 – 5.6

Cash and cash equivalents amount to DKK 43.938k and accrue interest at an effective interest rate in the range of 0.0 – 1.5%.  
The debt on overdraft facilities amounts to DKK 1.038.421k and accrues interest at an effective interest rate in the range of 2.6 – 3.7%.

23 – Fees to auditors appointed by the general meeting

	Group		Parent	
	2022 DKK 1,000	2021 DKK 1,000	2022 DKK 1,000	2021 DKK 1,000
Audit fee	3,319	2,919	1,240	1,493
Other declarations from the auditor	333	119	0	0
Tax advisory services	746	830	273	636
Other services	978	411	812	236
Adjustments concerning previous years	330	(179)	280	(250)
	5,706	4,100	2,605	2,115

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
Maliina Abelsen Chairman	Grønlandsbanken A/S	Bestyrelsesmedlem
Niels de Coninck-Smith Deputy chairman	Welltec A/S	Bestyrelsesformand
Johannes Jensen	A/S Hotel Arctic, Ilulissat	Bestyrelsesmedlem
Susanne Christensen	Kalaallit Nunaanni Brugseni	Direktør
Jesper Højer	Nemlig.com A/S Interware A/S	Bestyrelsesmedlem Bestyrelsesmedlem
Niels Ole Møller	Inughuit Seafood A/S	Direktør

Executive Board	Company	Managerial position
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.	Direktør Direktør Bestyrelsesformand Bestyrelsesformand Næstformand Bestyrelsesmedlem Bestyrelsesmedlem Bestyrelsesmedlem Bestyrelsesmedlem Bestyrelsesmedlem Bestyrelsesmedlem Bestyrelsesmedlem Bestyrelsesmedlem Bestyrelsesmedlem Bestyrelsesmedlem Bestyrelsesmedlem Bestyrelsesmedlem



26 – Adjustments relating to net profit for the year

	Group	
	2022 DKK 1,000	2021 DKK 1,000
Depreciation, amortisation and impairment losses	187,305	213,981
Financial items allocated to profit for the year	74,643	18,104
Income taxes expensed	48,920	68,999
Provisions, etc.	665	1,206
Grants received	(1,909)	(3,598)
Gains and losses from sale of fixed assets	(99,330)	(35,004)
Profit from associates	(36,361)	(35,187)
	<b>173,933</b>	<b>228,501</b>

27 – Changes in working capital

Change in receivables	(219,077)	(201,811)
Change in inventory	(646,916)	112,471
Change in trade payables and other payables	(135,574)	250,766
	<b>(1,001,567)</b>	<b>161,426</b>

28 – Cash and cash equivalents, end of year

Cash and cash equivalents amount to DKK 43.938k.





## Supervisory Board

**CHAIRMAN**  
MALIINA  
ABELSEN



**DEPUTY CHAIRMAN**  
NIELS DE  
CONINCK-SMITH



**BOARDMEMBER**  
SUSANNE  
CHRISTENSEN



**BOARDMEMBER**  
JOHANNES  
JENSEN



**BOARDMEMBER**  
JESPER  
HØJER



**BOARDMEMBER**  
ARNANGUAQ  
HOLM OLSEN



**BOARDMEMBER**  
SARA BIILMANN  
EGEDE\*)



**BOARDMEMBER**  
NIELS OLE  
MØLLER \*)



**BOARDMEMBER**  
JOHAN  
BERTHELSEN \*)



\*) Elected by the employees

## Executive Board

**CEO**  
SUSANNE ARFELT  
RAJAMAND



**CFO**  
NILS DUUS  
KINNERUP



**GROUP PRODUCTION  
DIRECTOR**  
LARS  
NIELSEN



**GROUP SALES  
DIRECTOR**  
BRUNO  
OLESEN



# Governance and Group charts

Supervisory Board

Executive Board

Corporate Governance

Company details & group chart

Production units in Greenland

Production units in Canada

Production units in Europe

The Royal Greenland fleet – In shore

The Royal Greenland fleet – Off shore





# 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 nine members, three of whom are employee representatives elected for a period of four years, while the other six members are elected by the Annual General Meeting and stand for election every year. The six board members elected by the Annual General Meeting are independent, according to the definition in the recommendation from the "Committee for Good Corporate Governance". There is no age limit for the members of 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 chair, Maliina Abelsen. The chair 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 Susanne Arfelt Rajamand, CFO Nils Duus Kinnerup, Group Production Director Lars Nielsen and Group Sales and Marketing Director Bruno Olesen.

Former CEO Mikael Thinghuus resigned on 30 September 2022, and Susanne Arfelt Rajamand took up the position on 1 February 2023.

For other offices held by the Supervisory Board and the Executive Board, see Note 25.

## 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. 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

Seven meetings of the Supervisory Board were held in 2022. Four physical meetings were held in Nuuk, Copenhagen and Cuxhaven, respectively, as well as three video meetings. 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

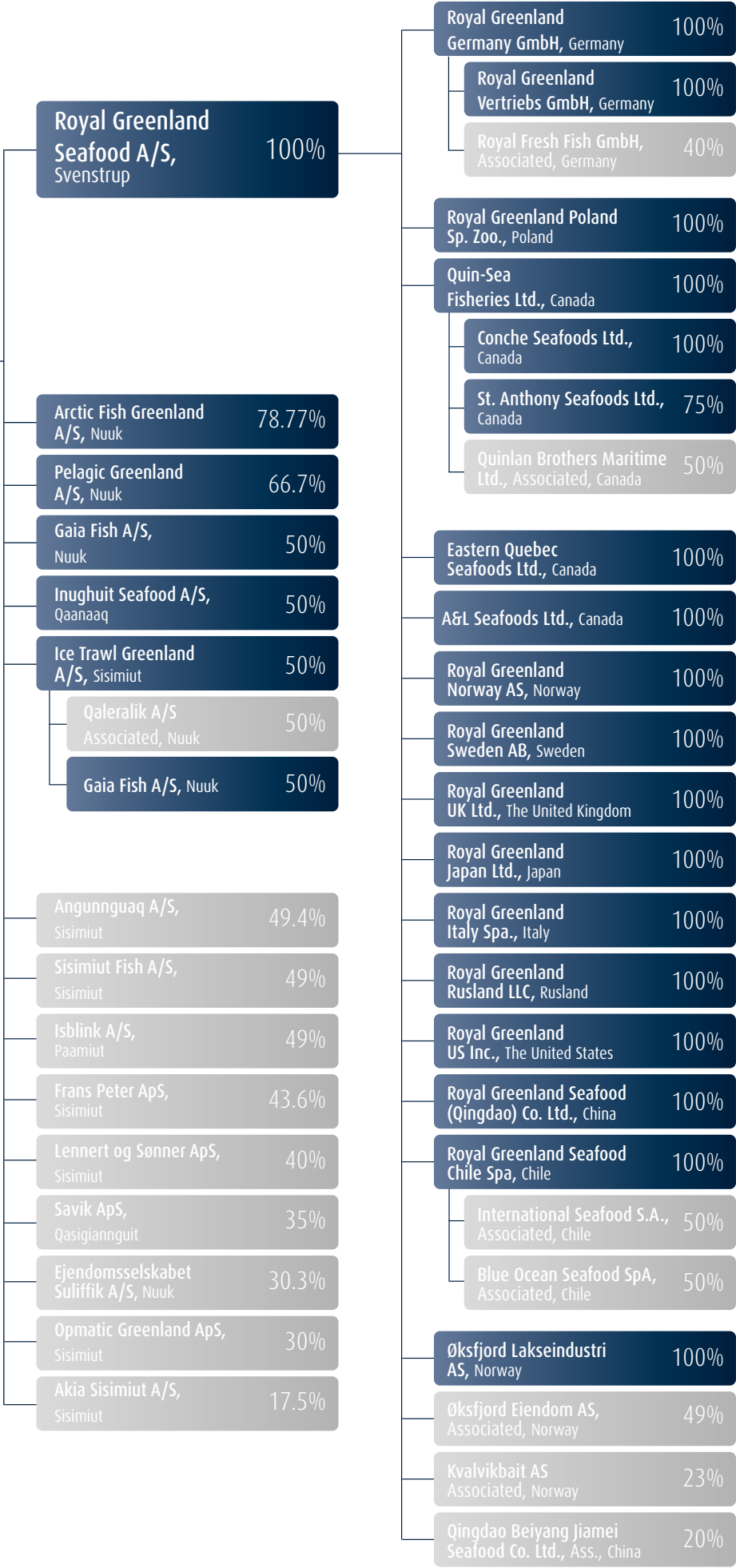
## REGISTERED IN:

Kommuneqarfik Sermersooq  
The Government of Greenland owns all shares in the Company

## AUDITORS:

EY Grønland  
Godkendt Revisionsanpartsselskab

Associated





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.

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  
The unit burned down in 2003. The current facility opened in 2005.



**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  
The unit has previously handled prawn, meat and frill production, but now produces crab and fish.



**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 ton prawns, 20 ton 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  
Qeqertarsuaq  
Saqqaq  
Ilulissat  
Qasigiannguait  
Ikamiut  
Kangaatsiaq  
Akunnaaq  
Ikerasaarsuk  
Niaqornaarsuk  
Attu  
Sisimiut  
Sarfannguaq

**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.



**Fabrikschef:** Jørgen Inusugtoq  
**Primære arter:** Torsk, rogn  
**Færdigvarer:** Torsk i blok, filet, rogn i tønder  
**Kapacitet:** 15 ton/døgn indfrysning  
**Frysehuskapacitet:** 100 ton  
**Antal medarbejdere:** 2-25 lav- / højsæson  
Renoveret/nybygget i 1986 til nuværende form med produktion af torsk. I dag indfryses torsk og andre fisk, og i sæson forarbejdes rogn. Ombygget til torske filetproduktion i 2015.



**Plant Manager:** Judithe 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.



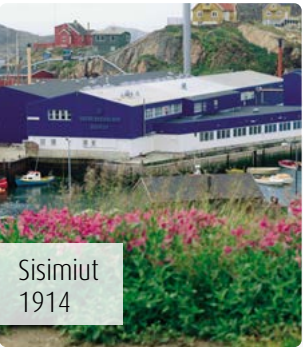
**Plant Manager:** Klaus Jonathansen  
**Primary species:** Cod, lumpfish roe  
**Products:** Salted fish from cod and ugaq, lumpfish roe  
**Capacity:** 5 t/day  
**Cold store capacity:** No cold store  
**Employees:** 1-10 low/peak seasons  
Renovated in 1995.



**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, crab sections  
**Capacity:** 120 ton prawns/day, 6 ton snow crab/day, 25 ton cod/day  
**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. New crab factory build in october 2021.



**Factory Manager:** Hans Lars Mathiesen  
**Primary species:** Lumpfish roe, cod  
**Products:** Lumpfish roe in container  
**Capacity:** 18 ton/day  
**Cold store capacity:** 60 ton  
**Employees:** 1-12  
Operational in roe season. Production started fall 2021.



**Plant Manager:** Pipaluk Olsen  
**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.



Itilleq  
1949

**Plant Manager:** 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.



Kangaamiut  
1944

**Fabrikschef:** Susanne Marie Olsen  
**Primære arter:** Nutaaq torsk, torsk, hellefisk, rogn, tørret fisk og andre fisk  
**Færdigvarer:** Filet af torsk og hellefisk, rogn, tørfisk og indfrysning  
**Kapacitet:** 80 ton/døgn  
**Frysehuskapacitet:** 500 ton  
**Antal medarbejdere:** 25-100 lav- / højsæson  
Etablering af filet linie, samt tørring af torsk til hjemmemarkedet.



Maniitsoq  
1949-50

**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.



Atammik  
1992

**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.



NUUK  
1959

**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



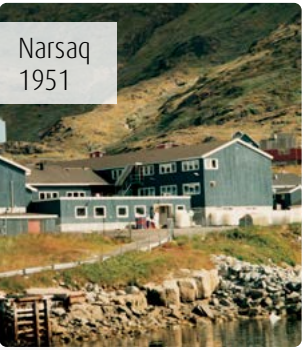
Qeqertarsuatsiaat  
1983

**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



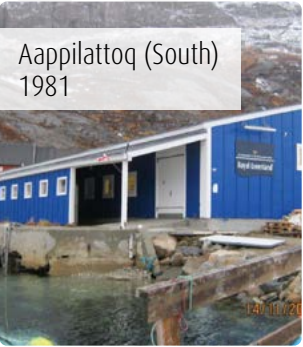
Paamiut  
1920

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.



Narsaq  
1951

**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.



Aappilattoq (South)  
1981

**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.

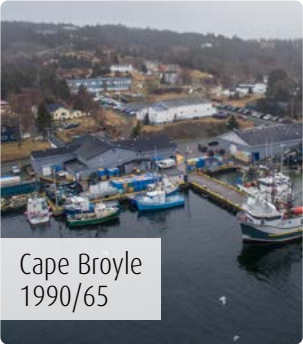
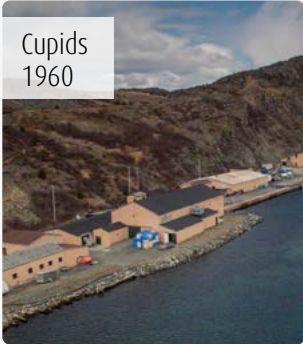


# Production units in Canada

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.

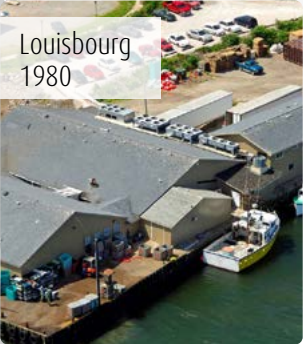
In the town Matane in the Quebec province Eastern Quebec Seafoods Ltd. lands and processes prawns and crab, primarily from the local fishing areas. In Louisbourg, Nova Scotia, A&L Seafoods operates a crabfactory.

**Factory Manager:** Chris Fong  
**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



**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



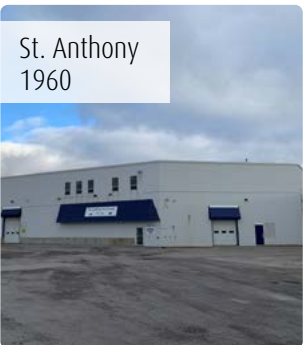
**Factory Manager:** Joe Anthony  
**Primary species:** Snow crab  
**Products:** Crab sections  
**Employees:** 90

**Factory Manager:** Chris Butler  
**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



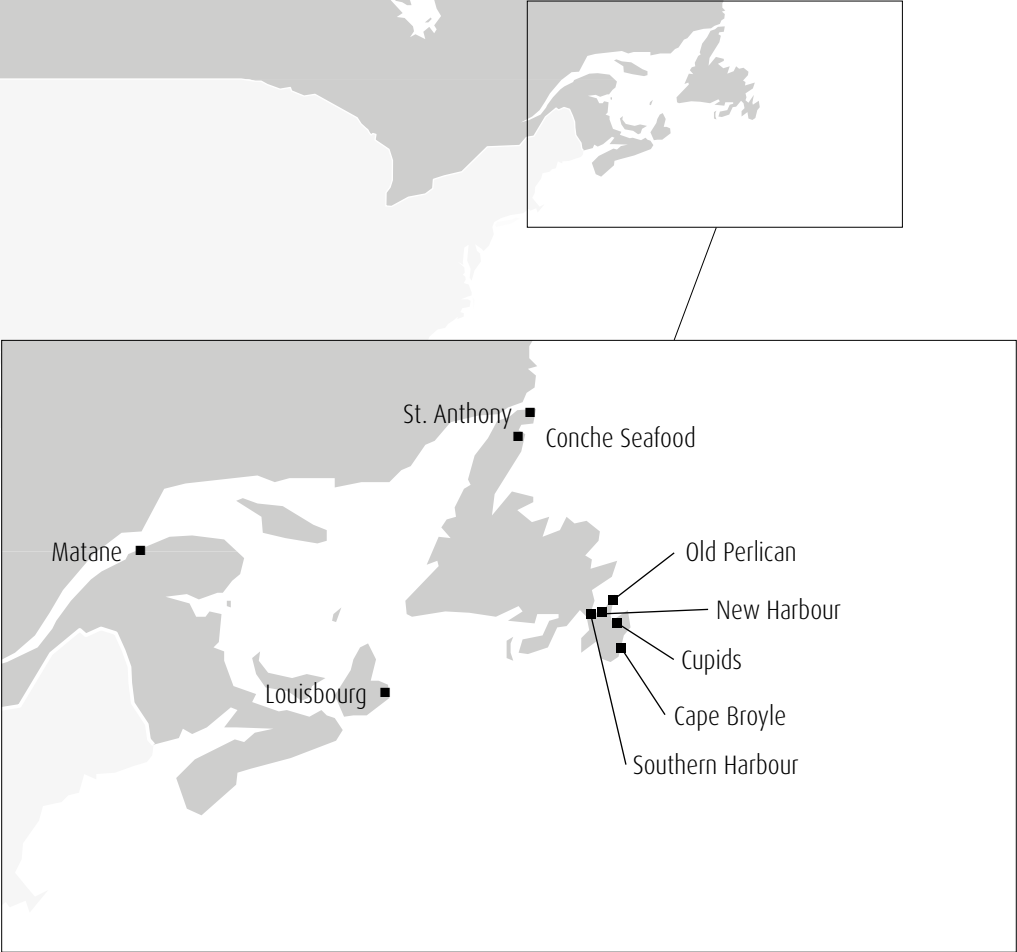
**Factory Manager:** Stedman Letto  
**Primary species:** Snow crab, whelk, pelagics, lobster  
**Products:** Cooked snow crab sections, in shell/cooked whelk, block frozen capelin/herring/mackerel, cod fresh/frozen, J-Cut/H&G/HOG Greenland halibut, lobster fresh/frozen  
**Capacity:** 145 t/day  
**Cold store capacity:** 50 ton  
**Employees:** 70 low/peak seasons

**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



**Factory Manager:** Stedman Letto  
**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



# Production units in Europe

Cuxhaven in Germany is now the only place in Europe, where Royal Greenland produces and packs finished goods. In the units in Cuxhaven Royal Greenland produces lumpfish roe in jars, prawns in brine and packed frozen prawns for retail and foodservice. The units are subject to shared management and administration.



■ Cuxhaven

# The Royal Greenland fleet – In shore

In shore in Greenland Royal Greenland operates one vessel for catch of prawns and cod. Catches are landed at landing points along the west coast of Greenland. In early 2022, one of the smaller coastal prawn trawlers was sold.



**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%



# The Royal Greenland fleet – Off shore

Royal Greenland's fleet consists of 9 off shore 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.

**Master:** Ivan Olsen / Per Bech  
**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:** Meinhardt Johannesen / 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:** RG 50%

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%



**Master:** 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 Samuelsen / 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 / Jakup Lisberg  
**Length/width:** 70 x 12.5 m  
**Production capacity:** 60 ton/day  
**Catch capacity:** 10-15,000 ton/yearly  
**Hold capacity:** 500 tons (Wellboat 200 tons)  
**Crew:** 10-12 men  
**Trawler type:** Pelagic trawl  
**Ownership:** RG 66%







