



## **Communication on Progress no. 007**

**Participant:** Royal Danish Fish Group A/S

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**Format:** Stand-alone document – GC Active COP Template

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

### **Mission Statement Self-assessment:**

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

### **Statement of continued support by the Chief Executive Officer**

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

### **To our stakeholders**

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

We continue our great commitment to CSR. Especially in Ghana, West African Fish is committed to securing and following a clear framework by which we monitor our Management structure to link socially responsible activities to both financial performance & farm protocol.

Whilst responsible business management should not warrant a written policy, a written framework provides a means for reflection and review to ensure we maintain our vision. The Policy is largely internal. Stakeholders are encouraged to support our business policy to encourage best practice relations. Our responsibilities are centered on four key areas of interest; **economic, philanthropic, legal, and ethical**. These areas are all integrally linked to our commitment to protect the environment, employees, customers, and communities affected by our operations whilst maintaining compliance with applicable laws and government regulations.

CSR led goals are largely led by the farm coordinator on site together with the CEO; however, we generally run an inclusive policy with frequent departmental employee meetings to review issues collectively and update any areas that warrant our attention.

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

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

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

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

Sincerely yours

Royal Danish Fish Group A/S

Mogens Mathiasen

Chief Executive Officer

## Royal Danish Fish Group Status report and Key Activities for 2018

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With the right investment in management, expertise, and long-standing equipment combined with a focus on socio-economic input (i.e. investment in local labour & training) and responsible management of natural resources, the company could develop a vision:

- To provide a superior fresh quality product with a reputation for reliability & service i.e. consistent production.
- For annual production to contribute significantly to market demand.
- For stakeholders to share our values and commitment to long term sustainability.
- To provide a safe & fair working environment for employees.
- For production to both directly and indirectly benefit the community.
- To be the most environmentally responsible fish farm in Ghana.

### Framework:

- Management collectively is responsible for formulating strategies, setting targets and initiating new protocol. All members of Management report weekly to the CEO to provide updates on production, sales, customers, and any HR issues.
- The farm coordinator monitors the various issues particularly with reference to Health & Safety in the workplace and acts as the main liaison point for employees to express any concerns to the company.
- A written *Health & Safety Protocol* was established in 2014 concerning; hazard elimination, risk management, fire & safety, first aid response and training. This framework provides the basis for safety in the workplace. Protocol is reviewed regularly and updated where applicable.
- Annual environmental reports combined with a structured monitoring programme coordinated by the farm coordinator, ensures we maintain our legal and ethical responsibility to preserve and protect our natural resource. (*See our Annual Environmental Reports 2014 - 2018*).
- Personal employee issues are delegated to the Union representatives for consideration.

### Key Activities in Ghana for 2018:

- Construction of new toilet block in Hatchery.
- Rebuilding of all jetty walkways that supply our fish stock/cages with a safer, more durable material (polyplast). This negates the need for replacing wooden beams (February 2018).
- Construction of a carport cover on the farm over the borehole and concreting of the ground to seal off any run-off avenues that may leach into the groundwater (February 2018).

- Mass nationwide disease outbreak in Nov/Dec 2018; emergency response protocol put into place to safeguard our stock. Cooperation with government officials NADMO, EPA, Ghana Police Service & Fisheries Commission to act in accordance with all government legislation.
- Hosted external training event on-site in March 2018; immersion vaccination principles and technology.
- Continued selected contributions to fish donation requests from various quarters – e.g. important funerals within the region (Late Queen Mother Obaapanyin Nana Afua Ntoa I, the Kronit hema of Anum Traditional Area).

## Human Rights Principles

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

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

### Assessment, Policy and Goals

Royal Danish Fish Group A/S approves and respects the Universal Declaration of Human Rights. Moreover, we have established some core values that underline the company's devotion to the Human Rights principles. Since we are operating internationally, the conditions are diverse. In our Danish factories as well as in our African fish farm we live up to any law as well as ethics concerning these matters. In Denmark, there is high level of control and we assess to have low risk for violation of these areas due to code of conduct and legislation.

### Implementation

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

A written Health & Safety Protocol was established in 2014 concerning; hazard elimination, risk management, fire & safety, first aid response and training. This framework provides the basis

for safety in the workplace. Protocol is reviewed regularly and updated where applicable. We have a good and a secure working place in Ghana.

### Philanthropic Responsibility

- **Accommodation**

West African Fish will where possible house those employees on site whom are required for night shifts and/or those whose home base is too far for a reasonable daily commute. Housing conditions will be reviewed yearly, and provisions made to add comfort and basic necessities.

- **Grievance**

Employees will be given up to five casual leave days/annum to attend to family emergency situations without financial deductions. Upon proof documentation of a formal death certificates for immediate family members only, WAF policy will contribute 150GHC for funeral assistance.

- **Health & Safety in the workplace**

A written Health & Safety protocol will be in place to cover aspects of hazard elimination, risk avoidance, farm cleanliness & hygiene, water and waste management, and basic safety-first aid. A First Aid officer will be in place with adequate training in basic first aid. One additional employee will be trained for every additional 50 employees recruited at the farm site. All procedures and measures are to conform to occupational health standards.

- **Inclusion**

West African Fish believe that all employees should be actively involved in the progress of our operations. Regular meetings, notices and personal incentive schemes in recognition for hard work are all ways by which we work to include workers to be passionate about our vision.

- **Harassment**

Employees have two avenues to address personal issues. They can either liaise directly with the farm coordinator or speak confidentially to the workers Union representatives depending on the nature of the matter at hand. All issues of harassment are strictly confidential with no set protocol as each case is nature specific. It may require simple emotional reassurance if not directly in the workplace, assistance with housing, sanctions placed on individuals where known employees are causing discontentment, compassionate leave of absence, or in some cases financial assistance to resolve family issues. Disciplinary

issues in the workplace, such as physical violence is not tolerated and warrants an immediate dismissal as laid out in the company rules and regulations.

- **Income development**

Approximately 90% of our weekly sales are sold locally in Asikuma. With ladies at the market place offering gutting services independently and selling block ice, and those who work in retail to sell the fish product onto other customers per piece or as a smoked product; it is estimated that over 400 families in the area have the potential to earn their main income from our product.

- **Business development**

Our policy is to support local businesses and retailers where possible with Accra purchases only made for specialized equipment. Key items such as office equipment, tools, canteen food supplies and staff water provision will all be bought locally.

From a socio-economic point of view, the farm recruits +/-100 employees supporting a secure financial income to workers, which indirectly supports their families in Asikuma and as far as Mpakadam. Local businesses are supported through weekly trade, and town infrastructure is supported through on-going maintenance and donation contributions.

- **Donations**

During farm implementation and establishment in the community WAF will sponsor community led projects. Thereafter, focus will shift to employee training, health & safety in the workplace, and environmental monitoring of the land on which our operations are based. The focus on employee benefits will aim to indirectly benefit the community.

- **Health Promotion**

Health promotion will focus directly on employees working at the site. Health information boards will be posted up in the office concerning basic hygiene, dangers of dehydration, as well as what to do in the event of an accident emergency in the workplace. Annual health visits will be supported for routine typhoid testing in association with the Asuogyaman District Assembly. All employees will be registered with a national health insurance card for use at prescribed clinics in the region.

- **Strategy for HIV/AIDS**

No current policy in place given the low prevalence rate for Ghana. However, by adopting a clear policy on medical assistance and helping employees with health care, we can safeguard workers by ensuring they visit reputable clinics for e.g. safe blood testing. Also, other human

rights issues such as gender equality and recruitment in a non-discriminatory fashion indirectly provides a code of practice conducive to HIV/AIDS policies.

- **Cultural differences**

Management comprises both local and expat partners to combine expertise from different fields and also maintain a balance in strategies that can promote a sustainable business whilst maintaining respect for local cultures and traditions.

- **Community requests**

Our policy is for all requests to be presented in writing with a clear outline of their objectives, target beneficiaries and specific requests. Only where projects are deemed appropriate and to the benefit of the community as a whole will be considered for any financial sponsorship. Furthermore, our policy is to encourage shared responsibility with a combined effort from community led sponsors and the private sector.

- **Investment in Security**

We have an economic responsibility to ourselves and to our employees and the wider community to protect our farm assets and workers from any potential threat.

- **Recruitment of security**

Security Officers will be deployed at all sites of operation; farm and market place to protect employees. A police guard will be employed for daily presence in the market armed to minimize threat from theft and violence providing direct reassurance to customers that we operate in a responsible manner.

The company will invest in up to 15 personnel for security purposes and contribute to housing, food, equipment and training to better safeguard our business and protect the community. To further promote enforcement, bonus schemes will incentivize security measures.

- **Breach of security**

Any theft or unauthorized access is communicated to the local chiefs and broadcast on community radio before police involvement to encourage community support to stop bad practices before lawful intervention is applied.

- **Store room policy**

All company items where possible will be under lock and key in a suitable storehouse operated by only two responsible personnel. All items will be signed in/out and logged in a store book. All feed will be locked in a secure and watertight warehouse on site with a clear logging system for stock management.

▫ **Tracking stock**

All fish stock will be tracked leaving the farm verified personally by the farm Manager and verified by security at both the farm site and market place (both in Asikum and Tema). This indirectly reassures customers of responsible product transport. Sale of stock will be cross-checked weekly against farm dispatch to ensure all stock is accounted for financially. All purchasing of raw materials will be logged and further verified at end of month file submissions.

**Measurement of outcomes**

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

**Activities 2018:**

**Accommodation**

Construction of toilet block in Hatchery facility for hatchery workers only as part of our obligatory requirements for attaining our Hatchery permit. New shade thatch installed on security bungalows. Purchase of new microwave for onsite food preparation.

WAF continue to cover the full annual rental costs of our Sales Assistant Manager based at the Tema Outlet.

**Health & Safety**

All fire safety equipment was serviced and re-filled in February 2018.

Annual Renewal in October 2018 of our Workman Compensation Policy with Saham Insurance Ghana Ltd to safeguard employees and their family in the event of a serious accident in the workplace.

**Inclusion**

WAF continue to support a shared incentive bonus scheme to promote income development; 18% of the net sales of any catfish inside our harvest cages is allocated to the employees collectively.

Employees were also allocated 50 kgs each of catfish free of charge, as part of their new contract negotiation – essentially a 13th month bonus value or thereabouts.

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### **Activities 2018:**

The balance of money raised goes towards the end of year staff Christmas packages in recognition of their hard work.

### **Donations**

We continued to organize donations of clothing and toys from Denmark to Acts2 Collective orphanage in Asikuma as per our promise to them. Donations also made to important funerals in the region namely; the late Queen Mother Obaapanyin Nana Afua Ntoa I, the Kronit hema of Anum Traditional Area.

### **Health Promotion**

As per 2017, the Asuogyaman District Health team visited in March 2018 to test all employees including Management for typhoid, check blood pressure and body weight as a measure of general health.

Quarterly medical checks arranged for our divers at Akosombo Hospital; full examination of chest, ears, and back. Blood tests run to check for any water borne diseases. All expenses and transport covered by WAF. The Divers play an important role in the company and we want to maintain their good Health & Fitness.

All NHIS registration renewed for all permanent workers completed 19th July 2018

### **Community requests**

The Police in Akosombo have made a request for funding to build a waiting room. Ghana Immigration Service also requested contribution/sponsorship towards their Asikuma building.

WAF however does not finance further social applications before we see the completion of the police building in Asikuma, where we also donated an amount in 2017. By the end of 2018, the building is incomplete.

The company believes that funds, once allocated, need to be used for the correct means for which they were requested, hence the firm standpoint in this regard to avoid mismanagement of donations.

## Labour Principles

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

**Principle 4:** The elimination of all forms of forced and compulsory labour

**Principle 5:** The effective abolition of child labour

**Principle 6:** The elimination of discrimination in respect of employment and occupation

### Assessment, Policy and Goals

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

In Denmark, our employees are covered by one of the major national collective labour agreement (Danish Industry) which demand that we as employer follow certain rules. In Ghana, we provide for documentations from our business partners that they do not use for example child labour. The CSR activities in Ghana are very different from Denmark due to the level difference between the two countries.

### Implementation

In our Danish companies, we have some employees, who despite lesser handicaps, prove to be important members of our team. That is part of a long-term strategy to give a large group of people, who is often underrated, an opportunity to show their worth. Furthermore, we participate in education and self-development programs. Last year all the employees in Denmark based factory participated in an ambitious project aiming to implement an understanding on sustainability in our corporate culture.

We have furthermore enrolled the Danish staff to a special health insurance to help them fast in case of illness. We have a code of conduct, which our employees are committed to follow with policy made by themselves. We have policy to handle any kind of reduced labour, alcohol, absence, pregnancy and so on.

West African Fish where possible & in consideration for our safety framework recruit in a non-discriminatory fashion; all applicants are recruited based on their potential for development

and passion for hard work. Physical disabilities or a mere lack of education does not dismiss candidates on this basis. Annual reviews for existing staff follow a score-rating system to ensure fair and equal comparisons for both position and end year salary negotiations. Performance ratings will cover cooperation, dependency, Initiative, Knowledge, Judgment, Planning and Problem solving, quality of work, Leadership and flexibility.

### Legal Responsibility

- **Workers Union**

All workers have the right to join a worker's trade Union; a union to promote the social and economic rights for employees in their workplace. Upon formal presentation by Union and employee representatives all issues are to be dealt with directly and within a timeframe to ensure matters are resolved swiftly.

- **Compliance with Labour law**

No worker shall exceed an 8hr working day. Where the nature of the work requires flexibility in the time of day work is carried out, suitable breaks are provided to comply with labour law. All employees will be granted 15 days annual leave for basic workers and 21 days for more senior supervisors. Workers shall have the choice for flexible leave days.

All annual leave, casual leave and attendance will be monitored in a staff database.

All salaries will exceed government regulations to provide a decent standard of living for our workforce. Overtime pay for contract employees and temporary workers will meet government regulations.

- **Creation of Jobs**

Creating of jobs is an investment to have a direct impact on the community, benefitting the families of each employee through increased disposable income and job security. West African Fish prefer to invest in candidates with a potential for training who can provide longevity in the Industry and a solid skill base from which further recruitment can be built on.

Employees are recruited on a casual basis with a six-month review period; thereafter workers are made permanent with a view to offering a formal contract.

A progress review is held after 3 months to give feedback on any improvements needed and training provided both through the employer and other colleagues in the department.

Each employee is monitored for attendance in relation to; absenteeism or ill-health from which a "fitness for duty" rating is determined.

- **Investment in Training**

For training to not only focus on basic job description but also thorough knowledge and review of health and safety practices in the workplace. For some aspects of training to provide transferable skills that can be applied in other lifestyle practices e.g. net repair, which can be used in farming practices, safe hygiene practices, stock calculations and money management etc.

- **Child labour**

We do not accept any kind of child labour, forced labour or other violations of fundamental human rights. Strict policy on the use of child labour.

No employee is recruited under the age of 18 yrs. of age. All workers regardless of age are paid according to the “equal pay for equal work” policy stated in the labour law, section 68, part IX. Longevity & commitment is awarded outside of basic salary tiers.

- **Non-discrimination**

West African Fish where possible & in consideration for our safety framework recruit in a non-discriminatory fashion; all applicants are recruited based on their potential for development and passion for hard work. Physical disabilities or a mere lack of education does not dismiss candidates on this basis. Annual reviews for existing staff follow a score-rating system to ensure fair and equal comparisons for both position and end year salary negotiations.

Performance ratings will cover: cooperation, dependency, Initiative, Knowledge, Judgment, Planning and Problem solving, quality of work, Leadership and flexibility.

- **Gender equality**

Gender equality is promoted through the preferential selection for female workers to grade and gut our product at the sorting table.

Physical harvest labour is principally for men and limited to those who can safely work on the water.

Skilled work in the Hatchery where attention to detail is vital promotes employment for women in this industry where females are preferentially selected.

- **Maternity policy**

Where females are employed, a clear maternity policy is in place to both support the employee and ensure our farm operations can continue smoothly without the need to lose key personnel. Women are granted 84 days paid maternity leave and also granted days off throughout pregnancy for routine scans and check-ups.

We do however have a strict “no child policy on farm premises” for health and safety reasons. In compensation for this, lactating mothers may leave work 1hr earlier than scheduled to attend to childcare.

### **Measurement of outcomes**

Our Danish employees understand that focus on sustainability, environmental protection and welfare and that it is a common task in the company. We have a stab in Denmark where illness much minimized is and our employees are quarantined help in case they need it no matter what situation it is required.

Currently we create jobs and livelihoods for about four hundred families in Ghana, which benefit either directly, or indirectly, through spin-off in resale of our fish or similar practices. We give due to our many CSR projects many opportunities to the people in Ghana.

#### **Activities 2018:**

##### **Workers Union**

Contract negotiations in July 2018 met all criteria with no non-compliance issues raised.

##### **Compliance with labour law**

As per 2017 report. The Workers Trade Union met with our CEO in June 2018 prior to contract renewals for employees.

All contract terms and details passed through our Union representatives. With a 7% increase in basic pay and continued non-obligatory help to our workers, the Union were satisfied with all criteria; no non-compliance issues raised. We further supplied 50kg catfish to each contract worker as part of their increment.

##### **Creation of Jobs**

The investment in human capital for 2018 increased by +/- 8% with more employees being offered formal contract letters hence the lower number of casuals employed compared to 2017. We did not actively look to fill positions with external marketing but employed those who were previous casual workers.

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### Activities 2018:

Employees	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
No. Contract employees male	49	63	71	85	92
No. Contract employees female	12	13	15	12	13
No. Permanent workers	4	6	0	0	0
No. Casual workers male	9	6	12	12	3
No. Casual workers female (largely part time gutters)	5	6	8	10	5
No. Workers replaced due to disciplinary measures	1	n/a	2	1	0

No employees were replaced due to disciplinary measures, but we did replace one member of the security team due to abandonment of post by a former employee.

### **Investment in Training**

First Aid Training valid until March 2020; no follow up training required for 2018.

WAF held a 2-day onsite training course 14-15<sup>th</sup> March in conjunction with Ridgeway Biologicals. Topics covered included: immersion vaccination principles and techniques. An expert in vaccination implementation from Aqualife Services in Scotland led the training alongside Dr Tim Wallis, M.D. of Ridgeway Biologicals, and Dr Gustavo Ramirez-Paredes, both world experts in autogenous vaccines and fish pathology. Up to 12 external guests participated and up to 10 employees were given training. All guests were catered for in terms of refreshments, meals, and on-site accommodation.

The Hatchery Manager attended a 2-day aquaculture training workshop held at Afrikiko Riverfront resort in Akosombo in August. The workshop was led by CSIR – Water Research Institute, the Government of the Netherlands, and IFPRI (International Food Policy Research Institute). 30 key participants attended the workshop. Topics covered included:

- Accelerating aquaculture development in Ghana through sustainable Nile Tilapia Seed Production and Dissemination.
- Key issues and challenges in the fish seed system and the aquaculture sector.
- Building consensus and ownership of issues among stakeholders and consortium partners.

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### Activities 2018:

- To provide inputs to key decisions towards the development of a 3-year project proposal (2019-2021) that the Government of Netherlands is interested in potentially funding (that is, specifying the activities, outputs, outcomes of the project)
- To provide inputs to the discussions with the National Aquaculture Technical Committee and towards the development of the National Aquaculture Development Strategy

Our hatchery manager gave a PowerPoint presentation on the principles of broodstock breeding and challenges in the Industry with maintaining traceability of stock.

## Environmental Principles

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

**Principle 8:** Undertake initiatives to promote greater environmental responsibility

**Principle 9:** Encourage the development and diffusion of environmentally friendly technologies

### Assessment, Policy and Goals

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

West African Fish Ltd recognizes that it has a responsibility beyond legal and regulatory requirements. We therefore strive to; “implement, operate and manage a fish farm that is committed to reducing our environmental impact and continually monitoring our

environmental performance to improve operations, which forms an integral part of our on-going business strategy". WAF commits itself to safeguarding the natural environment on which the farm is so dependent for future generations to appreciate.

### Implementation

Our Danish fish farm, RDF Aquaculture is among the world's largest recirculating land-based aquaculture plants. At present, the company consists of the main department in Hanstholm. The technology is separate, recirculating tanks with a daily water exchange of less than 2%. About 10.000 m<sup>3</sup> of water swirls around the system every hour, and the water is circulated through internal cleaning systems, thus maintaining the recirculation degree of 98%. That all makes up for a minimum of influence on the environment. The company is Eco-Healthy certified.

We are once again in 2018 voluntarily taking big part in the restocking program for the glass eel in Europe. As we still are committed to breeding fish at the highest quality and to ensure the best possible conditions for the fish we are still a proud member of the Sustainable Eel Group. Which is an organization in where environmental organizations, politicians, NGO's, science and industry are working together to nurture the stock of European eel.

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

The label will guarantee that:

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

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

On shore are the hatcheries, where we grow our own fingerlings, that is, fish about the size of a finger. Those are bred from our own broodstock. Currently we only produce fingerlings for our own use; however, soon we will be able to provide top quality fingerlings for other fish farmers, and for restocking Lake Volta.

This will benefit the dwindling Tilapia stock that is causing great problems for local fishing communities. The hatcheries are constructed with state-of-the-art recirculation technologies. This allows us to produce fingerlings with almost no water exchange, which reduce our effect on the environment to a minimum. At the farm, we use the most ecologically friendly floating fish food.

Annual environmental reports combined with a structured monitoring program coordinated by the farm coordinator, ensures we maintain our legal and ethical responsibility to preserve and protect our natural resource.

West African Fish strive to be the most environmentally aware and responsible fish farm in Ghana. Our current environmental management practises are centred on 6 key areas where mitigation measures can aim to minimise any adverse environmental impacts:

- Land Management: Soil erosion & Control
- Wildlife Habitat Management: Impact on native Flora/Fauna
- Waste Disposal Management: Non-biological/Biological waste
- Fish Health & Disease Management
- Water Quality Management
- Energy Consumption Management

### **Measurement of outcomes**

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

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

From our environmental Management in Ghana, the annual environmental report was submitted to both the Water Resources Commission and Environmental protection Agency

detailing the main operational activities for the previous year centered on water & waste management.

Continued water/sludge sampling is carried out every 2-3 months in compliance with guidelines set out by the WRC and sent for routine analysis. To perform in a manner consistent with legal requirements. All permits and licensing shall be in place for all operations and updated periodically as and when compliance laws or company circumstances change.

### **Environmental Responsibility**

- **Recycle where possible as much farm waste as feasibly possible**
  - Recycle all water bottles and water sachets
  - Sell feed sacks to the community to avoid landfill.
  - Donate all scrap metal and old equipment to employees for recycling in the town.
  - Regular safe burning of biological/limited non-biological waste in dedicated waste pits located at a suitable distance away from food and flammable sources.
  
- **Comply with environmental monitoring programmer in association with WRC**
  - Timely monitoring of samples and prompt analyses
  - Develop response protocol for adverse impacts
  - Annual reports to the EPA and WRC concerning our activities
  - Support Government research groups collecting environmental data
  - Keep logs of production and monitor this in relation to changing environmental conditions.
  
- **Optimize transport, use of raw materials and energy consumption**
  - Use of high quality low polluting feed in packaging that can be recycled or put to good use.
  - Coordinate transport efficiently to minimize frequency of movement.
  - Land maintenance on road from Asikuma to farm to prevent soil erosion and economies truck maintenance issues.
  
- **Responsible use of potentially hazardous materials**
  - Store hazardous chemicals under lock & key
  - Thorough training and restricted access in the use of hazardous material
  - Safe waste disposal that prevents adverse environmental impacts

## Activities 2018:

### **Environmental Management**

Our annual environmental report was submitted in 2018 for the period 2017 to both the Water Resources Commission and Environmental protection Agency detailing the main operational activities for the previous year centered on water & waste management.

Continued presence and production of illegal 'non-Akosombo' strains is proliferating in certain aquaculture farming establishments (backed up by DNA evidence).

In the final quarter of 2018 mass mortality events all over the country caused considerable stock and financial losses to all involved in the aquaculture sector (tilapia). No clear or plausible evidence-based statement is as yet forthcoming from MOFAD, with studies still undergoing.

During the high mortality period we acted responsibly and in accordance with our emergency contingency plan to contact the appropriate authorities.

We informed the Fisheries and welcomed visits by both EPA and NADMO (National Disaster Management Organisation) to provide the necessary feedback they required to understand the full scale of the nationwide disease outbreak. Given we were one of few fish farms to have all our permits and licensing in place, we maintained our reputation of working in accordance with all government legislation required and were commended by the authorities for our quick response plan to the situation.

We succeeded to control the spread of disease very promptly through the addition of 70 casual workers to control mortality removal (which prevents further water quality deterioration), hired a tipper truck and excavator to bury the mortality in designated off-site pits purchased by the local chiefs.

A reduction in production, further worsening grow-out results (in terms of FCR as a key indicator) and a stagnation in terms of market and price against a backdrop of inflation has presented huge challenges in 2018.

## **Anti-Corruption Principles**

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

## Assessment, Policy and Goals

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

## Implementation

Royal Danish Fish Group A/S has a zero tolerance for any form of corruption and tries to educate all employees in this regard. We have a string policy regarding this matter, which we inform our partners and customers about before we are doing business. To comply with all regulations in a formal manner with a strict "No bribe" policy. Documentation for all areas of operation will be transparent and available for inspection.

## Measurement of outcomes

We do not have any problems with our policy in Denmark. In Ghana, it can be a slightly different matter. It can cause some delays, but this is the price we are willing to pay. We feel that our anti-corruption attitude in the long run is met with respect. We have never been involved directly or indirectly in matters of these issues neither in Denmark nor in Ghana. We act in accordance with applicable legislation and rules where we operate, and we do business with partners who have the same policy regarding anti-corruption.

## Ethical Responsibility

- **Anti-corruption ethics**

To comply with all regulations in a formal manner with a strict "No bribe" policy. Documentation for all areas of operation will be transparent and available for inspection.

- **Security**

All employees handling cash will have security and police guard presence. Final payments from customers must follow a strict protocol to ensure all monies are sent to the bank the same day to avoid risk.

- **Permits & Licensing**

To perform in a manner consistent with legal requirements. All permits and licensing shall

be in place for all operations and updated periodically as and when compliance laws or company circumstances change.

- **Site inspections**

Our company supports all official and regulated site visits required by law including audit reports, labour inspection and environmental regulating bodies. However, as a working farm, our policy requires that all site appointments are made in advance via email and telephone planning and that the CEO is present for all visits to allow daily operations to continue smoothly. Any non-compliance issues raised will be rectified as swiftly as possible.

- **Customer ethics and relations**

To be honest to customers regarding product quality and availability to better allow customers to make informed choices.

We recognize the right for Stakeholder participation. Regular meetings with key customers to provide feedback on our level of service is key to maintaining good relations and responding to popular demand as long as proposed initiatives can be incorporated in a socially and economically responsible manner.

- **Operational ethics**

For all departmental activities to be transparent with a clear chain of command to ensure no single person can hide fraud or theft whether at basic level or managerial level.

Source raw materials from reputable suppliers who share our interest in responsible farming methods.

Activities 2018:

**Permits & Licensing**

- Business operating Permit for Tema outlet facility renewed 29<sup>th</sup> January 2018
- Environmental Sanitation permit for Tema outlet approved 2<sup>nd</sup> February 2018
- Medical screening for employees Tema Outlet 2<sup>nd</sup> February 2018
- Annual Administrative Stool land fees paid on 15<sup>th</sup> February 2018.
- Annual Business operating permit, Conveyance, and property rates paid on 15<sup>th</sup> February 2018.
- Fire Safety Certificate paid February 2018
- Fire Safety equipment servicing February 2018.
- Renewal of import Feed Warehouse Certificate - 2018-2019 application in process.

Continue...



### Activities 2018:

- Land rent for grounds at new fish outlet in Tema (nr Southern Fried Chicken) paid on March 2018.
- Annual permit for water use paid in full for 2018 on 13<sup>th</sup> April 2018.
- EPA permit paid valid until 2019 – paid 29<sup>th</sup> July 2016.
- Renewal of Resident & work Permits for expat Management 16<sup>th</sup> October 2018 – 3 year permits in place
- Fisheries Commission permit – valid until 16<sup>th</sup> October 2018.

### **Site inspections**

Asuogyaman District Assembly Health Inspection - The outcome of the Health inspection raised only a few minor needs for improvement. They suggested we;

- Refurbish/modernize the staff canteen
- Cover the spare/used tyres to ensure no rainwater collected inside which may act as a breeding ground for mosquitoes.

### **Customer relations**

West African Fish had dialogue with the local chiefs and district Assembly men concerning the issue of market sellers selling Chinese fish in our market from a different region and furthermore selling them under the WAF brand by mixing in some WAF fish to promote “quality”.

Regular meetings with customers required to ask for their continued support and to avoid buying from the Chinese sellers, which was undermining our brand.

We further required stakeholder support during the mass disease outbreak Nov/Dec 18.



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

We welcome feedback on its contents.