



## **Communication on Progress no. 008**

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

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**Time Period:** 2019-2020

**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 eighth 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.



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.

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.

Enjoy reading our 2019-2020 report.

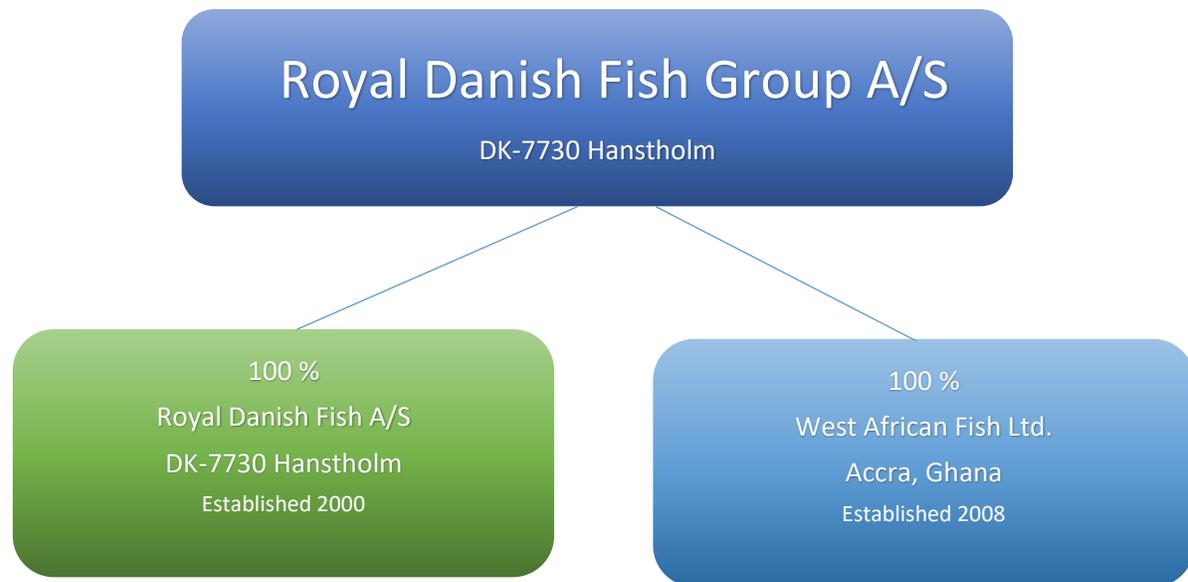
Sincerely yours



Mogens Mathiasen  
Chief Executive Officer  
Royal Danish Fish Group A/S



## The Company



## About the Companies

### Royal Danish Fish A/S (RDF)

- Our Aquaculture is among the world's largest recirculating land-based eel aquaculture plants
- 98% recirculation. Ample water supply and extraction allowance
- Certified ECO-Healthy (pre-organic) production
- (BEK nr 114 of 23/02/2004)
- Certified SES, Sustainable Eel Standard
- 1.000 tpy production

### West African Fish Ltd. (WAF)

- West African Fish Ltd. Breeds and raises Tilapia for the local market
- The Company were in commercial operation by the end of 2008
- Water supply is based on a clear river outlet
- No cold storage
- Distribution "ex works" as local and regional traders pick up themselves
- Demand > Supply in the region
- 4.000 tpy Tilapia production – potential 10.000 tpy
- Ghana Business Code member
- Fish farmer of the year 2011
- CSR Strategy – 100 Award 2012



## Assessment, Policy and Goals

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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.



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.



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 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.



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.

## **Status report for 2019**

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### **Overview of the Industry in Ghana**

Over the past decade since our project inception at West African Fish, there have been some noticeable changes in both the Industry and environmental conditions, which are worth noting. From 2008/9 to 2016, water levels have dropped year upon year, which has contributed to knock-on effects such as increased turbidity, suspended solids and increased phytoplankton blooms (and episodic die-off's), with associated short-term low oxygen levels as a result. However, since 2016 this trend has been reversed with an average increase in water level over the past three years. Interestingly, episodes of extreme low oxygen / water turnover have been absent in the past two years indicating improved environmental/lake conditions – at least at

West African Fish's site location.

Counter to this, poor biosecurity measures and enforcement within Ghana has also changed the landscape of the industry in terms of disease presence and significance. The confirmed presence since 2016/17 of at least one major disease (*Streptococcus agalactiae*) brought into Ghana from the illegal importation of live broodstock/fingerlings from an Asian origin, has presented a massive challenge to the Industry. Subsequent independent pathological tests from 2016-19 have confirmed the presence of several other strains of bacteria known to be pathogenic to tilapia. Latterly, towards the end of 2018 massive fish kills of up to 50% of farms total biomasses occurred as a result of a massive disease challenge.

Since this outbreak, a paper published by Ramirez-Paredes et al (July 2019) titled "First detection of Infectious Spleen and Kidney Necrosis Virus (ISKNV) associated with massive mortalities in farmed tilapia in Africa." confirmed the causative agent of this mortality event and continued mortality challenges.

The slow progress in improving the endemic Akosombo Strain of *O. niloticus*, combined with the lack of interest by the institutions concerned to look to bring in fast growing *O. niloticus* strains in a legal manner (e.g. GIFT strains, used elsewhere in Africa) led some unscrupulous farmers looking into illegal methods of live fish imports (from the report titled: 'Genetic Relationships and the Origins of the Strains of Tilapia being farmed in Ghana', Frimpong & Anane-Taabeah, February 2018). If efforts were put into 'better disease-free strain availability' (faster growing, more disease resistant etc.) within Ghana, then production costs could be reduced, and the end cost saving passed onto the consumer. However, there remains very little assistance for the Aquaculture sector in this regard, and with the industry now in crisis as a result of the latest disease introduction, the survival of the industry and its on-going viability should be prioritized by all associated stakeholders – government and private sector's alike.

As a result of the above, many small-scale operations have gone out of business, and the consequent job losses in rural areas and resultant food security issues arising because of this are worrying. Ghana is now perilously close to being heavily reliant on an 'import based' economy, much like the poultry industry in Ghana in this regard, rather than promoting local businesses. The repeated trend of large-scale illegal Chinese tilapia (often unwholesome and without clear Food Standard Authorities authorization) on the Ghanaian market bears testament to this. Despite the bleak outlook above, large-scale companies like ourselves are still looking to means to contribute towards sustainable fish production goals within Ghana, helping towards food security goals as well as contributing to job creation within Ghana.

## Environmental Commitment

West African Fish has been open and ready to assist with government institutions that have chosen to look into the environmental implications and repercussions within the lake, and subsequent creation of 'Best Management Practice' guidelines.

In a comprehensive study by Ruby Asmah et al, a CSIR funded project in which West African Fish was the long-term large-scale cage aquaculture sample site selected and studied (for a period of over two years) it was concluded that, because of carbon data collected and waste dispersion analyses done, site 2 (WAF) would have an "allowable carrying capacity increase of 1278.8 Ton yr-1 on top of the current production levels that would not cause trophic change within the system".<sup>1</sup>

The same study also concluded that "the water quality (Canadian and Ghana Water Quality Indices – CCME-GWQI) at all sites sampled in the study, including our own, had a water quality index between 90-94, and as such does not differ much from the natural or desired levels".<sup>2</sup> This is ranked as 'good' water quality and thus is a positive indication that a responsible tilapia industry can benefit from a high-water quality in Lake Volta without adversely affecting it.

This is of course positive news in that it illustrates that **our environmental footprint currently looks to be sustainable**. It could be argued that tilapia production on Lake Volta has increased since this study was undertaken, but in real terms since the inception of a number of disease challenges already mentioned in the 'Industry Overview' section, production has not increased at the rate that many perceived it would, and we are currently seeing a decline in production in the industry as a whole (2018-19).

We have also collaborated with students and studies undertaken by academic institutions within the Country. For example, recently (April 2019) we were requested by the University of Ghana (Department of Chemistry, School of Physical and Mathematical Sciences) to collaborate and allow for one of their PhD students, to have access to our site to collect sediment/water samples to get raw data for his research project titled "Improving the Sustainability of Aquaculture in Ghana through Environmental Quality Assessment".

Data collection and analysis remains a critical part of such studies, and in many areas of the lake data deficiencies do not allow for such clear and tangible "cause & effect" analysis, as illustrated

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<sup>1</sup> Ekpeki & Telfer, 2016. Production and carrying capacity models for Lake Volta. In: Asmah et al., Cage Aquaculture in Lake Volta, Ghana: guidelines for a sustainable future

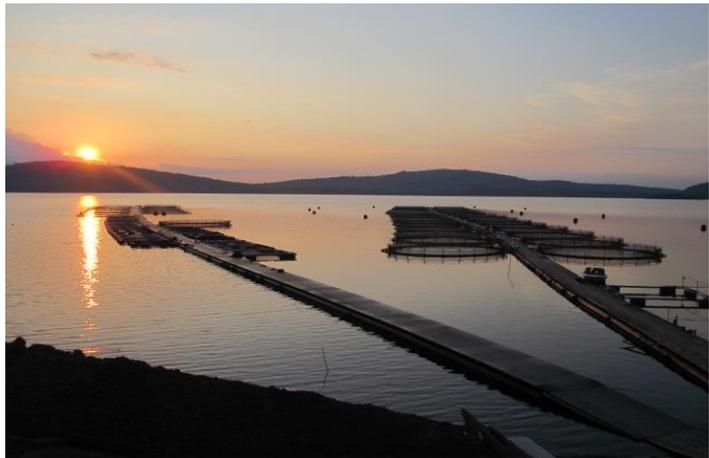
<sup>2</sup> Karikari, A. Y. & Asmah 2016. Water and Sediment Quality. In: Asmah et al., Cage Aquaculture in Lake Volta, Ghana: guidelines for a sustainable future

in the aforementioned study. Our farm's data has already been valuable in **contributing to a better understanding of the way in which responsible aquaculture development can proceed within the Volta Lake**; hopefully with more combined efforts between various stakeholders – producers and scientific/research organizations, steps can be taken to assist in the responsible development of the industry, which will be of benefit to all. Key to this though is to ensure that all parties who utilize the lake's resources are considered, and that no one sector does so in a particularly adverse manner. West African Fish will have its 'doors open' and assist in any such collaboration as our record has shown since the project inception.

## Key Activities in Ghana for 2019

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- Modification and improvement of Secondary Nursery System to enable Heat Treatment of fry to generate an innate response via the production of Heat Shock Protein enzymes to combat ISKN Virus now introduced via illegal stock introductions into the lake.
- Cooperation with Academic Institutions within Ghana (University of Ghana) upon their request, to contribute to a greater understanding of sustainable aquaculture within the country.
- Continued contribution's (fish/drinks) within the community for selected significant funerals of Chief's within the region (e.g. Chief Opanyin Yaw Ayesu of Anum Traditional Area).
- Installation of Solar Panel plant on-site to offset traditional electricity usage from the national grid and contribute towards a reduced environmental footprint.
- West African Fish has also put in place a paternity policy which will allow fathers a week off (paid leave) to attend to the birth of their child alongside their partner.
- Cooperation with Students from Academic institutions upon request
- Continued cooperation and partnerships with Government Veterinary officers
- Collaboration with aquaculture experts from Other Universities





## 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

### Implementation

In Ghana, our company West African Fish 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

- **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.

- **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.

- **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.

- **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.

- **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.

- **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**

An external company will be deployed at all sites of operation; farm and marketplace 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 external 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.

▫ **Storeroom 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 marketplace (both in Asikuma 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.

### Community Project Development and relations

▪ **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.

▪ **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.

- **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.

- **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.

### 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 2019:

### **Inclusion**

WAF continues to support a shared incentive bonus scheme to promote income development; 25% of the net sales of any catfish inside our harvest cages is allocated to the employees collectively – this is an increase from 18% the previous year. The balance of money raised goes towards the end of year staff Christmas packages in recognition of their hard work.

### **Health & Safety**

All fire safety equipment was serviced and re-filled in August 2019

Annual Renewal in October 2019 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.

### **Accommodation**

Ongoing maintenance of existing facilities is undertaken, and purchases made where/when necessary. For example, the purchase of new microwave for onsite food preparation and additional investment in canteen cooking facilities (stove, food smoking facilities).

West African Fish continues to cover the full annual rental costs of our Assistant Sales Manager based at the Tema Outlet.

### **Health Promotion**

As per 2018, the Asuogyaman District Health team visited in April 2019 where the company 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 25<sup>th</sup> July 2019.

### **Donations**

We continued to organize donations of clothing and toys from Denmark to Acts2 Collective orphanage in Asikuma as per our promise to them. This trend has been continued into 2019.



## 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

### 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 and economic 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.

West African Fish also welcomes all employee's to be members of a Union if they choose and wish to do so; currently around 50% of the employees are members of and thus affiliated to the General Agricultural Workers Union (GAWU).

- **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**

For investment to have a direct impact on the community, benefitting the families of each employee through increased disposable income and job security. WAF 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.

Training also in collaboration with other institutions to ensure collective cooperation and knowledge transfer.

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**

Strict policy on the use of child labour. No employee is recruited under the age of 18 years 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/Paternity 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 checkups.

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.

West African Fish has also put in place a paternity policy which will allow fathers a week off (paid leave) to attend to the birth of their child alongside their partner.

## 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 staff 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.



From a socio-economic point of view, WAF currently recruits +/- 82 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 ongoing maintenance and donation contributions.

With a high dependency on our company for both financial security, and provision of a staple & healthy protein source, any detrimental change to our operations would lend local communities vulnerable. Poverty alleviation and food security in often impoverished rural areas are thus key areas in which we believe we are making a positive contribution within the region.

### Activities 2019:

#### Workers Union

Contract negotiations in July 2019 met all criteria with no non-compliance issues raised. Bonus schemes such as FCR bonus and the allocation of 65 kg's of catfish (increased from 60kgs' in 2018) were finalized and agreed upon.

#### Compliance with labour law

As per 2018 report. The Workers Trade Union (GAWU) met with our CEO in June 2019 prior to contract renewals for employees. All contract terms and details passed through our Union representatives. Due to challenging circumstances of business operation no increase to basic pay was made.

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### Activities 2019:

However, at the end of 2019 the company agreed to a 10% pay increase to be valid for the balance of the 6 month current contract period as well as the following 12 month contract period (i.e. effective January 2020-June 2021 inclusive).

Continued non-obligatory help to our employees was maintained, the Union were satisfied with all criteria; no non-compliance issues raised. We further supplied 65kg catfish to each contract worker as part of their increment.

### **Creation of Jobs**

The investment in human capital for 2019 decreased by +/- 25% due to continued hardships brought about by stock loss and disease challenges in 2018 (continuing into 2019). The farm has not returned to full capacity as a result of this event and thus our human resource needs have sadly reduced as a result of this.

No employees were replaced due to disciplinary measures, but a number of contract's which expired in June 2019 were not renewed due to a reduction in operating capacity.

Employees	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
No. Contract employee's male	49	63	71	85	92	68
No. Contract employee's female	12	13	15	12	13	10
No. Permanent workers	4	6	0	0	0	0
No. Casual workers male	9	6	12	12	3	4
No. Casual workers female (largely part time gutters)	5	6	8	10	5	0
No. Workers replaced due to disciplinary measures	1	n/a	2	1	0	0

### **Investment in Training**

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

### **Maternity/Paternity policy**

In 2019 onwards West African Fish has also put in place a paternity policy which will allow fathers a week off (paid leave) to attend to the birth of their child alongside their partner.



## 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

### Implementation

Our **Danish** fish farm, Royal Danish Fish Aquaculture, is a recirculating onshore aquaculture facility where eels are farmed.



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 2019 voluntarily taking 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. The Hatchery operates recirculation technology which recycles up to 97% of the water used. 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. Shade nets are over the tanks to reduce loss to evaporation and tanks are made from fiberglass/and concrete which prevents leakage.

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.

Our current environmental management practices are centered on 6 key areas where mitigation measures can aim to minimize 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 (WRC) and Environmental protection Agency (EPA) detailing the main operational activities for the previous year centered on water & waste management.

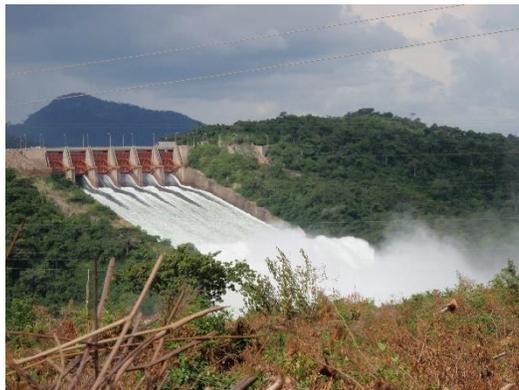
### Environmental Management

West African Fish strive to be the most environmentally aware and responsible fish farm in Ghana.

- **Supplement traditional electricity consumption through environmentally responsible means**
  - The agreement and installation of a Redavia Solar Plant on-site during the first quarter of 2019 allows us to produce 10-15% of our power consumption needs from clean solar

energy and thus reduce our environmental footprint; the only fish farm in Ghana to undertake a project of this scale to the best of our knowledge.

- **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 2019:

### **Environmental Management in Ghana**

West African Fish annual environmental reports were submitted in 2019 for the period 2018 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.

In 2019 we also submitted our detailed Environmental Management plan for the 2019-22 period, to allow us to apply for the EPA permit renewal. This was done successfully with only a few minor amendments required and duly completed. As a result, we have now obtained our permit for continued operation (up until 2023).

We also received a Water Resources Commission representative in line with WRC guidelines which pertained to our approval/verification of our Water Use Permit submission/approval. (Valid until December 2021).

In 2019 we aimed to find a means to optimize energy consumption. We were approached by Redavia Solar Panel Company to make use of solar energy. Installation of Solar Panels were completed on-site in March 2019 to offset traditional electricity usage from the national grid and contribute towards a reduced environmental footprint.

All water bottles (non-hazardous) are 100% re-used by allocating to staff who sell them in the town or use them.

About 50% of water sachets (non-hazardous) are collected for recycling by one of our workers. 100% of tin cans effective October 2017 are now collected and given to a worker in town for re-use.

All food waste from the kitchen and domestic use by Management is now sent with one of our employees to a local pig farm as pig feed rather than sending to landfill. This was new for 2018. Furthermore, all fish mortality, which can pose hazardous if not disposed of appropriately, is now certified by both NADMO and the District Env. Health Officer to send to a local pig farmer to be processed for pig feeding purposes. This commenced mid 2018 but was certified in early 2019.



## Anti-Corruption Principles

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

### Implementation

Royal Danish Fish Group 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

It is our policy to strive where possible to operate in an ethical manner that goes beyond the minimum legal requirements.



- **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.

- **Employee ethics**

To update employees regularly on performance and to be honest & transparent about target achievements where for example bonus payments are applicable.

- **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 if proposed initiatives can be incorporated in a socially and economically responsible manner.

- **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.



- **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.
  - For all hatchery operations to work with minimal chemical intervention and to promote animal welfare at all times on a moral basis.
  - To educate employees to protect their environment at work and at home; waste disposal, use of sanitary facilities, respect for wildlife etc. (all over and above any legal requirements). Respect for Animal welfare with proper husbandry conditions whether in the workplace or at home is something we are very passionate about.
  - Source raw materials from reputable suppliers who share our interest in responsible farming methods.

#### Activities 2019:

##### **Permits & Licensing**

- Annual Administrative Stool land fees paid on 18<sup>th</sup> March 2019.
- Annual Business operating permit, Conveyance, and property rates paid on 18<sup>th</sup> February 2019.
- Land rent for grounds at new fish outlet in Tema (nr Southern Fried Chicken) paid on February 2019.
- Annual permit for water use paid in full for 2019 valid for 3 years commencing 1<sup>st</sup> January 2019. (dated 26/4/19)
- Business operating Permit for Tema outlet facility renewed 18<sup>th</sup> March 2019 (Valid until end of 2019 and already renewed until end of 2020)
- Environmental Sanitation permit for Tema outlet approved 12<sup>th</sup> February 2019, and again in March (18<sup>th</sup>) 2020 valid until the end of 2020
- Medical screening for employees Tema Outlet 2<sup>nd</sup> February 2019 and again in February 18<sup>th</sup> 2020 – valid until the end of 2020.
- Fire safety equipment servicing completed August 2019 (annual servicing).
- Feed Warehouse Certificate – not renewed in 2019 as no further feed imported at this time and the Food and Drugs Board (FDA) have not been to site to do permit renewal and/or inspection.
- Renewal of Resident & work Permits for expat Management 16<sup>th</sup> October 2018 – 3 year permits in place, expire September 2021.
- EPA permit paid valid until 2019. New permit application submitted in 2020 and approved – validity until 2023.

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### Activities 2019:

- Fire Safety Certificate paid February 2018 – 2019 not renewed as we are awaiting a visit from the Fire Services Department.
- Fisheries Commission Permit – valid until April 2020.
- Water Resources Commission Permit – Valid January 2019 – December 2021 inclusive.

### **Site inspections**

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

- Ensure canteen dining areas is free of cobwebs near the ceiling
- Ensure land is kept free from long grass and brush/bushes to prevent the incident of pests – mice, snakes etc.

The Food & Drugs Board were supposed to visit in June 2018 but did not come until December 18. They informed us that we now fall under the Ho jurisdiction and will be inspected by a new team. Application renewal for this license is therefore pending as their administration has delayed our renewal. No visit was forthcoming and to date we are awaiting their site visit. No feed has been imported in 2019 so this negates the need for the FDA approval, however.

Cooperation with Students from Academic institutions upon request. For example we were requested by the University of Ghana (April 2019) to collaborate and allow for one of their PhD students – to have access to our site to collect water/sediment samples to get raw data for his research project titled “Improving the Sustainability of Aquaculture in Ghana through Environmental Quality Assessment.”

Continued cooperation and partnerships to enhance the understanding of how vaccination may contribute to improving fish health and survival within the Volta Lake. Government Veterinary officers were invited to the farm to witness, contribute and take part in our first immersion vaccination trials against ISKNV, in cooperation/conjunction with Ridgeway Biologicals td (UK).

Collaboration with aquaculture experts from Other Universities – Auburn University (USA), and University of Stirling (Scotland) to further our understanding of the challenges the industry is facing within Ghana. This included site visits from the aforementioned universities to West African fish in Ghana.

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## Activities 2019:

### Customer relations

For the period in question (2019) there have been no customer relation issues or complaints. WAF has welcomed visits from regulatory bodies – to include Immigration, Police, Volta River Authority and Water Resources Commission representatives and co-operated fully with all visits and individuals.

### Community Requests

The Police in Akosombo made a request for funding towards end of year Celebratory Events. West African Fish however will not fund any additional community requests from this sector until we see the completion of the police building in Asikuma for which we contributed 40,000GHC to in 2017.

As at the close of 2019, construction is incomplete. As per our company policy, if funds are misused in any way and not reaching their intended purpose/aim, we will hold off on any further funding along such avenues.

Requests for funeral contributions in cash and kind were received by the company, and selected beneficiaries were assisted.



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

We welcome feedback on its contents.