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Royal Greenland

 @SAGB



Shellfish
Association of Great Britain




Department
for Environment
Food & Rural Affairs

seafish




Crown Estate
Scotland
Oighreachd a' Chrìon Alba

SEPAmatic®



Llywodraeth Cymru
Welsh Government



BY APPOINTMENT TO THE ROYAL DANISH COURT

Royal Greenland®

Royal Greenland Presentation

- May 2022

So here we are once more.

What has happened since 2019?!

Is this all real or a bad Hollywood disaster movie?

1. Global Climate change Crisis and Environmental Crisis

1. Local Terrorism: Terrorist Attacks in the UK including one here on November 2019

1. Brexit

1. COVID19 Pandemic

1. The Ukrainian war

1. Recent record breaking Inflation

So first a little about my company

- Royal Greenland UK Ltd

Royal Greenland – is one of the largest fully integrated seafood suppliers

We have been a supporter of SAGB for many years and in fact my predecessor a former Royal Greenland UK MD was once the Chief Executive of the Shellfish Association of Great Britain.

I like many of my RG colleagues passionately believe in promoting shellfish in the UK and all around the world.

My team have worked tirelessly over the last 5 years with the FTG industry promoting seafood especially to younger NPD chefs who do and will influence the eating trends in this great country of ours.

Last year in fact the overall winner of the BSA and FTG awards was a prawn bao bun.

ROYAL GREENLAND UK





WHO WE ARE

So who are Royal Greenland?

- Prominent supplier and processor of
**Cold Water Prawns, Greenland Halibut
and Atlantic Cod**

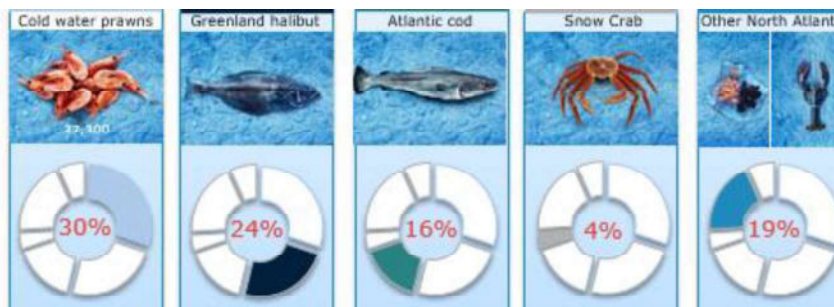
Since
1774

2200
Employees

47
Production
Sites

160,000
mt
Raw
Material

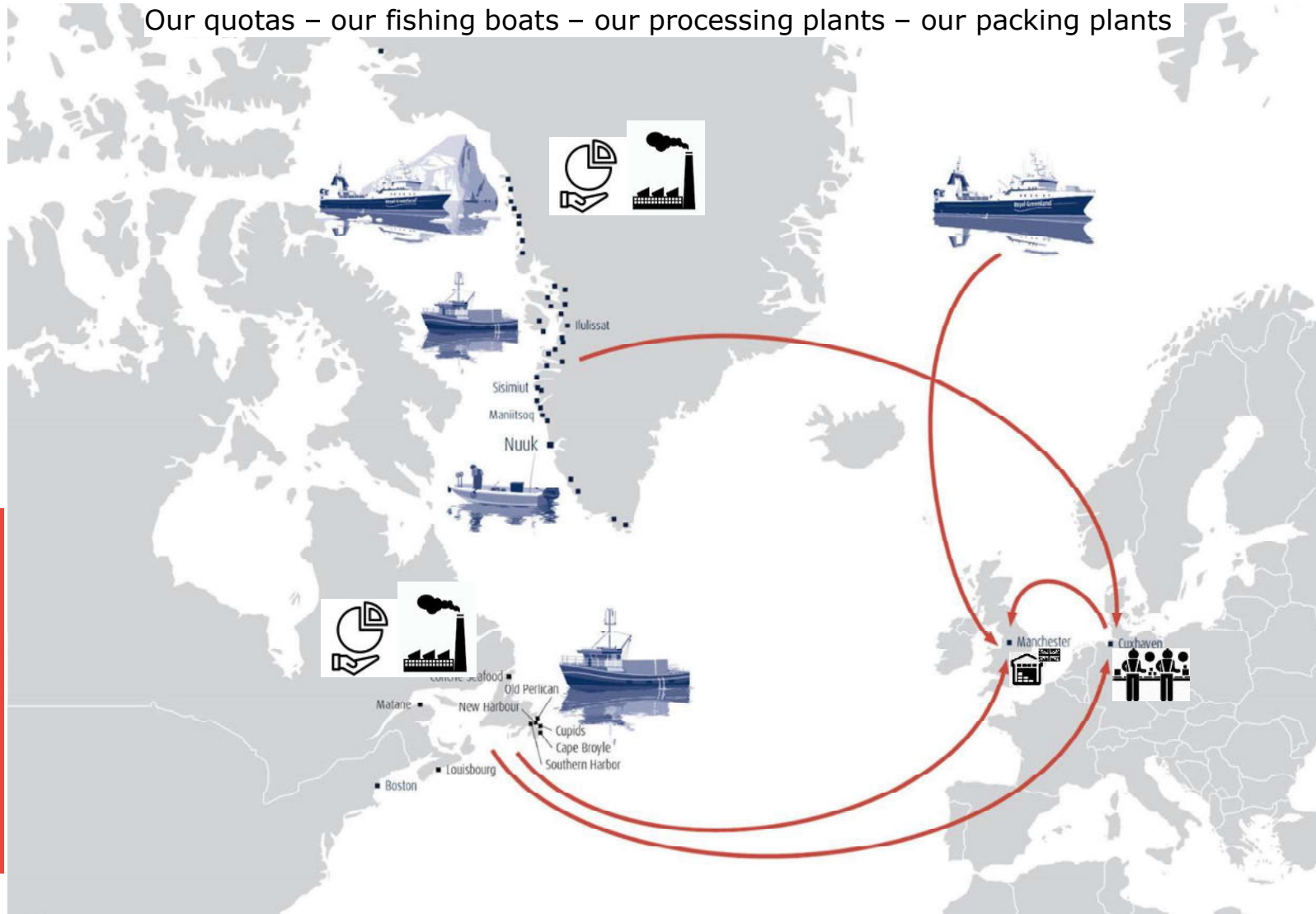
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Trawlers



From Sea to Plate: we own our Supply Chain

Our quotas – our fishing boats – our processing plants – our packing plants

TRACEABILITY



FISHERY

PROCESSING

QUALITY

PRODUCTS

IN THE KITCHEN

BY APPOINTMENT TO THE ROYAL DANISH COURT

Royal Greenland®



Pandalus borealis



COLD-WATER PRAWNS

COLD-WATER PRAWNS



- **Wild caught** in deep **ice cold** waters of the North Atlantic and Arctic Ocean
- Offshore fishery by own trawlers
Shell-on prawns – **Cooked or raw**, and **frozen at sea - high quality**
- Inshore fishery by local fishermen – **Single frozen, cooked & peeled**
- Assortment: Cooked & peeled, frozen and in brine, and shell-on cooked & raw
- Slow growth develops **delicate juicy meat** and pleasantly sweet and intense flavour
- Royal Greenland is the **world's largest processor** of cold-water prawns



Where do our prawns come from?

35%



40%



15%



10%



2020 Acquisition

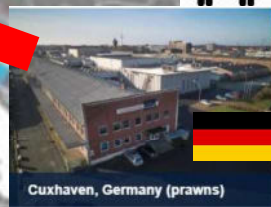


Greenlandic Flow

1

2

3



Our Sustainability Plan

Royal Greenland's sustainability programme is anchored in the company mission



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



We wish to base our production on raw materials from sustainable fisheries and to meet the increasing demand for MSC- and ASC-certified fish and shellfish. At Royal Greenland we are therefore working to achieve the certification of more fisheries.

SUSTAINABILITY



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



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Responsible footprint

Five sub areas

- Less waste and more food products
- Water consumption
- Climate and energy
- Product groups' carbon footprint
- Cardboard, paper and plastic

We will maximise the degree of utilisation by creating new food products from the fish and shellfish that we produce.

We will minimise our environmental footprint through responsible consumption and circular handling of non-renewable resources

RESPONSIBLE FOOTPRINT

Initiatives (extracts)

- Development of new methods for maximum utilisation of resources and participation in research projects
- Production of fresh water approved for food production at locations where water is in short supply
- Determine action plans to reduce energy consumption at factories and facilities
- Engage in a partnership for a model to calculate the carbon footprint for seafood-based product chains
- Establish a yarn return scheme in Greenland for yarn delivered by Royal Greenland
- Substitution of laminates with mono-materials

Royal Greenland Summary



We are one of the largest fully vertically integrated seafood supplier in the world

Largest supplier of Cold Water Prawns and Greenland Halibut



Vertically integrated supplier of Atlantic Cod, Canadian Lobster, Snow Crab & Lumpfish Roe caviar. Full traceability from catch to bag



Global presence with 47 production, packing and sales sites

2,200 employees globally

UK sales, logistics, finance, technical and marketing based in Manchester

WHO WE ARE



We have been supplying UK & EU retailers for over 30 years

In the UK, we have supplied both branded and OL skus to retailers such as M&S, Morrison's, Aldi, Asda & Waitrose before Brexit!



Our brand resonates with best & consistent quality, we supply most of the biggest Industry Hospitality and Foodservice suppliers

Crisis Management

So how have Royal Greenland been affected with all these crisis?

Still no signed Trade Deal after Brexit!

Duty of 20% to bring in Prawns from Greenland (though a duty free volume was agreed)

Duty of up to 20% if we pack our goods in our new central European factory

We can no longer pack our products in our central European factory but have to co-pack in the UK severely limiting what we can produce, and how much we can produce.

Statistically all imports have been hit by around 20% 2021 versus 2019 due to Brexit.

With regards to the effects of COVID 19 sales in some of our business areas were down 80% year on year due to Covid 19 hitting the Food Service and hospitality trade. Though overall year on year figures were down by 36% 2020 versus 2019.

Inflation although giving us higher selling prices initially could mean that many of our consumers switch to cheaper products. Also note that these higher selling prices merely cover the cost of our increase production, shipping costs and increased salaries etc.

What has happened since 2019?!

Is this all real or a bad Hollywood disaster movie?

Global Climate change Crisis and Environmental Crisis

New facts now showing that our world 'is really' dying due to pollution, waste and an increase in global temperatures.

According to the UN *"Rising temperatures are fuelling environmental degradation, natural disasters, weather extremes, food and water insecurity, economic disruption, conflict and terrorism"*.

Every company in Great Britain will be affected in some way, whether it is new accreditations to prove our environmental worth or new environment laws and taxes.

More and more customers are asking us about our environmental credentials!

Terrorism: Terrorist Attacks including one here on November 2019

Very Sad event that resulted loss of 2 lives from this very venue!

UK spent £15.1 billion in 2017 which is now believed to be nearer £20 billion.

So Counter Terrorism is directly costing UK businesses and tax payers more each year!

BREXIT

Whose idea was it for the world 5th largest economy to exit from the world largest trading block?



BREXIT

Were we misled?!

BREXIT

The fallout



It is estimated that Brexit has cost UK companies £250 billion. (Let's soak that in...£250,000,000,000).

Thomas Sampson Associate professor at LSE stated, "when measured in terms of their impact on the present value of the UK GDP, the Brexit shock is forecast to be two to three times greater than the impact of Covid 19". Brexit has in real terms caused a drop in GDP by 4% and the UK Shellfish industry has been hit hard.

The Investment Monitor stated that exports to the EU from the UK fell by 46% due to Brexit in 2021.

Royal Greenland has already had several major contracts affected due to Brexit.

We estimate that we lost millions of pounds of new business due to Brexit

Protests by the British Shellfish Industry

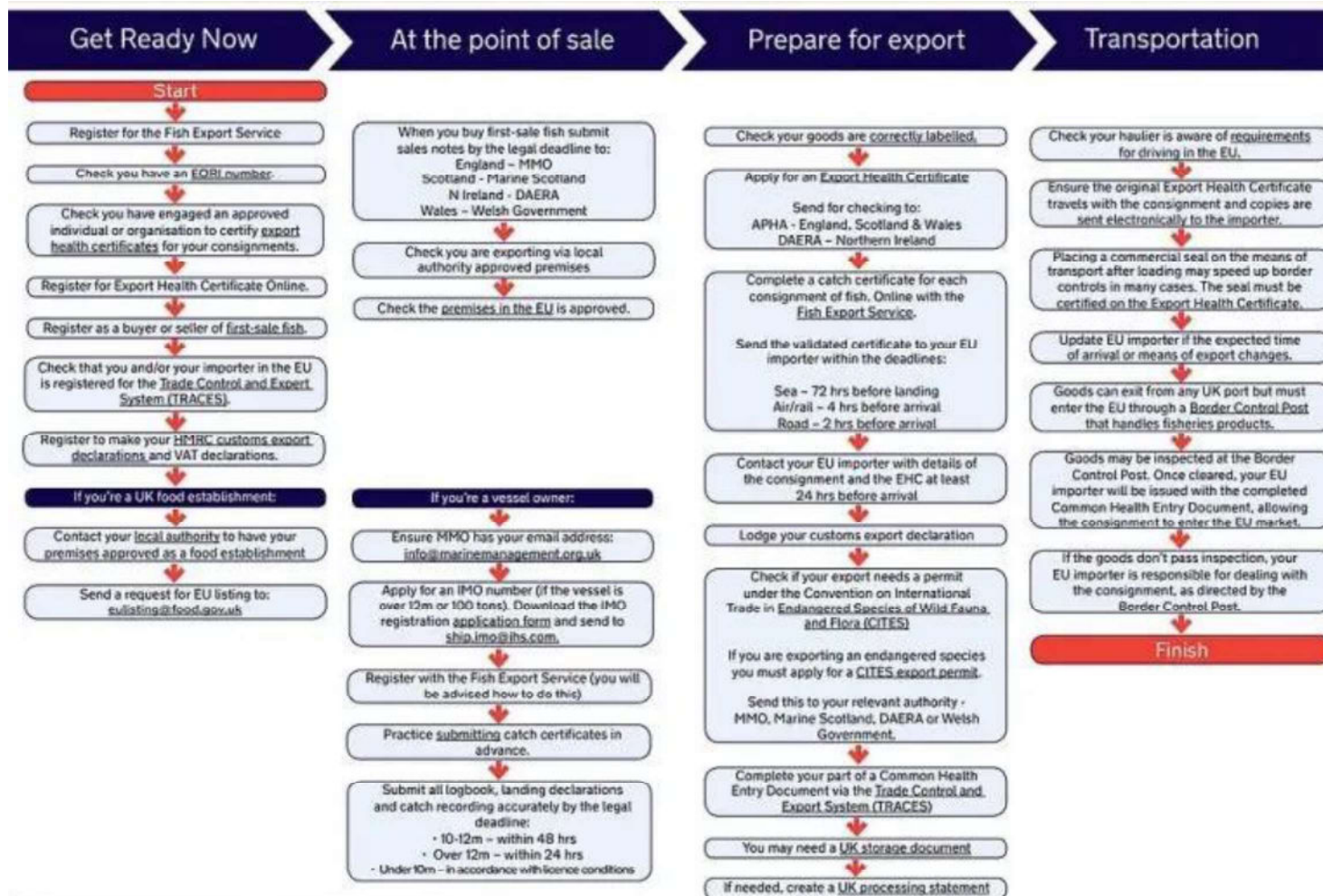


PROTEST



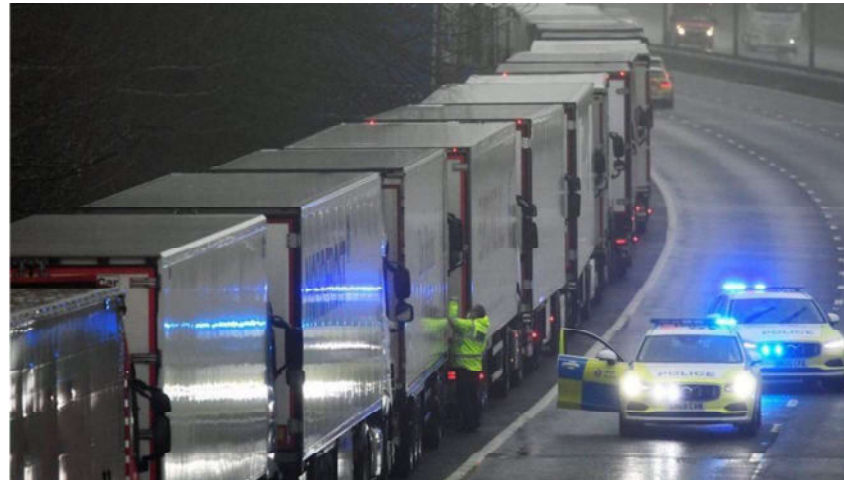
How to export seafood post Brexit!

Similar import flow for RG UK!



PROTEST

Our Struggles!



BREXIT STRUGGLES

Conclusion: Many of you have struggled to export your Shellfish products, costing more time money and effort. Royal Greenland are struggling to bring products in, mainstay items for the British consumers such as cod as well as prawns.

It has hit us all form both sides, import and export!
Did it need to be this way?

COVID 19

The stats and the consequences

Around 175,000 people have lost their lives to the COVID 19 Pandemic and there have been approximately 22 million cases in the UK.

Worldwide the latest figures showed 6.2 million deaths and over 514 million cases. This is a time in history that can not be ignored!

Its impacts on the industry?:

According to Sky News (report from CGA) approximately 10,000 pubs, restaurants and cafes permanently closed due to the COVID pandemic.

The Pandemic has cost UK businesses over £200billion according to Financial paper CITY AM.

Royal Greenland saw sales in some areas of Out of Home (food to go and hospitality) drop by 80% in the worst months of the pandemic.

Royal Greenland are currently rebuilding our Industry, Food Service and Hospitality sales.

2. Temporary Closed restaurants



COVID 19



3. The permanent closure of UK hospitably venues



COVID 19



Ukrainian War

Why does this matter?

UK industry is directly affected! Some fish and chip shops have stopped selling cod altogether as approximately 25% comes from Russia and some have had to increase their selling prices by 30% to make ends meet!

Andrew Cook president of the National federation of Fish Friars has warned that the Ukrainian crisis could be the final straw for many British Fish & Chips shops as it has meant that both cod and oil and prices have hit a historic high.

We also know that some members used to import shellfish to Russia which has now also stopped.

UKRAINE

Royal Greenland have already seen some of its customers switching fish species due to direct consequences from the Ukrainian war.

The war is also adding to the already desperate problems of inflation



Inflation

Inflation hits a 13-year high!

Month on month inflation are breaking records 7% increase from February to March. (source: www.ons.gov.uk)

The CPI including owner occupiers housing costs (CPIH) rose by 6.2% in the 12 months to March 2022 (source: www.ons.gov.uk) This could reach 8.7%?!

The Rising global price of energy, supply chain problems and higher shipping costs have seriously impacted our island community and will continue to do so for the foreseeable future.

Royal Greenland UK are already seeing rising costs cutting into our already stretched UK margins

Royal Greenland is working hard with our British customers to keep supplying the same products at 'useable prices' to protect the Seafood market, but it is a struggle. We don't want customers switching to cheaper proteins due to inflation!

INFLATION



Final Comments

So where do Royal Greenland UK & SAGB members go from here?

This is **The Shellfish Association of Great Britain** and one of the great things about the British is that we get on with things, we cope!

Not only do we cope but we adapt and in our own ways we will contribute once again to make this country great despite our inept politicians and everything else the world can throw at us.

Now more than ever before is the time for the Shellfish Industry to come together and address the common internal & external challenges that we face.

All is not lost because we will win through, we have great products and great people. Business will continue and it will once again flourish!

WHERE NEXT?



CAN WE PLEASE HAVE A YEAR WITHOUT A CRISIS?



52nd Annual Conference

Shellfish Association of Great Britain

#SAGB52