

MARCH ISSUE

THE SCOOP

Tough year has helped set a good course

Rum Farm, Photo: Kyle MacIntyre

Cost controls, biological improvements and government inquiries: 2018 sets Mowi on course for a strong future

By Ben Hadfield, Managing Director, Mowi Scotland

2018 was a year of strict cost control to match lower salmon harvest volumes and a dedication to improving biologicals. Fortunately, necessary and tough decisions have reset Mowi Scotland towards sustainability.

Cost and fish performance

Mowi's group results for 2018 have now been made public, with Scotland showing good performance despite a very challenging year. This result and longer-term sustainable outlook would not have been possible without far-reaching changes made to the business.

Despite critical cost-cutting initiatives, key business improvement investments into Scotland of more than £200m continued throughout the year. The money for these investments came from our own earnings but also a loan from our parent company – effectively putting the wealth back into Scotland and protecting our investment for the future.

Our success is due to the hard work and contribution of our employees, and the way they apply their skills, experience and knowledge every day. This year will be our biggest year yet, with expected volumes of over 60,000 tonnes, so I look to all of us to continue down the course we have set to improving costs and fish biologicals.

Government inquiries

Last year also saw two government-led inquiries take place in response to some angling groups requesting a moratorium on our business. While I believe our sector has been vindicated by the inquiries' conclusions – finding no evidence to support a moratorium, but rather a recommendation of responsible growth – I am concerned that some opinions stated at the hearings linger as fact.

Bluntly put, evidentiary hearings should bear witness to proof and fact, not conjecture and speculation.

This said, Mowi has publicly stated its support for the 65 recommendations made by the Scottish Parliament's Rural Economy and Connectivity (REC) Committee. Some recommendations have already been acted on by our company (wrasse culture, sea lice reporting and wild fish sector collaboration, for example) and the Scottish Government's Farmed Fish Health Framework has been embraced by the sector. We look forward to moving ahead with other recommendations such as improved data reporting, sensitive site relocations, and other recommendations that follow the general principle of "good growth" supported by strong fish biologicals and community support.

I look forward to sharing with you our initiatives, challenges and successes throughout 2019.

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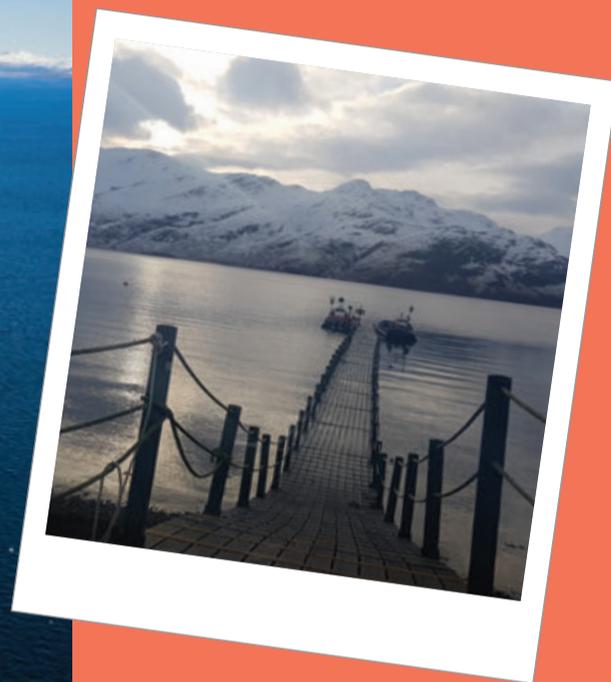


Photo of the month

Loch Hourn

Photo submitted by Josh Hewitson

Mowi in the news

We were pleased to be recognised as a top performing company in Scottish Business Insider's Top500 Index for 2018. Sitting at number 31, Mowi Scotland Ltd is ranked above all other seafood companies in Scotland. We were also delighted to see our Value-Added Products UK business in Rosyth jump up 248 spots on the Index to 116.

businessinsider
TOP500

If you haven't already, remember to start following us on our new social media handles!

 @MowiScotland

 @mowi_scotland

 @MowiScotlandLtd

 Recruitment: mowi.com/people

Close collaboration between Norway and Scotland



Claes Jonermark

As we get closer to the opening of the fish feed plant at Kyleakin, we spoke to Claes Jonermark, operations director (Europe) for feed, to find out about how the teams in Norway and Scotland have been working closely together to ensure that the new venture is successful.

Claes and his team have been involved since the very beginning, when the site at Kyleakin was first mooted. Claes explains:

“Our fish feed plant in Norway had been in operation since 2014 and so when Mowi was developing the plan for a fish feed plant in Scotland, it was based on our experience in Norway. The team in Norway has been very involved in every step of the journey at Kyleakin.

“From applying for permits, meeting politicians in Scotland, hosting political delegations from Scotland at our feed plant in Norway and the construction phase, the collaboration between the teams at the two sites has been strong.

“From Norway, two members of the team act as support for the project manager for Kyleakin – one for construction and one for process. As we get closer to Kyleakin becoming operational a team of five or six will come over from Norway to assist the Kyleakin team with preparations and will remain on-site during the first few weeks of production.”

Similarities of sites

Claes continues: “As with Kyleakin, the feed plant in Norway is also built on an old quarry. We tried to replicate the learnings in every way, even down to the location of the site. Logistically Kyleakin is fantastic. It is in the middle of the farming area on

the west of Scotland and whilst there are no direct neighbours to the site, it is close enough to Kyleakin and Kyle for housing and other amenities for our staff. From a construction perspective, it offers good ground conditions, making it optimal to build on.”

Recruitment

The approach to recruitment has also been consistent between the two sites. Given that most people with experience in fish feed production are not likely to be willing to move to the sites for the Mowi feedmills, the approach has been to find smart people with a desire to learn. Mowi then has a well-designed training programme which is a combination of hands-on experience at the factory combined with the theory behind fish feed and achieving the optimal nutritional balance for the salmon. Most members of the team from Kyleakin have been to Norway for training.

Looking ahead

Once Kyleakin is operational it will be a good opportunity to share knowledge between the two sites and develop best practice for fish feed production at Mowi.

Taste Local Awards

The Scoop caught up with John Corfield, founder of the Isle of Skye Smokehouse and part of the driving force behind the revitalised Taste Local Awards on Skye.

Having relocated to Skye after a career as a chef in London under the tutelage of Gordon Ramsay at Hospital Road and a stint at the Ritz Hotel, John opened a B&B initially and then saw the potential for a traditional smokehouse on the island.

The Isle of Skye Smokehouse supplies many Skye businesses such as The Three Chimneys and Dunvegan Castle with high quality smoked salmon. John sources all of his salmon from Mowi.

John explains: “From the very beginning I was impressed by the customer service provided by Mowi. I know that I am a small customer, but I am never made to feel like my custom is any less important than that of the big players like Sainsbury’s. I use up to 18 fish per batch and sometimes I’ll do two batches a week.”

Mowi’s Robbie Kettle, who manages John’s account, tells how the team is delighted to supply a local Skye business: “John’s business sounded like a great enterprise and is very local to our new feed plant at Kyleakin so one day could be supplying back into our own factory by adding value to our product through his own artisanal process. Even though we produce up to 60,000 tonnes of salmon per year, we are more than happy to support local businesses with a set price to ensure they have access to our product which is on their doorstep.”

From the very beginning, authenticity has been a guiding principle for John. He built the smokehouse himself, modelled on a traditional cleit found on St. Kilda. He uses alder logs to create the heat and smoke needed for the nine hour process. His Hot Alder Smoked Salmon was recently awarded silver in the chilled and frozen products category at Scotland’s Speciality Food Show.

John believes that the recent tourism boom on Skye is also fuelled by a desire to have a truly authentic experience on the island. As he puts it: “To me excellent food made using local ingredients is just as important to the overall cultural experience as local history, arts, crafts and music.”

It is this quest to ensure that restaurants, cafes, hotels and B&Bs on Skye can easily access quality local ingredients that has sparked his latest venture – the revival of the Taste Local Awards, where Mowi is sponsoring the Best Restaurant category.

Part of the motivation to relaunch the Taste Local Awards after a gap of six years was to guarantee continuity of service of the Skye and Lochalsh Food Link van. Set up in March 2000, this local food distribution van ensures that local produce is distributed around the island. John explains: “The Food Link van operates twice a week from April through to October. It is a win-win solution. For producers like me it means that for a small fee, I can get my smoked salmon delivered to businesses all over the island. For restaurants, cafes and hotels, they are guaranteed a regular and reliable supply of fresh produce delivered directly to their kitchen.



It’s even good for the environment because it cuts down on food miles travelled by individual producers.

“It is crucial that the service continues so if, through the awards, we can raise awareness of great local produce and celebrate it by acknowledging the producers and the chefs that create great dishes from these ingredients then I hope that more businesses will support the Food Link van.”

The judging of the Taste Local Awards took place when The Scoop went to print, so check out the winners at www.tastelocalawards.com



Sign us up

A few months into the year and we're now in full-swing as Mowi. As part of the rebrand, we have been rolling out new signage and updating vehicle livery with our new logo.

Wherever possible, we aim to work with local suppliers. So The Scoop connected with Fort William-based All-Round Signs to discuss its latest job: signing us up.

A long-lasting partnership

We've been working with All-Round Signs for almost 20 years, since its early days of business. Working on vehicle livery and site signage for factories and hatcheries across most of Scotland, as well as providing some more generic safety signage for sites in Wales, the Mowi rebrand is one of All-Round Sign's biggest jobs of the year.

Mowi motors on

A big part of the rebrand is updating vehicle livery and applying livery to new vehicles in the fleet. All-Round Signs has been working with each of our sites individually to arrange for the work to be completed. The team has even accommodated jobs around ferry timetables to ensure our vehicles are on the next ferry home!

Working with a trusted local supplier has meant a greater deal of flexibility around our needs and a much more personal service.

With around 38 site signs made and up to 20 vehicles rebranded or booked in so far, the team at All-Round Signs hopes to have the bulk of the rebrand completed by the end of March, with vehicle livery ongoing.

A massive thank you to Gavin and the team for all their hard work!



Mowi Scotland impresses Middle East buyers

Mowi Sales UK was proud to join Scotland's best in food and drink brands on a Middle East buyers' tour

Ali Ali, Food & Drink Advisor for Scottish Development International, hosted Mowi's Georgina Wright, Head of Sales, and Jamie McAldine, Account Manager, along with other Scottish food and drink brands in the Middle East last week.

Georgina and Jamie travelled to attend "Gulfood" - the world's largest annual food and beverage trade exhibition at the Dubai World Trade Centre welcoming over 98,000 attendees from 193 countries.

The trip also included meeting directly with buyers at stores that included Spinneys, Lulu, Choithrams, Carrefour and Al Maya.

The opportunity for direct contact with Mowi staff provides buyers intimate knowledge of our products, brands and expertise, and at the same time providing Mowi with market knowledge and introductions to relevant buyers.

The trip's anchor event, the #ScottishProductShowcase, was held on February 19th at Jumeirah Emirates Towers where 130 key Middle East and Indian buyers sampled some of the finest foods and beverages Scotland has to offer. Mowi was one of 22 brands showcased that evening.

Ali Ali said: "With an excellent Scottish menu to try - thank you Chef Anjan - along with a fantastic live bagpipe performance on the night, the buyers seemed to have a lovely time networking with Scottish companies. With more than 100 introductions made for companies, I'm certain this week will help further push and elevate Scotland's food and drink offer in the Middle East."

Jamie McAldine saw much value in the trip, saying: "It was a brilliant trip and I thoroughly enjoyed attending Gulfood 2019. The chance to meet face to face with current buyers we speak to and potential new buyers was invaluable. We increased our volume to the UAE by 130% 2018 vs 2017 and look to increase this significantly again in 2019."

Talk Safety

This month, we wanted to share an update from our TalkSafety: Be Innovative campaign that we ran last year.

In 2018, 60 sessions were held with over 700 attendees. Numerous projects were identified and already, some "early wins" have been implemented:

- Adverse Weather Policy - Seawater
- PPE storage facilities - Hatcheries
- Knife security - Mallaig
- Mental Health and Wellbeing Advice
- "The Scoop" - Monthly updates and news articles for staff.

The health and safety team will resume further TalkSafety projects this year. Look out for dates for sessions to sign up to.



Community news

Tour policy at Mowi Scotland

As temperatures increase to summer, so does our number of requests for tours. It's a difficult balance to provide tours and also grow fish! If you are thinking of asking for a tour, please refer to our new tour policy posted online to read how we decide on tour requests. Find it at www.mowiscotland.co.uk/tour-policy/



Young Chef sponsorship

We have sponsored the Young Chef competition organised by The Rotary Club of Lochaber for the last five years. We were delighted to see Connie MacLennan triumph at the Glasgow and West of Scotland heat on 23rd January. Connie will now go through to the Scotland and North of England heat. We wish her luck for the next round!

Managing plastics at Mowi



There are no microplastics found in our salmon fillets, but reducing plastic use remains a top focus.

Plastic production and use reached 322 million tonnes in 2015, with production expected to continue to increase in the foreseeable future and production levels likely to double by 2025. Inadequate management of plastic waste has led to increased contamination of freshwater, estuarine and marine environments. As a result, it was estimated in FAO's 2017 report 'Microplastics in fisheries and aquaculture', that in 2010 alone between 4.8 million to 12.7 million tonnes of plastic waste entered the oceans.

We take our responsibility to the environment and the fish in our care seriously and so we wanted to establish whether microplastics can be found in our salmon fillets. Mowi Global R&D has recently completed a study on microplastics in farm-raised salmon, with the study showing that there are no microplastics in our salmon.

In the study, fillet (NQC), liver, gills and the content in the gastrointestinal tract from farm-raised (Mowi North Atlantic salmon) and wild-caught salmon (caught on the Norwegian coast) were analysed. A variable but low number of microplastic particles were found in gills and in the gastrointestinal tract, but this was too low to conclude that there is a correlation with the levels of contaminants. The study also showed that the levels of contaminants in wild salmon is higher

compared to farmed salmon, which is to be expected and related to differences in diet.

Testing also found no evidence of microplastics in our fish meal and finished feed samples, however, there were findings of microplastic particles in fish oil samples. We will continue to monitor microplastics in our finished products and raw feed ingredients.

It isn't just about doing everything we can to avoid microplastics being present in our salmon, we also have a duty to encourage minimal use of plastics throughout the workplace. We can all do our bit to reduce plastic use at home and at work and help prevent the contamination of our oceans.



Meet Emily Connolly

As she enters the second year of her training, 20-year-old Emily Connolly, is a proud member of team Mowi.

In her role as an apprentice electrical engineer, Emily works at farm sites from Campbeltown to Skye and is developing a broad range of skills that will stand her in good stead as she grows her career with us.

From fitting sockets to driving powerboats

There are plenty of opportunities for apprentices at Mowi, as Emily explains: "Mowi is such a unique company to work for as you get to work in a variety of places and on a diverse range of jobs, from putting lights up in houses to working with electricity out on the water and fitting sockets in cages. You learn something new every day.

"Mowi also enrolls me on lots of different courses. I've even had powerboat training! I learned how to park the boat and how to drive it in different conditions, which is something I never imagined I would have the opportunity to do.

"Whatever the job I'm doing, I'm learning something new every day."

From apprentice to employee

As part of her apprenticeship, Emily is fully supported by her mentor, Donald MacKenzie, and the wider Mowi team.

"My mentor is always there to help me out and answer any questions I have. As well as the electrical engineers, I've met so many different people since beginning my apprenticeship. There are people that work at the sites, in HR, that are marine biologists – it is such a diverse company with so many opportunities.

"I felt like part of the team from the very start and I'd recommend working here, whether it's an apprenticeship or any other role, to anyone interested in the industry.

"Once qualified, I'll have a well-paid, full-time job in the Highlands which is great."

Mowi's multi-skilled workforce

In the engineering sector, knowledge is being passed onto apprentices, as Emily says: "On the sea sites, there is a lot of very specific training that is industry required, as well as diverse projects, so it's great to learn on-the-job."

As a company that employs around 1,250 people in Scotland, a multi-skilled workforce is needed. This presents a range of exciting opportunities and a potentially life-long career for our employees.

By passing on the knowledge to Emily through an apprenticeship; she gains a life-long career, Mowi gains a knowledgeable new member of the team, and any future apprentices can also benefit from her mentorship.

Keep up the good work, Emily!

