

MAY ISSUE

THE SCOOP

MOWI®



MOWI®
SUPREME SALMON SINCE 1964

Blar Mhor processing plant

Processing future growth

Managing Director Ben Hadfield explains how Mowi has a 'once in a lifetime' opportunity to build a state-of-the-art fish processing facility in Scotland.

In our January issue of The Scoop, Ewan MacColl, operations director, processing and feed, highlighted that 2019 would be a bumper year where the business will likely produce in excess of 60,000 tonnes of salmon.

He talked about how increased volumes brought both challenges and opportunities because our Blar Mhor processing plant in Fort William would soon be at peak capacity and that our plant at Donegal would assist with additional processing requirements.

This month, Ben Hadfield gives us an insight into the process currently underway to prepare the business for future growth and create a long-term solution for fish processing at Mowi Scotland that would accommodate all our requirements.

Ben explains: "I want to start by saying that this is a great opportunity for all of us at Mowi. We can develop a processing programme that not only provides high quality fish to our customers, but also ensures we best utilise our talented staff alongside the latest technologies to create a workplace that can provide a proper work-life balance. The fact that we are reaching capacity at Blar Mhor is testament to the hard work of staff across Scotland and a very positive indication for the business.

"We are fortunate to have several solutions available to us for consideration and will soon begin a thorough consultation process with key stakeholders to develop the best solution for our staff, our business, our customers and the communities in which we operate."

The options under consideration are; increasing capacity in Fort William, either by expanding the current facility at Blar Mhor, or by identifying a suitable site elsewhere in Fort William; increasing the capacity at Donegal; expanding our value-added facility at Rosyth and increasing its scope; introducing ocean processing onboard Mowi's vessels or; building a new processing facility at our new shoreside feed plant at Kyleakin on Skye.

"While all options are on the table at this point, and whilst it is still early days and there is a lot of work to do, a preferred option is to build a new state-of-the-art facility at our feed plant at Kyleakin. The reasons that made Kyleakin our preferred choice to build our new feed plant are also relevant when choosing a location for a fish processing facility. We have invested a lot of money into the pier and it makes sense to optimise that. We would be able to bring our salmon directly from our farms by sea to Kyleakin and the pier would not limit the size of vessel transporting the salmon as is currently the case at Mallaig where the salmon are harvested. At Kyleakin, we could build a facility with future capacity in mind and we could harvest, process and fillet the fish all in the same location."

This said, Ben points to the many things that need to come together before a decision is finalised, including staff consultation, a detailed plan, and Board approval. The target for completion and full operation of the new plant is 2024.

"I want to reassure all staff that whichever option is deemed the best solution to take forward, everything will be done to ensure we retain our talent. Fish processing at Mowi Scotland involves around 150 people, including the harvest station at Mallaig, the teams involved in transportation and the staff at the Blar. As with any changes we have made previously in the business, our desire is to retain our depth of expertise. We will therefore look at work shift adjustments, refined roles, use of new technologies, supporting relocation or providing transport and accommodation.

"Consultation will continue over the next few months and we will start to commission specific feasibility and impact studies to inform a detailed plan ready for the end of the year. We will continue to keep everybody informed as we work through each milestone and I encourage all staff to become an active part of what is sure to be an exciting development for Mowi in Scotland."

Mowi in the news

Leven leading the way

Loch Leven farm manager, Andy Martin, was interviewed by Salmon Business about the use of cleaner fish at Leven, which was the first farm to introduce cleaner fish to tackle sea lice six years ago.

Andy explained how the quality of farm-raised wrasse and lumpfish, sourced from several of our facilities in Scotland and Wales (covered in our interview with Dougie Hunter in this issue) is phenomenal. He also goes into detail about the care given to cleaner fish which is just as much as that shown to our salmon. The Leven team is also pioneering the use of real kelp, sourced from a local seaweed farmer, to mimic the natural habitat for cleaner fish. This innovation will be rolled out to other Mowi sites. Read the full article on <https://salmonbusiness.com/>



Photo credit: Salmon Business

Mowi makes the shortlist for the 2019 Aquaculture Awards

Congratulations to Kendal Hunter and Clara McGhee who have both been shortlisted in the most promising new entrant category for this year's Aquaculture Awards. Winners will be announced at an event at Dynamic Earth in Edinburgh on 29th May.



Guaranteeing supply of cleaner fish

The Scoop caught up with Dougie Hunter, head of cleaner fish and technical services at Mowi, to find out more about our recent acquisition of Ocean Matters.

Ocean Matters, based in Anglesey in Wales, is the largest producer of lumpfish in the UK. This species of cleaner fish is an important part of our strategy to control sea lice.

Dougie explains: "Mowi was actually Ocean Matters' biggest customer and collaborator so in many ways we were already part of the team, making this acquisition a very natural step."

The motivation to acquire Ocean Matters was in part driven by self-sufficiency as it gives Mowi a guaranteed supply of lumpfish. However, the aim is to produce enough lumpfish to continue to supply other companies.

The acquisition comes two years after Mowi bought neighbouring farm, Anglesey Aquaculture, that once produced sea bass, with the intention of farming wrasse. This means that Mowi will now be able to produce both species of cleaner fish used by salmon farmers to combat lice in the UK.

Dougie adds: "This is a significant step for us. At the moment, we use around 3 million cleaner fish (wrasse and lumpfish) at our farms in Scotland. Ultimately, we will be able to align our production levels of cleaner fish with our overall growth plans for salmon production. That said, we are also aiming to become much more efficient in our use of cleaner fish and we are learning all the time."

The business will continue to operate as Ocean Matters, managed by Mowi Scotland.



Dougie Hunter

DID YOU KNOW?

Did you know that a single lumpsucker can eat more than one hundred sea lice in the course of a meal?



Ocean Matters Anglesey

The importance of strong leadership

We are proud of our track record of producing good managers at Mowi. In many ways it is unsurprising that a business employing staff to grow salmon from egg through to adult would naturally attract staff with a tendency to nurture, but we have invested heavily in cultivating strong leadership at Mowi.

The Mowi Managers Programme, created by renowned leadership development consultancy SRS - The Development Team, was designed to ensure that every manager at Mowi has the skills to support and develop their team effectively.

The programme consists of four workshops, each designed around Mowi's leadership principles:

1. Inspire people
2. Make it happen
3. Live the values
4. Think and act

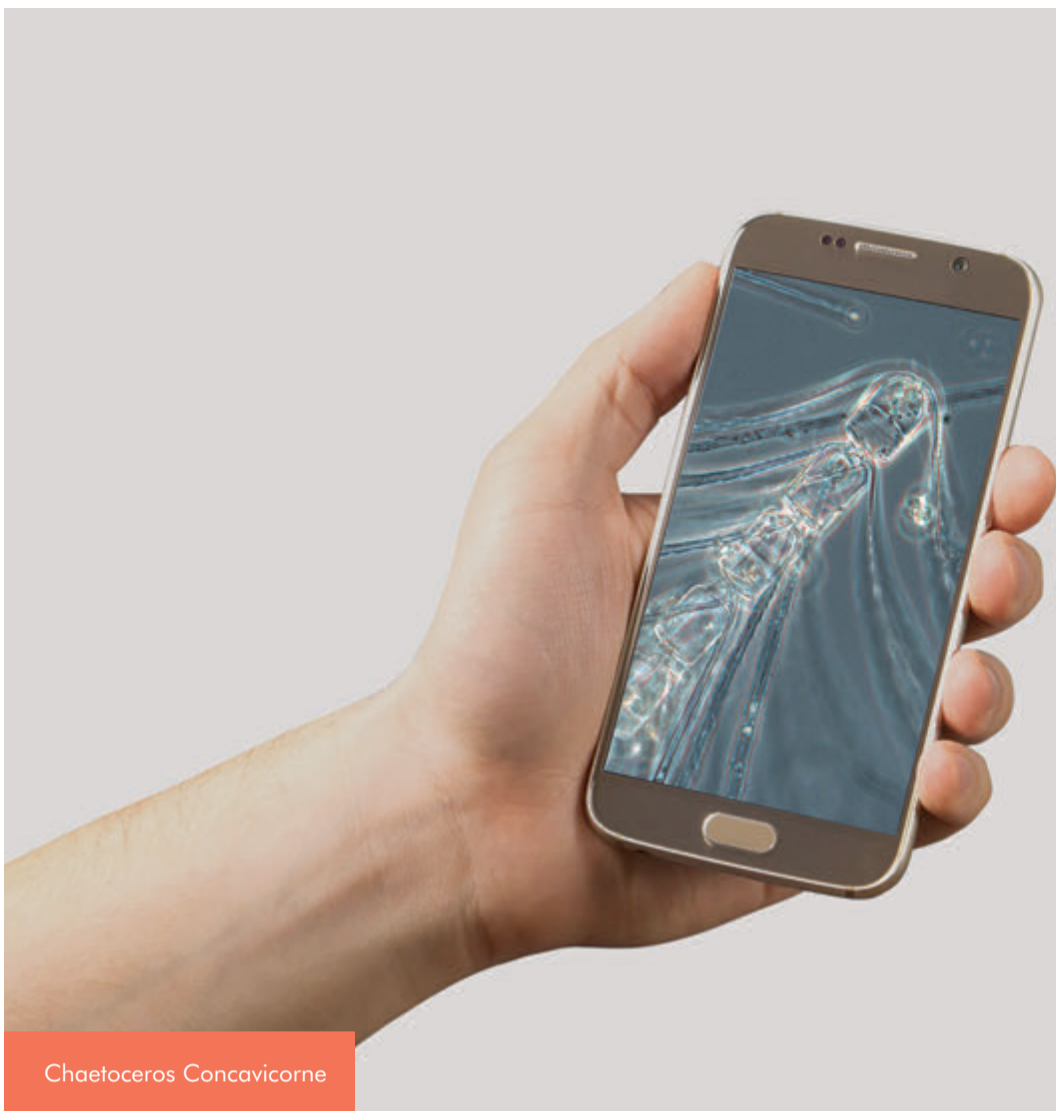
Ultimately, the aim is to ensure that managers have the self-awareness, relationship awareness and skills to engage, develop and retain the best people. This will ensure that Mowi is fit for the future and that staff feel valued and therefore want to give their best to make the company great.

One of the most recent cohorts was for senior managers. The Mowi Managers of Managers Programme put the senior team through its paces

with three 2-day workshops and a full day final event. Delegates covered topics such as the role of a manager and influencing skills as well as coaching skills, planning and managing change and celebrating success.

Sue Swindell, founder and managing director of SRS - The Development Team said: "We work with many companies in the UK and globally and it is rare to come across a group of managers who all care so passionately about the work they do. It has been a privilege to work with this group and to understand the time and effort they put into caring for their fish and farms. They have been fun to work with and genuinely want to make a difference for their teams and the business."





Chaetoceros Concavicornis



Photo of the month

Photo credit: Josh Hewitson
Sunset from Loch Hourne's shore base

Sharing best practice to improve our approach to plankton management



The Scoop caught up with Lucy Munro, fish health manager, to find out how best practice from Mowi Canada is being implemented in Scotland to improve the monitoring and management of plankton.

Lucy explains: "Over the last couple of years, we have become increasingly concerned about the gill health of our fish. If a fish develops gill health problems, it can be the start of a number of secondary illnesses because the fish becomes weak and far more susceptible to other health problems or indeed to parasites like sea lice. Understanding the root cause of gill health issues and developing strategies to prevent them occurring is key to the healthy development of our salmon."

"Our investigations identified that plankton was the problem. In Scotland, there are about 15 species of plankton that we define as hazardous. Amongst them are the ninjas of the plankton world - microscopic jellyfish, invisible to the naked eye but capable of causing a lot of damage to fish gills."

After spending time with the team in Canada, Lucy applied the learnings and completely redesigned the approach to plankton management in Scotland. Mowi has made significant investments in new equipment and in training staff on the new protocols and monitoring systems.

Lucy adds: "We have started by training our farms in the north of mainland Scotland. If we see significant improvements in plankton management and a decrease in gill health problems in those farms, then we will roll out the training and equipment company-wide."

Successful plankton management is a combination of frequent sampling and monitoring with state-of-the-art equipment. Three samples are taken on each farm every day. A trawl sample is taken which essentially filters out the seawater and collects the plankton as it travels through the pen. That is analysed for plankton. Then further samples are taken at different depths – 10m, 5m and 1m.

The team counts the number of plankton as well as identifying the individual species to assess the potential harm to the fish. Microscopes with built-in digital cameras are used to analyse the plankton and the farm teams can email those images to the fish health team for advice if needed.

If it is decided that corrective action is required, then the farm teams will activate the new aeration systems. This creates an upwelling in the pen which pulls clean water through the pen from a much lower depth. This disperses the plankton, leaving the fish with a clean environment.

Mowi's Portnalong farm is also trialling a new aeration system from Pentair. This uses high pressure lines, oxygen monitoring systems and disc diffusion systems. If successful, this technology will be rolled out across Scotland.

TalkSafety



The iAuditor inspection checklist app has been launched. This is the latest tool to help us promote our culture of 'safety first' throughout the organisation.

iAuditor will be used to empower workers at all levels. It provides visibility and insights to help raise safety and quality standards across the organisation. The tool is web-based and can be used on multiple devices, including smartphones, which is perfect for our working environment at Mowi which can include farm offices, factories, land-based and sea-based operations.

iAuditor will make it easier to manage the many paper checklists and audit systems already in place. Staff will be able to undertake quicker and more frequent inspections across all business units, enabling the creation of immediate actions or safety alerts. Teams will get immediate insights from the data generated.

iAuditor has been introduced to the lower south region with plans to roll out the app to every site in Scotland.



iAuditor app

Community news

Leading the fundraising for Lochalsh Leisure Centre

The leisure centre in the Kyle of Lochalsh is used by many of our staff and the communities near our farms, so when we heard that the roof needed replaced, we simply had to help.

Mowi has donated £13,500 towards the cost of replacing the 30-year-old roof over the swimming pool. This figure is half the amount it will cost for a new roof and we are also leading the publicity campaign to inspire others to donate.

Our target is to raise the other half needed - £13,500. As The Scoop goes to print, we can confirm that £11,185 has been raised, thanks to a very generous donation of £10,000 from Eilean Donan Castle and the Conchra Charitable Trust.

Follow the progress of the campaign on Facebook @lochalshleisurecentre1 and local media where we will be announcing new fundraising activities and events over the next few weeks. You can donate via the JustGiving page. Please spread the word and help us reach our target.



Meet Christopher Sims

What do you do at Mowi?

I work as a harvesting technician at Mallaig, processing live salmon from the farms before they go to the factory at Fort William.

What did you do before fish farming?

After school, I worked as a fisherman all over the British Isles.

What do you like most about your job?

I like the physical aspect of working in the harvest station. It's like going to the gym and doing a workout!

What do you do in your spare time?

I like to tinker about with mechanics and fix things. I also like to go fishing and walk my dogs.

What is your favourite salmon dish?

Pan seared salmon and pesto-dressed vegetables.



Closing the Gender Pay Gap

This month, Joanna Peeling, head of HR, shares the findings from Mowi's recently published Gender Pay Gap statistics.

What is the Gender Pay Gap?

The Gender Pay Gap is the difference in the average pay and bonuses of all men and women across an organisation. This is different from Equal Pay, which considers whether men and women are paid the same for carrying out the same or similar jobs.

The published numbers allow us to review:

- The levels of gender equality in the workplace
- The balance of male and female employees at different levels
- How effectively talent is being maximised and rewarded

Joanna explains: "I want to start by saying that we are confident that we have equal pay for work of equal value, rewarding our colleagues for the role not their gender; and that our approach to recruitment, engagement, development and reward helps us to move towards closing the gap in the future."

Mowi Scotland Farming

	Mean (average)	Median (mid-point)
Gender Pay Gap	22%	2.2%
Gender Bonus Gap	-4.6%	0.3%

	Males	Females
Proportion of males and females receiving a bonus:	74.6%	85.4%

Pay Quartile	Males	Females
Upper Quartile	87.6%	12.4%
Upper Middle Quartile	88.8%	11.2%
Lower Middle Quartile	87.6%	12.4%
Lower Quartile	85.2%	14.8%

Joanna continues: "When we look at these figures we can see that for median hourly wages females earn 98p for every £1 earned by men. The median hourly wage for a man is therefore 2.2% higher than for a woman.

"If we compare mean hourly wages then the mean hourly wage for a woman is 22% lower than for a man.

"Over the last year, the gap has widened most at the most senior level in the organisation. We believe this reflects the fact that traditionally the farming sector has been male-dominated and that the most senior roles are often filled by those with the longest experience. More females are joining our business and, as they build their experience, the gap should close and be reflected in the statistics in future years."

Pay quartiles are calculated by splitting all employees in an organisation into four even groups according to their level of pay.

This year women occupy 12.4% of the highest paid jobs and 14.8% of the lowest paid jobs. In 2017, women occupied 12% of the highest paid jobs and 16.2% of the lowest paid jobs.

Joanna adds: "This is good progress and indicates positive movement in women's earnings as they progress through the organisation.

Obviously, it does also highlight that we continue to operate in an environment with a significantly high proportion of males to females overall. To me, this is as much an opportunity as it is a challenge."

Mowi Consumer Products UK

It is a slightly different picture over at Mowi Consumer Products UK. For median hourly wages men earn 98p for every £1 earned by women. The median hourly wage for a woman is therefore 1.6% higher than for a man.

If we compare mean hourly wages then the mean hourly wage for a woman is 4.7% lower than for a man.

	Mean (average)	Median (mid-point)
Gender Pay Gap	4.7%	-1.6%
Gender Bonus Gap	5.6%	0%

	Males	Females
Proportion of males and females receiving a bonus:	88.6%	92.3%

Pay Quartile	Males	Females
Upper Quartile	71.7%	28.3%
Upper Middle Quartile	55.8%	44.2%
Lower Middle Quartile	75%	25%
Lower Quartile	71.7%	28.3%

Joanna explains: "This change from last year, along with the movement in the median average, indicates the gap has widened as a result of women making up a bigger proportion of our entry-level positions than previously."

Other highlights:

- Women occupy 44.2% of the jobs in the upper middle quartile compared to 24.4% last year
- Women occupy 22.1% of the jobs in the lower quartile compared to 28.3% last year

Joanna continues: "What this pay quartile data shows us is that in general, women are being promoted into more senior roles or are joining the organisation at more senior levels than previously. At the same time, following a big recruitment drive at Rosyth when this data was captured, women are making up a higher proportion of entry level roles. We can expect these women to progress through the organisation into more skilled roles and therefore a higher pay quartile. As with the farming side of the business, we still have a higher proportion of men to women overall."

Joanna concludes: "Mowi, similar to other farming and food production sectors, has traditionally been male dominated. Whilst this is still the case, there is a lot of work being done to buck this trend. We are working hard with schools, colleges, universities and community bodies; as well as running media and social media campaigns to raise awareness that we have opportunities to attract everybody, regardless of gender. Our recent campaign for International Women's Day shows that more and more women are choosing aquaculture as a career."