

## Fish feed in Bjugn

### – A recipe for success



A fish feed pellet is composed of many ingredients, and producing a high-quality product requires knowledge and skill. But succeeding in full-scale feed production requires more than just a scientific formula. Marine Harvest opened its first feed plant at Valsneset in Bjugn, Norway, in 2014, and after 18 months of production, the feed plant is a greater success than we ever believed possible. Behind our salmon pellet is a mix of experienced people with the right attitude and passion. Combined with a systematic HSE process and a strong commitment to the local community, Marine Harvest Fish Feed has found a recipe for success.

“Bjugn municipality has been an excellent partner”

#### Mick Watts

Development Group Engineer  
at Marine Harvest Fish Feed

When the decision to invest in feed production in Norway was taken in 2012, it was based on the conviction of a few, passionate employees, who truly believed that with a strong plan, experienced project management and a location fit for purpose, we could produce our own high-quality feed with the same, or better, efficiency as our competitors. Our project manager was on board, a plan had been developed, so work on finding a suitable location could begin. Raw materials to produce fish feed are mainly transported by sea, and the finished product, in the form of feed pellets, is loaded onto boats for shipment direct to the sea farms. The feed plant therefore had to be constructed by the sea, with deep-water access for bulk cargo vessels. The industrial site at Valsneset in Bjugn, close to Trondheim, was perfectly situated to supply 60 % of our sea farms with fish feed within a 15-hour sailing radius. Bjugn municipality was very forthcoming from the start, and feedback from local residents was positive. We acquired the land in January 2013, with construction starting immediately and feed production underway by June 2014. The Norwegian Minister of Fisheries officially opened the feed plant in October 2014.

Bjugn has traditionally been a municipality where local job opportunities have been limited. The community has a population of almost 4,800 residents, with most young people leaving the district to find jobs elsewhere. Operating a feed plant requires a variety of skills in areas, such as HSE, logistics, process operations, warehouse management, maintenance, quality assurance and mechanics. Most jobs also require technical competence, and a dynamic workforce is crucial for running an efficient operation. When Marine Harvest Fish Feed advertised for 50 vacancies in September 2014, we received as many as 900 applications. The feed plant attracted local, national and international applicants, with a variety of backgrounds and experiences. Currently, our workforce consists of 70 people, 56 of whom are local. Several of our local employees used to work in the offshore industry, and the opportunity to swap long offshore shifts with a short local commute has been appreciated by families in the area. Including the spin-off jobs that the feed plant has created with local suppliers, Marine Harvest Fish Feed is now one of the largest employers in the community.

The advantage of local jobs is that family life has improved, with former oil industry employees now at home with their families

We are seen as a cornerstone business. Not only do we provide employment at our plant for local people, we also generate a strong ripple effect that benefits other local businesses. We acquire services and consumables from 21 local companies. It is vital for us to have an efficient and high-quality supply base, providing short delivery times for the goods and services we depend on locally. We have set challenging and demanding standards, which the local suppliers have met. We believe this customer/supplier relationship is important in building and maintaining close ties with the local community. In June 2015 Marine Harvest Fish Feed's importance was recognized when it received a Regional Development Award 2014. The regional municipality states that the feed plant is a major investment in the region that has created an attractive workplace, brought skills to the region and created a need for services from local suppliers.

When the Mayor was asked if there were any downsides to the feed plant, the answer was none

Our corporate values encourage us to be open and transparent, qualities that have been appreciated by the community in Bjugn. We believe that openness and good communication promote better relations, and local companies can learn from the way we conduct business, our social responsibility and our measures to secure sustainability. We operate with integrity and high ethical standards. Our Code of Conduct sets standards for the behavior we expect from each other, and which the local community can expect from us. We have introduced our Code of Conduct and use our HSE routines a requirement for all subcontractors working for us. We seek to do business with suppliers who share our social and environmental values. In our efforts on behalf of more environment-friendly production, we have invested in energy saving initiatives, such as Liquefied Natural Gas-powered equipment and heat recovery systems. As a result of these initiatives our operations in Bjugn reduced the CO<sub>2</sub> footprint (measured as CO<sub>2</sub> equivalents per tonne feed produced) from 79 in 2014 to 64 in 2015.

Our success has been dependent on our skilled, hard-working and dedicated local employees

Safety is always a concern, both during construction and once the site has gone into production. The construction phase of the feed plant lasted 16 months. Expansion and improvement projects are continuing, and after 18 months of production, we still have zero lost-time incidents at the plant, including both our own employees and contractors. Our absentee rate is 2%, compared to an industry average of around 6%, which we see as a sign of good working conditions and strong safety awareness. We have a solid safety culture and have undertaken several measures to promote safety regulations. For example, we prevent incidents and injuries

by continuously mapping and reviewing undesirable conditions, and applying safety measures to procedures, controls or equipment to lower the risk of incidents. The sharing of information is essential, and HSE standards, objectives and performance top the agenda of our daily meetings. Our people are observant, they feel responsible for their own and their colleagues' safety, and by reporting and discussing undesirable conditions we create dialog, honesty and openness.

In addition to providing a safe job, we also aim to provide an interesting job. In a global employee survey undertaken in 2014, Marine Harvest Fish Feed achieved top marks with regard to both enablement and engagement. This indicates that our employees feel their work is interesting and challenging, uses their skills well and that they feel proud to work for us. In return, we have happy employees, who are hard-working and dedicated, and contribute to a good working environment with a strong work ethic.

We are also considered a proactive company, which engages with the local community. In 2015 we worked with local groups to make sure our neighboring coast line is kept clean and enjoyable for everyone. We are members of the local trade association, contributing to business development in the region and also helping with practical tasks at local events.

Our fish feed has proved to be successful but success does not come from a product alone. Marine Harvest Fish Feed has both the vision and the will to succeed. We depend on the local community and experienced staff at all levels in the organization. Experiences are shared, and communication with employees and the local community is open and transparent. Success is achieved by people – they operate the plant, ensure that safety comes first, build relations with each other and foster a performance culture – the passion and conviction they bring is the key to our success.

Building on the success of our Bjugn feed plant, we have initiated a plan for a second feed plant, this time in Scotland. The construction phase is due to commence in 2017, with expected completion during the first half of 2018. We intend to transfer knowledge from our feed plant in Bjugn to the new plant in Scotland by exchanging employees and sharing ideas. We are certain that by combining a strong performance culture, safety consciousness, social responsibility, ethical behavior and sustainability, our new feed venture will become both successful and profitable.