



THE MYDIBEL SUSTAINABILITY REPORT

“ Mydibel is undergoing a complete metamorphosis inspired by the fourth industrial revolution. I strongly believe in the strength and family values of Mydibel and I will ensure the continued development of operational excellence. But the focus will always be on the people.”

MARC VAN HERREWEGHE, CEO

Mydibel is preparing for the future! On our 30th anniversary, we are able to switch into a higher gear because we have continued to grow and invest in the past decades. We want to be more innovative and stronger in every respect, while maintaining our personal, people-oriented approach and in keeping with our family values. **Technological and social innovation** go hand-in-hand.

We supply products with high added value and have the flexibility to respond smoothly to a quickly changing market demand. Digitisation and automation allow us to also play a meaningful role in the future within a dynamic, global production network. Well-thought-out energy and materials usage, a focus on the circular economy, and making the utmost use of the possibilities of modern production technologies are all at the top of the list, as is the involvement, creativity, and autonomy of our employees.

We will face the challenges of the future with confidence. We now find ourselves in a pole position in which we are able to be as flexible, high-performance, and cost-efficient in the future as we are now so as to continue innovating and continue expanding our competitive production activities.

BRUNO MYLLE, CARLO MYLLE, MARC VAN HERREWEGHE

“ The market is growing and we are evolving in tune with it. In the recent period, our plans have become more of a reality than ever before. And that is something to be proud of. But the encouragement and pats on the back are not just for us. We rely on an entire team of people, both internal and external, who are all working towards the same goal.”

BRUNO MYLLE, MANAGING DIRECTOR

“ Mydibel possesses a unique product knowledge and a production apparatus that allows us to continue to be successful in the future. We will continue to make efforts for growth within the entire product portfolio. Mydibel wants everyone to be able to enjoy flavourful potatoes in every way possible.”

CARLO MYLLE, MANAGING DIRECTOR

2015-2017 HIGHLIGHTS

New state-of-the-art production line and packaging department

+ 100,000 tonnes of extra capacity for fries and cut potato specialities

Expansion of the **Green Factory** with additional biogas engine, solar panels, and water treatment facility for potable water quality

New website www.mydibel.com, with integrated Daily Potato blog

+ 120 additional employees (late 2017 compared to 2015)

Launch of the **Mydibel Academy**, a unique concept that focuses on creating a powerful learning environment

Appointment of Marc Van Herreweghe as **CEO**

Setup of the **Extended Leadership Team (ELT)**, a stable platform of experts in People and Business Leadership

PASSION

READY FOR THE NEXT 30 YEARS!

2015 > 2017 STATUS

60%

volume growth (2011-2017)

2018 > 2020 OBJECTIVES

75%

volume growth (2017-2020)

A PROFESSIONAL ORGANISATION WITH LONG-LASTING FAMILY TIES

It is our mission to offer an extensive range of delicious, high-quality potato products while **respecting the environment** and our surroundings.

Mydibel is a modern **family business** specialised in the development, production, and commercialisation of **healthy, high-quality** potato products:

- Mydibel NV produces pre-fried, frozen, and refrigerated **cut potato products** and frozen **mash potato specialities**.
- Gramybel NV specialises in the production of dehydrated potato products, such as **potato granules and flakes**.



The trail that this family business has blazed over the past 30 years is impressive. Courage, energy, and passion, combined with our unique product knowledge, are the driving forces behind Mydibel. The family ties at Mydibel are an undeniable competitive advantage.

MARC VAN HERREWEGHE, CEO



POTATO

MYDIBEL AND ITS GROWERS, AN ENDURING PARTNERSHIP



2015 > 2017 STATUS

500,000 supplied tonnes of potatoes/year 70% Belgium, 10% Germany 15% France, 5% Netherlands	10,500 ha contract farming	300 ha own cultivation	+/- 300 km The cultivation fields lie approx. in a radius of 300km around Mydibel	VARIETIES primarily Bintje, Challenger, Fontane and Lady Anna	CERTIFIED AGRICULTURE Vegaplan, GlobalGAP or similar certification
750,000 supplied tonnes of potatoes/year	15,000 ha contract farming	400 ha own cultivation			

GETTING THE BEST FROM POTATOES

Our region has the highest yields per hectare for potatoes compared to anywhere else in the world thanks to the **mild climate and the good soil composition**. Plus, we are surrounded by an extensive network of potato growers.

Mydibel believes in the added value of an **enduring partnership**. Exchanging knowledge and experiences, shared passion, crop care, and respect for the environment result in **potatoes of the highest quality**. We actively brainstorm with the farmers and go in search of opportunities to **grow together and to innovate** in state-of-the-art technological production techniques and new crops.

Sustainability is about more than just an environmentally friendly way of working. Mydibel coaches the growers, maintains personal contact, and keeps a finger on the pulse of the crops. High potato quality depends on numerous climatological factors. Mydibel shares its knowledge of new varieties and actively brainstorms with the farmers.

DORINE VERCOUTERE, POTATO TRADER



Potato growers visit a Mydibel test field during the Mydibel Potato Days

Intensive digitisation gives us more time for personal contact with the farmers so that we can strengthen the partnership.”

FREDERIK DECOCK,
PURCHASE MANAGER AGRONOMIC SERVICE

DID YOU KNOW THAT?

- The registration of, among other things, fertiliser, irrigation, and pesticides in the **land/crop information sheets** is currently being **digitised**? The advantage of this is that all crop information sheets can be stored at a centralised location and easily made available. Linking of the storage silos and production data to the relevant plot of land guarantees **complete traceability** all the way into the packaging.

- We invested in the **leveller with a topsoil remover**? This leaves soil on the land, which means that it does not have to be shipped back after the potato loads have been delivered to Mydibel. A second investment is planned in 2018, specifically a topsoil remover with a mobile dumpster and a sorting table to be able to sort the stones and clods of dirt from the potatoes. These investments will allow us **to save 1 out of 5 loads**.

- An **online portal** that allows farmers to view the technical sheets per variety as well as centrally manage all the administration (tares, financial documents). This portal lets the farmers view the weights, tares, and quality results after delivery, as well as to consult and sign the financial documents digitally.

PRODUCT

DELICIOUS, FLAVOURFUL POTATO PRODUCTS IN EVERY WAY POSSIBLE



2015 > 2017 STATUS

200,000 tonnes of finished products	50% - 50% 50% Mydibel brand 50% private label	>100 export to over 100 countries Most important customer base is in Europe	57% - 30% - 13% Foodservice 57% Retail 30% Industry 13%
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2018 > 2020 OBJECTIVES

345,000 tonnes of finished products

DID YOU KNOW THAT...

- Mydibel pre-fries its range of **chilled products** in **100% sunflower oil**?
- Mydibel is at the forefront of the legislation on process contaminants in palm oil?
- Mydibel supports the production of **sustainable palm oil** and purchases sustainable palm oil products (RSPO) in accordance with the 'Mass Balance' system? We are committed to switching all palm oil for the specialities to 100% RSPO-segregated by 2019?
- We are researching how we can optimise packaging based on portion size, weight (thinner films), and recyclability (100% recycled FSC cardboard)?
- All products are **certified as halal** and the flakes are **certified as kosher**?
- **Three new products were launched between 2015 and 2017:** coated fries, oven fries and Belgian home-made cut fries?



Authentic Belgian product, less loss of product



Healthier preparation (less oil)



Unique flavour and reduced absorption of fat

PRODUCT DEVELOPMENT AND RECIPES

Mydibel focuses on innovation and product development. This is reactive, by listening to customers' needs and desires and developing customised products in consultation with them. And it is also proactive because we take advantage of new trends and markets.

In this regard, health is an increasing consumer concern. The strongest focus in recent years has been on:

→ LOWER FAT CONTENT

One production line is already equipped with an oil recovery unit that reduces the fat content and the fries. This will be expanded to the second production line in 2018.

→ REDUCED SALT

We were able to reduce the salt content for the specialities from 1% to 0.8%.

→ CLEAN LABEL

Less added colouring and flavours (E numbers).

→ INCREASED FIBRE CONTENT

In purée and hash browns

QUALITY AND FOOD SAFETY

Our years of experience mean that we can guarantee not only high-quality products, but products with a high level of food safety. We are increasingly focused on expanding our **knowledge of our processes and products** so that we can better anticipate risks. For example, we are faced with an increasing number of external risks. This is why requirements for Food Defence and Food Fraud are included in the IFS standard. The purpose of these is to prevent intentional contamination of products and to monitor the risks of products being tampered with.

Mydibel guarantees 100% product traceability. The various registrations, from the soil to the pack, have now been digitised.



You can find more information on certificates at www.mydibel.com/downloads

PLANET

GREEN FACTORY MOVES FULL SPEED AHEAD



2015 > 2017 STATUS

130,000 on-site biomethanisation of 130,000 tonnes of potato waste	4 biogas engines	>27,000 tonnes Myfert	17.1 % - 3.6% less energy/tonne of product Mydibel: 17.1% - Gramybel: 3.6% (2017 compared to 2005)	34.8% - 4.5% less CO ₂ -emissions/tonne of product Mydibel: 34.8%* - Gramybel: 4.5%** (2017 compared to 2005)	1.5 MWp installed power solar panels	40% less water/tonne of product
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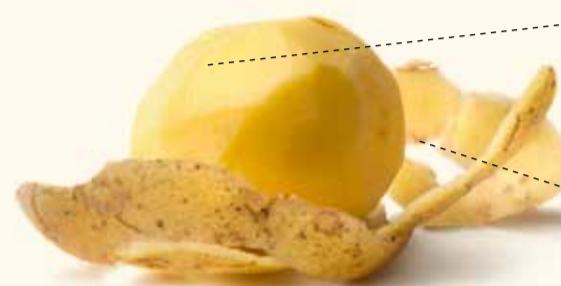
2018 > 2020 OBJECTIVES

145,000 >165,000 on-site biomethanisation of this tonnage of potato waste	6 biogas engines	39,000 >50,000 tonnes Myfert	14% - 7.4% less energy/tonne of product Mydibel: 14% (Accord de branche) Gramybel: 7.4% (Accord de branche) (2017 compared to 2005)	14% - 7.4% less CO ₂ -emissions/tonne of product Mydibel: 14% (Accord de branche) Gramybel: 7.4% (Accord de branche) (2017 compared to 2005)	2.35 MWp installed power solar panels	40% > 70% less water/tonne of product
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*2017: installation of new production line - **2017: lower production and defective biogas engine



In order to satisfy the increasing demand, **major investments** were made in recent years. For example, one of our two lines for cut products was completely replaced. Such extensive changes naturally have an **impact on our efficiency**. This fact is clearly visible in the figures for 2017. We will be returning to the 2015 levels in 2018 to then move full speed ahead.



1 POTATO =
64% fries
8% purée for purée specialities
18% flakes and granules
+
10% residual flow -> is converted into energy, heat, and fertiliser (Myfert) via biomethanisation

FROM POTATO WASTE TO FERTILISER

Biogas and digestate are products resulting from the anaerobic digestion of starch-rich potato waste (e.g. peels and shavings). Biogas is converted into **green energy**, the digestate is centrifuged, and lime is added, creating a valuable agricultural fertiliser called **Myfert**.



MYFERT, THE ORGANIC FERTILISER

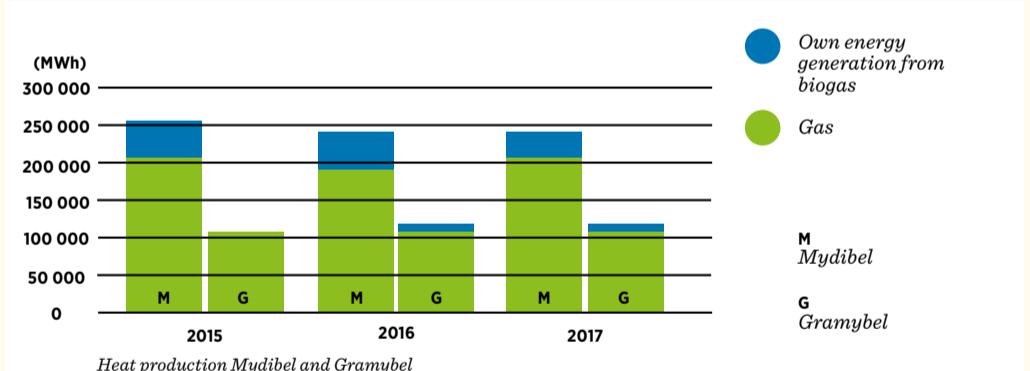
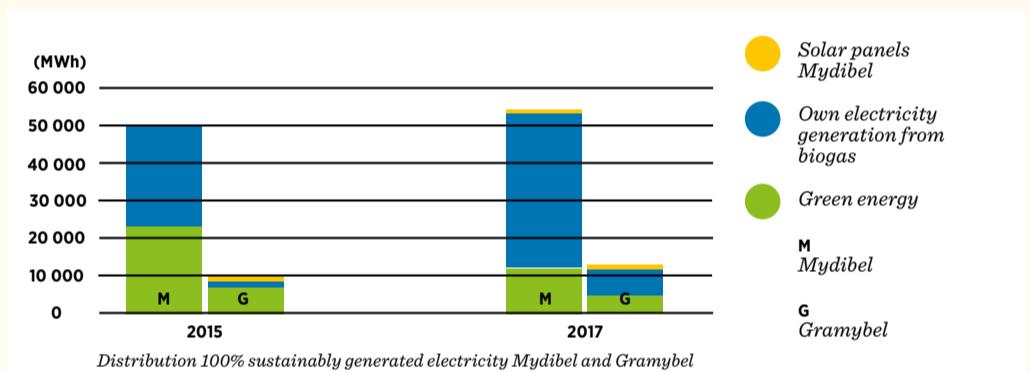
The Myfert organic fertiliser offers a high-performance, ecological alternative to chemical fertilisers that are on the market today:

- The addition of light magnesium lime means Myfert has a **decontaminating and stabilising** effect, improving the consistency (the dry matter) of the product.
- Myfert adds **organic materials** to the soil and increases the levels of sodium, phosphorus, calcium, potassium, and magnesium.
- Myfert improves the **soil structure** and regulates the **pH levels**.
- Given the fact that Myfert only comes from the digestion of potato waste, the levels of **heavy metals in it is far below the applicable norms** and that of alternative products (from, e.g. water treatment or waste processing).



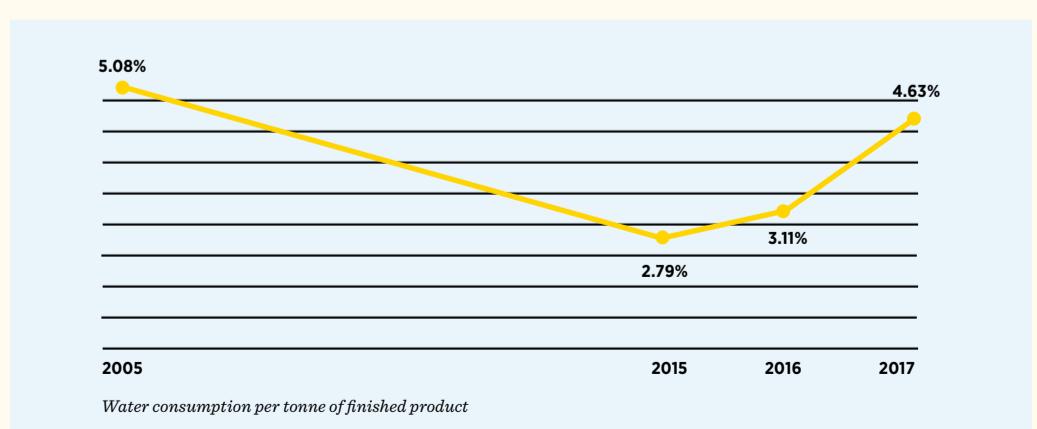
CONTINUOUSLY IMPROVING ENERGY EFFICIENCY

Since 2005, we have been intensively investing in more efficient and sustainable energy solutions. Our **biogas engines and solar panels generate sustainable electricity**. In addition to electricity, our engines also provide heat that is utilised in the production process, for preheating the steam production, and for drying the digestate in both digesters.



CLOSING THE WATER CYCLE

The wastewater created by washing and transporting the potatoes to the production facility is recovered and treated in our own water treatment facility. The water that is used to digest the waste is also treated. By making additional investments in **ultrafiltration and reverse osmosis technologies**, the treated water can now also be used in the production process (potable water quality) and is used to transport the potatoes along the 'waterslide' that runs from the sorting facilities to the production facilities.



PEOPLE

OUR HAPPY POTATO FAMILY



2015 > 2017 STATUS

>500 employees 83% men 17% women 9 nationalities	140% growth in the number of employees (compared to 2010)	5 years of average seniority	38.8 average age	HR ORGANISATION	TRAINING	EMPLOYEE INVOLVEMENT
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2018 > 2020 OBJECTIVES

>700 employees	230% growth in the number of employees (compared to 2010)			SELF-MANAGED TEAMS	TRAINING - 5 days/employee/year - recruitment of a Learning & Development Officer	EMPLOYEE INVOLVEMENT - HR-action plan - recruitment of an Internal Communications Officer - annual employee event
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Mydibel invests not only in technology but also in people."

WELCOME TO THE BIGGEST EMPLOYER IN MOUSCRON

Working at Mydibel means working for a family business that highly prizes **team spirit, quality, passion, sustainability, and common sense**. Mydibel has experienced strong growth in recent years. We are trying to meet the demand for new employees through an intensive partnership with the Walloon employers' organisation FOREM and with temporary employment agencies. But further professionalisation of our auxiliary HR processes is still required in order to find and keep good employees in the future.

HR 'PEOPLE FIRST' ACTION PLAN

- Internal communication
- Optimisation of the recruitment process
- Increased Mydibel brand awareness (employer branding)
- Structuring the onboarding procedure, training and development and salary policy
- Measuring and improving employee satisfaction

A SAFE AND HEALTHY WORKPLACE

Every Mydibel employee is entitled to a safe and healthy workplace. In 2017, the Mydibel business processes underwent a thorough risk analysis. Based on this risk analysis, Mydibel focused on training and raising awareness, providing unambiguous instructions, and a practical reality check. What risks are associated with the job? How do you avoid and limit these risks? How do you use the resources (appropriate work clothing and footwear to prevent slipping, customised hardhats, working at great heights, dealing with chemical products, etc.) that Mydibel provides? How can accidents be prevented in the future?

SAFETY AND HEALTH ACTION PLAN

Objective: to be known as the Belgian potato processing company with the best occupational safety

- Zero severe accidents
- Frequency rate 1 by 2025 ($F_g = \text{total number of work accidents} \times 1\,000\,000 / \text{number of worked hours}$ for both our own employees as well as external contractors) by:
 - utilising the necessary resources and employing qualified people;
 - keeping the workplace healthy, clean, and tidy;
 - utilising an adequate risk management system that undergoes continuous improvement;
 - performing risk assessments and implementing appropriate measures to prevent and limit the risks;
 - specific objectives and the annual evaluation thereof;
 - informing, training, and motivating all parties involved.



Mydibel Challenge



Mydibel Cycling Classic

FIT AT WORK

Mydibel Cycling Classic

The Mydibel Cycling Classic is a cycling event for young and old throughout the Flemish fields. The entire proceeds go to Koester, a project of the Children's Cancer Fund.

Mydibel Challenge

In collaboration with the Energy Lab specialists, Mydibel started up in 2016 the 'Mydibel Challenge', a health program tailored to our employees. The signboard of the Mydibel Challenge were the 9 Ambassadors, Mydibel employees who were during 6 months followed closely by the Energy Lab team. They got every week one adapted training and diet schedule. As icing on the cake they took part in the Houffatrail, a trip through the Belgian Ardennes of 10, 18, 26 or 50km. Result: 30 teams, 49,514 km.

SUSTAINABILITY CHALLENGES FOR THE POTATO SECTOR

The subjects covered in the sustainability report are determined based on their relevance for our company and the materiality principle.

We held an internal brainstorming session around the core questions:

- What is Mydibel's added value? Where does Mydibel make a difference for our own business, our employees, society, the environment, and our customers?
- Which (societal) trends/challenges does Mydibel want to try to solve?

And the result was a long list of relevant topics that were tested against the CSR sector

passport for the potato sector (Belgapom, 2015) and the CSR sector passport for the food sector (Fevia, 2017), both of which were validated by various stakeholders. Both passports bundle the most relevant challenges in the sector and link these to sustainability indicators. By using the GRI Standards and the Sustainable Development Goals as a frame of reference, we were able to immediately create a quality test for our performance and commitment to sustainable development.

STAKEHOLDERS

We actively engage in dialogue with our partners and our customers. Our knowledge of the market, our interactions with consumers, and input from stakeholders provide direction for defining and achieving our objectives. Our major stakeholders are:

- | | |
|-----------------------|---------|
| - Investors/bank(er)s | PASSION |
| - Family | PASSION |
| - Farmers | POTATO |
| - Customers | PRODUCT |
| - Employees | PEOPLE |
| - Consumers | PRODUCT |
| - Local community | PLANET |

ABOUT THIS REPORT

This sustainability report concerns the activities of:

- Mydibel SA, Rue du Piro Lannoy 30, 7700 Mouscron,
- Gramybel SA, Boulevard de l'Eurozone 1, 7700 Mouscron,

both of which are referred to as Mydibel in this sustainability report.

We are reporting on the period from 2015 to 2017. This report is written according to the GRI Standards, Core level. You can request a copy of the GRI reference table from greenfactory@mydibel.be. Our aim is to publish an update biennially.

Do you have questions or suggestions concerning our sustainability policy?

Then please don't hesitate to contact us at greenfactory@mydibel.be.