



MORUBEL

THINK PURE, TASTE MORE



**ACT
PURE,
ACHIEVE
MORE**

**/ SUSTAINABILITY
REPORT
2014-2015**

ABOUT THIS REPORT

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This is Morubel's first Sustainability Report. It covers the social, environmental and economic aspects of sustainability that are important to Morubel and its stakeholders.

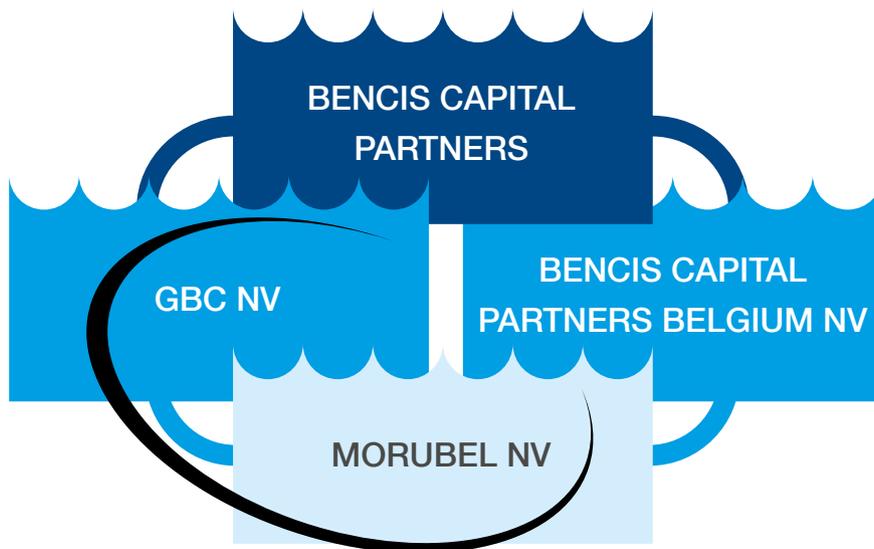
The report focuses on Morubel nv, with its registered office and production plant at Ankerstraat 2, Oostende, Belgium.

This document covers financial year 2014-2015, which runs from 1 April 2014 to 31 March 2015 and will, where relevant, also refer to two previous years. From this year onwards, Morubel intends to publish a sustainability report every two years.

This report is drawn up in accordance with the Global Reporting Initiative (GRI) G4 guidelines, Core level. This comprehensive Sustainability Reporting Framework is widely used around the world. As a result of the credibility, consistency and comparability it offers, GRI's Framework has become a de facto standard in sustainability reporting. More information on www.globalreporting.org.

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PURE BUSINESS



In our ambition to be the leading European supplier of frozen shrimp and related seafood products, it is essential for us and our environment that we conduct our business in a pure, integer way driven by an undeniable passion for our product.

PURE BUSINESS FOR FROZEN FRESHNESS

We respect the world in which we operate and work actively towards sourcing of sustainably caught and responsibly farmed prawns and efficient, environment friendly seafood processing.

We respect the people with whom and for whom we work. We enter the world of our customers and, above all, we respect our promises.

Product integrity is of paramount importance, with products that meet the most stringent

standards and are completely in line with our customer's wishes and requirements. Tasteful and safe products we can be proud of.

We operate a sustainable business with all the knowledge, expertise and craftsmanship that we have in house.

Through our ambition to continuously improve quality, efficiency and productivity we strive for maximum satisfaction of our main stakeholder groups: customers, employees, suppliers, authorities, shareholders and financial partners in order to guarantee the continuity and growth of our company.

In this report we take you along the efforts we make in terms of pure business.

Because that is what really matters: the efforts.

Not only thinking and talking, but acting. Every day. Now and in the future!

A handwritten signature in blue ink, which appears to read 'Edo Abels'. The signature is fluid and stylized, with a large initial 'E'.

Edo Abels
Managing Director

“We offer more than just a fine product. We want to offer our customers a completely sustainable chain of supply. Sustainable from an economic, social and food safety perspective.”

Edo Abels, Managing Director

PURE BUSINESS FOR FROZEN FRESHNESS

sustained by 4 pillars:



PURE COMMITMENT



PURE RELATIONS



PURE PRODUCTS



PURE CRAFTSMANSHIP



OUR SUSTAINABILITY JOURNEY

1954



Morubel was founded as 'la Morue Belge'

1993



Move to the new state of the art factory, current location Morubel was the first in the sector to obtain ISO 9002

2000 / 2001



IFS, BRC and ISO9001 certification

September 2015

200 days without accidents



February 2015

Bencis Capital Partners is dedicated to improve the Environmental, Social and Governance (ESG) performance of its portfolio companies. As part of this, an assessment on ESG related exposures, risks and opportunities was conducted

November 2014

Morubel has a prime with the first ASC certified Vannamei shrimp in the Benelux market, together with Colruyt. Morubel had a second prime with the first ASC Black Tiger as well.



Januari 2010

Award “Verantwoorde Visprijs” received by the Dutch fishboard for our efforts in the MSC project for tropical shrimp



September 2010

Development of a purchase manual that defines our purchase criteria including environmental, social, ethical, food safety and quality concerns

November 2011

MSC certification of the Suriname Atlantic Seabob Fishery



Obtaining first worldwide MSC certification for tropical shrimp was a Morubel driven achievement

March 2014

Morubel becomes member of BSCI, committing to improve working conditions with suppliers in risk countries



June 2014

Morubel was acquired by funds managed by Bencis Capital Partners

February 2014

A new mission and vision, a new look and feel including logo and baseline



November 2013

Morubel became an independent company when Heiploeg decided to carve-out Morubel.

Morubel successfully passes a social audit according to SMETA 4 pillar



THINK PURE TASTE MORE



With more than 60 years of craftsmanship, Morubel has become a true master in seafood. Morubel prides itself of being the leading processor and private label supplier of frozen shrimp and related seafood products in Europe. Based in the Belgian coastal city of Oostende, Morubel sources its raw materials from all over the world, respectfully and sustainably.

MORE THAN 60 YEARS OF EXPERIENCE

Morubel was founded in 1954. Initially, Morubel salted and dried fish for export to Africa. Hence the name Morubel: 'la Morue belge' or 'Belgian Cod'. In the 1970s, Morubel changed course, due to the EU imposing quotas and fish becoming less abundant. The existing salting and drying installations were replaced with state-of-the-art cooling and freezing equipment. Since the 1980s, tropical shrimp has increasingly become our core business activity.

INTERNATIONAL SOURCING

Morubel sources tropical and cold water shrimp through wild catch (69%) and aquaculture (27%). In addition, Morubel

also offers other seafood products (4%) such as squid, mussel meat, scallops and surimi. The seafood products are delivered through a broad base of approved suppliers from various parts of the world, including India, Vietnam, Indonesia, Bangladesh, Pakistan, South-America, Canada, China and the Netherlands.

SERVICING VARIOUS SECTORS AND COUNTRIES

Morubel distributes its products to the European retail, food service and food industry. Products are mostly sold in Spain, Belgium, Italy, the Netherlands and France (in that order). While Southern Europe represents 58% of our sales volume, this is mainly a wild catch market with only 3% of aquaculture shrimp sold. In Northern Europe 62% of our sales volume consists

of aquaculture shrimp. This difference in the markets also reflects a huge difference in sustainability approach.



PRIVATE LABEL AND OWN BRANDS

Morubel is predominantly a private label supplier, but also has its own brands for new products:

- The Morubel label is our primary brand identity in the retail segment (7% of retail sales)
- Elite, Masters of Good Taste, stands for quality in the foodservice sector (32% of foodservice sales Benelux)



INTERNATIONAL SOURCING



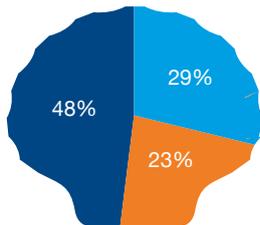
106
employees

70 million €
Annual turnover

6.042.000 €
Added value

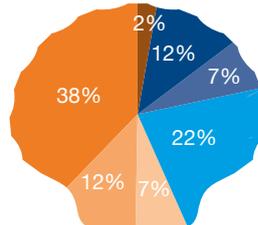
Quantity of
products (SKU's)
230

OUR CUSTOMERS (SECTORS)



■ retail ■ industry
■ foodservice

OUR CUSTOMERS (COUNTRIES)



■ Spain / Port ■ Netherlands
■ Italy ■ Germany
■ France ■ Belgium
■ Other



Bencis values Morubel for its dedication to building a more sustainable world

In July 2014, Morubel was acquired by Bencis Capital Partners. Bencis was impressed with the way Morubel promotes and actively supports sustainability in its way of working.

Why were you impressed with Morubel's focus on sustainability?

“Over the years, Morubel has built up a tremendous amount of know-how, which has made them experts in their field. This position enables them to push customers and retailers to improve their efforts in the field of sustainability. In addition, they also succeed in improving the sustainability at



the supply side and, as such, help bring new sustainable products to the market quickly.”

Which challenges do you see for Morubel in the near future?

“According to us, Morubel is facing three main challenges: providing transparency across the supply chain, reducing the

energetic footprint of its operations, and convincing the customer and end-consumer of the need of sustainable products. With a dedicated action plan and roadmap for improvement, we are confident that Morubel will be able to achieve these objectives.”

SUSTAINABILITY FROM OCEAN WATERS TO KITCHEN TABLES

RESPECT FOR OUR PRODUCT, RESPECT FOR THE WORLD WE OPERATE IN

“The development of this report has started with a self-reflection on where we stand as a socially responsible company”, Chris Meskens, Communication & CSR Manager, comments. She guided the process to contemplate what Morubel already achieved and where it wants to stand in the short and long term in respect of sustainability.

“In two workshops with colleagues from various departments, we defined our material or most important sustainability aspects. This process was based on:

- Our mission and values
- The Global Reporting Initiative guidelines (www.globalreporting.org)
- A ranking of sustainability aspects based on importance for Morubel and importance for our priority stakeholders (customers, employees, suppliers, and owners)
- The outcome of the assessment on our

Environmental, Social and Governance (ESG) related exposures, risks and opportunities, conducted by our owner Bencis Capital Partners

- Yearly objectives and key performance parameters set

For the priority aspects, indicators to monitor these subjects were agreed on and we are keen to make the implementations transparent and continue our sustainability path which lies straight ahead.”

OUR SUSTAINABILITY PERFORMANCE

Sustainability is at the heart of Morubel’s activities. It is our mission to do business in a pure way to offer frozen freshness to all of our customers. This basic principle is built on four pillars:

- **Pure commitment.** We respect the world in which we operate and only work with the finest seafood out there, whether it concerns wild catch or aquaculture.



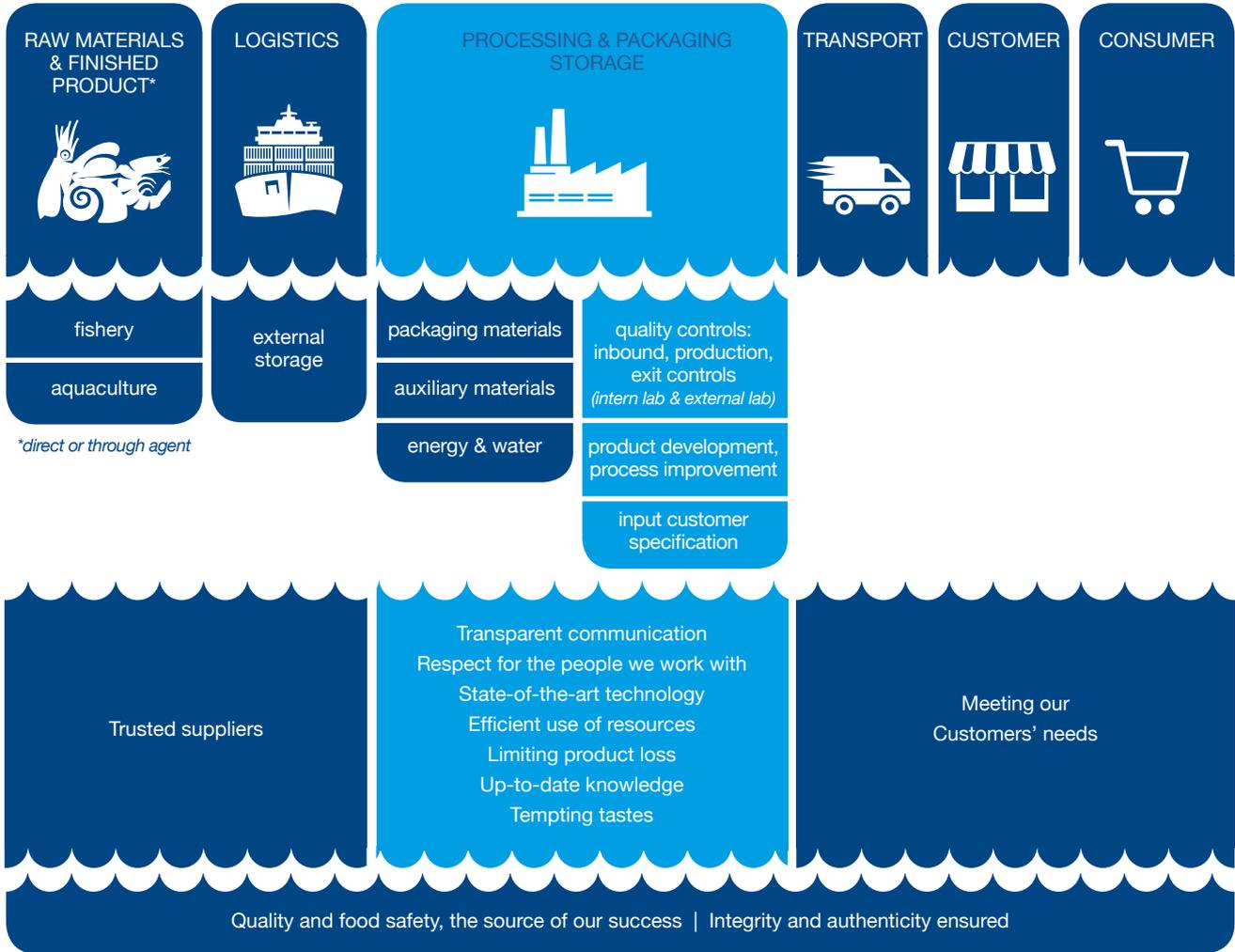
- **Pure relations.** Our relationships with suppliers, customers, shareholders and other stakeholders are built on transparency, respect and living up to our promises.
- **Pure products.** We offer nothing less than good, safe, honest and authentic seafood, and have the organization in place to achieve just that.
- **Pure craftsmanship.** We are committed to delivering tempting tastes and textures through the most sustainable processes.

RESPECT FOR THE PEOPLE WE WORK WITH, THROUGHOUT OUR VALUE CHAIN

Ecology, environment, health and safety, ethical responsibility and economic responsibility are all at the heart of how we conduct our business. The ambition to constantly improve is what drives us, from ocean waters to kitchen tables.



MORUBEL VALUE CHAIN



*direct or through agent

DIRECT CONTROL

INFLUENCE



Our processing plant works according to HACCP guidelines and has been certified ISO 9001, IFS Higher Level and BRC Grade A. But Morubel also puts a focus on social and environmental compliance. Morubel is a SEDEX B member (S000000047200) and is SMETA 4 pillar audited and compliant. Our legal, social and environmental compliance is third party audited (SGS).

Morubel supports sustainable development of shrimp fisheries and aquaculture. We actively promote MSC, ASC and GLOBALG.A.P.

Morubel is a member of BSCI. We help upgrade working conditions with all our suppliers in risk countries through an improvement programme, which includes social audits. Morubel has a seat on the BSCI food and primary production working group that takes on board specific items for these sectors to which seafood processing, aquaculture and fisheries belong.

Local involvement includes Vis & Gezond and Voka.

PURE & SAFE PRODUCTS



SUSTAINABLE SEAFOOD RESPONSIBLY FARMED



GLOBALG.A.P.



RESPECT FOR THE PEOPLE WE WORK WITH



PURE COMMITMENT

Morubel sources the finest seafood from Asia, North and South America, Europe. To live up to this commitment we work with the best possible suppliers in strong mutual agreement to achieve optimum quality and to foster prosperous development of business.

TRUSTED SUPPLIERS

At Morubel, we aim for a close relationship with all of our suppliers. Hence, we visit them regularly to make sure we can really get to know each other. In addition, we also expect our suppliers to meet clear requirements, guidelines and procedures, as set out in the Morubel purchase manual.

11 Principles of the BSCI code of conduct

- 1 The rights of freedom of association and collective bargaining
- 2 Fair remuneration
- 3 Occupational health and safety
- 4 Special protection for young workers
- 5 Ethical business behaviour
- 6 No discrimination
- 7 Decent working hours
- 8 No child labour
- 9 No bonded labour
- 10 No precarious employment
- 11 Protection of the environment

PRODUCT

we expect nothing less than the best quality from our suppliers. We look for the appropriate labels as well as full traceability of the supplier's downstream activities.

PRODUCTION FACILITY

we prefer to obtain goods from suppliers with a certified quality system, such as BRC, IFS, FSSC 22000.

PRIMARY PRODUCTION

we aim to maximize the number of suppliers with sustainability certifications:

- Aquaculture (27% of sales volume): supply from farms using a management system according to ASC aquaculture standards, GLOBALG.A.P. or Best Aquaculture Practices (BAP).
- Fisheries (73% of sales volume): we aim for MSC certified supply where possible, but MSC certified tropical shrimp fisheries are very few up to now. We only buy fishery products with correct health certificates and will never allow documents be tampered with (species, origins).

SOCIAL COMPLIANCE

as a member of the BSCI (Business Social Compliance Initiative) we commit ourselves to social auditing our suppliers in risk countries. We also accept social auditing schemes such as ICS, SMETA (Morubel is also SMETA 4 pillars audited) and SA 8000.

PROCEDURES

we demand that our suppliers are able to present the proper documentation when requested.



Wild catch, aquaculture and seafood industry issues		Morubel's measures
Issues	Description	Supplier accreditation
Overfishing and bycatch in ocean fishing	“Overfishing is the biggest threat to sea life” (Greenpeace)	 MSC: Market leader in sustainable wild caught fishery secures sustainability of stock, ecosystem and fishery management
	Bycatch is one of the major threats of sea life” (WWF), shrimp fishing is the largest contributor to global bycatch	
Disruption of ecosystem balance in aquaculture	Aquaculture impacts the ecosystem by high water use, the impact of escaping fish species on the surround ecosystem, animal feed, water pollution and mangrove deforestation	 ASC: Responsibly farmed seafood includes social standards, environmental impact, animal welfare and use of antibiotics GLOBALG.A.P.: Safe, responsibly farmed agriculture worldwide with a focus on product safety
Food safety	Seafood fishing and farming often employ a large number of workers on farms and in processing plants, potentially placing labour practices and worker rights under public scrutiny	 GFSI: An industry-driven initiative providing thought leadership and guidance on food safety management systems necessary for safety along the supply chain (ex. BRC, IFS, GLOBALG.A.P.)
Working conditions on supplier production sites	In the developing countries, fishermen and peelers are often working for poor fares	 BSCI: Improved working conditions in factories and farms
Fair payment and working conditions		

We always source from the best

It is Morubel's ambition to select and work with the best suppliers of seafood out there. Unfortunately, being as demanding as Morubel has its downsides: its traders and purchasers are having a hard time finding the suppliers that can live up to all the requirements. Geert Coucke, Purchase & Trading Manager at Morubel, explains the situation and the difficulties on the world market he needs to cope with.

What does a Morubel Purchase & Trading Manager do?

"It is my responsibility to make sure we can offer our customers the product they request. So, I regularly travel the world and visit (potential) suppliers to check whether they can really live up to our expectations. A true challenge, as we are very demanding.

When looking for a supplier, we pay attention to food safety, sustainability certifications and social compliance, among other things. But the number of suppliers that can meet our demands are limited. For instance, in 2014/15 approximately 43% of our >100T suppliers,

were included in our BSCI program and 20% meet the BSCI social compliance criteria. Luckily, the pressure on social compliance is increasing all over the world. When it comes to sustainability certification, however, market conditions make it more difficult to urge suppliers to comply. For instance, most tropical wild catch prawns come from numerous small family businesses in fishing villages in India, Indonesia, Vietnam and Pakistan. Fragmentation, lack of government policy and scientific data make MSC certification impossible on a short term. We are met with similar difficulties when food safety is concerned. We aim for suppliers that own GFSI approved certifications, but it is becoming increasingly difficult to find suppliers that want to invest in achieving such label. Compared to the past, suppliers now have more options for selling their produce as more and more Asian, Russian and Middle Eastern customers are entering the market, and are not demanding the same requirements as we in Europe are imposing."

Are there any solutions to improve certification?

"Offering a premium is one possibility. The ASC label for instance allows the compliant supplier to ask for a 30 dollar cent premium on top of the market price for its

product, whereas there is no premium for the GLOBALG.A.P. label. Hence, suppliers are increasingly losing interest in the latter in favour of the WWF supported ASC label. In addition, the local government can help. As was the case in the state-controlled Vietnam market, where the government imposed ASC certification. In India, decisions are made on an individual basis, without any state interference. Result: ASC certification processes take a long time."

Our commitment to the future

It is our ambition to continue to ensure the quality of our supply chain by setting specific quality targets such as:

- We aim for at least 80% GFSI certified suppliers in our portfolio. In 2014, 22 of our bigger suppliers (i.e. 84%) were GFSI certified. In addition, 96% of our trading volume comes from GFSI certified suppliers. However it is our aim to buy our total volume from GFSI suppliers.
- We want to keep deviations from purchase specifications (i.e. salt content, glazing, and underweight) as low as possible.

STATUS:



The continuous search for the best product

Morubel strives to deliver its customers a sustainable product. Unfortunately, it is no easy task to find certified suppliers. For instance, in India there is no MSC or ASC certified exporting company as yet; only a few units are GLOBALG.A.P. or 3 and 4 star BAP/ACC certified units. Morubel's agent Mr. Pradeep from Alpha Commercial explains the difficulties for Morubel on the Indian market

What are the main challenges for Morubel in India?

"Despite its massive coast line, there is not one certified sustainable fishery in the whole of India. The IUU (Illegal, Unreported and unregulated) Catch certificates require only little effort, but apart from European customers, no other market insists on these certificates. In addition, the packers are also slow in upgrading to the upper-end certificates such as GLOBALG.A.P., ASC and IFS. Fortunately, more and more packers are achieving certification, enabling them to get a better price for their product.



Are you seeing any changes on the Indian market with regard to sustainability?

"We lag behind some of the other competing countries, but we are noticing some positive trends. For instance, we are optimistic regarding shrimp aquaculture, an activity which is in full expansion in India. As awareness regarding sustainability, especially in the ecological sense of the word, is growing, more and more aquaculture farms will start to comply with internationally accepted standards. When it comes to social or ethical practices, a lot has changed in the past two to three years. More and more factories are getting audited."

Is there a future for Morubel in India?

"Morubel is an interesting partner. They are

market leader and are very fair in how they treat their business associates. Moreover, it is positively surprising that Morubel remains true to the route it has chosen, sourcing cultured shrimp from only the better class of certified packers, even if this means smaller volumes. Companies who are more flexible in their sourcing policies could benefit from this, especially in a market where price has the upper hand. But we are confident that this determination will pay off in time, as Morubel will always deliver a better product to its customers."



PURE RELATIONS

Our way of doing business is built around relationships. Relationships with people: our customers, our employees, our suppliers and our shareholders. We strive to keep all these stakeholders satisfied, through transparency, respect and meeting their exact needs.

TRANSPARENT COMMUNICATION

As in any relationship, transparent communication is key. For this reason we value close contacts with our stakeholders in order to get to know them and inform them properly:

- **Suppliers:** we aim to build a loyal and dedicated supplier base. We do this by establishing a close and personal relationship with each of them through regular onsite visits. We also offer them support during audits and assistance in certification processes.
- **Shareholders:** we keep our owners well informed on our business results and plans through regular reporting. We for instance meet monthly during Board meetings and by supplying ESG reports (Environmental, Social and Governance) as well as financial reports every year.
- **Employees:** we sit down with our employees on various occasions: in workers committees, committees for

prevention and safety at work and personnel meetings. In addition, we communicate our results on a monthly basis to all of our employees. We also keep them up to date on important business such as new contract signings, and new customers via our breaking news display.

- **Customers:** as with our suppliers, we value face-to-face contact with our customers. For this reason, we attend our sector's main trade fairs and our sales team aims to meet with them regularly. We also keep them informed via information letters and the news section on our website on charters, assessments and certifications received.

RESPECT FOR THE PEOPLE WE WORK WITH

Morubel is well known and respected in the Oostende region as a good employer. We look for the right people, with the right set

of (technical) competencies, regardless of gender, religion and nationality. We prefer to hire people living in the direct vicinity of the plant to increase their involvement. In return, Morubel employees are well taken care of:

- **Training.** Morubel pays lots of attention to training, at every level: from on-the-job training and CE driving courses to ergonomic lifting and Excel improvement classes.
- **Performance appraisals.** During performance appraisal talks, we check the employees' job satisfaction, their strengths and improvement opportunities, etc. In this way, we strive to keep our employees happy and efficient. This initiative has been implemented for the first time in 2015, after all team leaders have been trained to conduct these talks in a structured way. In September 2015, all of the factory workers have had their performance appraisal talks; the office workers are next.





Our commitment to the future

Good people are hard to find. That is why Morubel is committed to further maximizing its employee loyalty. In order to achieve this, we have set the following goals:

- Continue to invest in the continuous improvement of the skills and capabilities of our employees
- Limiting employee outflow to 5% in the next three years by optimizing employee satisfaction
- Initiating exit talks each time an employee leaves Morubel
- Conducting performance appraisal talks with all employees
- Limiting absenteeism to 4.1% for factory workers and 1.5% for office staff
- Further develop HR policies

STATUS:



Did you know that ...

2/3 of Morubel employees are men

About **40%** of the employees have been working at Morubel for more than fifteen years

Morubel has **sixteen** employees of foreign origin

Approximately **40%** of the employees are older than **50 years**





Men



Women



Production
(supervisors, quality)



Production

TOTAL EMPLOYEES

7



Support

19



Sourcing and Sales

9



Expedition

6

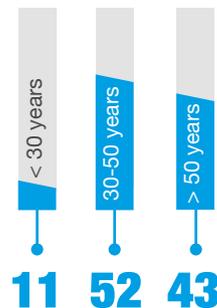


Facility

SENIORITY



AGE



CONTRACT TYPE

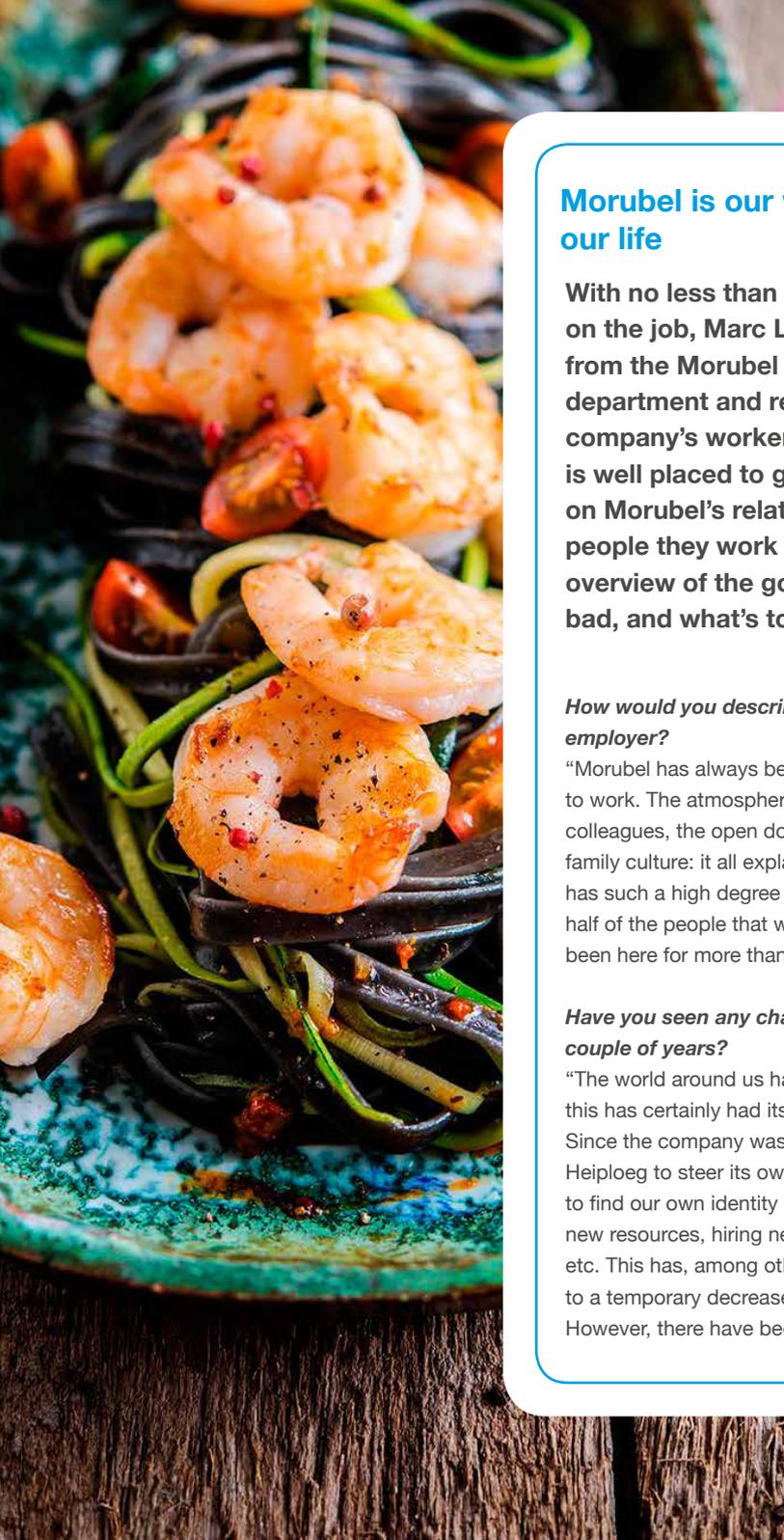
Parttime

24

82

Fulltime





Morubel is our work, our life

With no less than 31 years on the job, Marc Lauwereins from the Morubel expedition department and residing in the company's workers council is well placed to give his view on Morubel's relation with the people they work with. An overview of the good and the bad, and what's to be expected.

How would you describe Morubel as an employer?

"Morubel has always been a good place to work. The atmosphere amongst colleagues, the open door philosophy, the family culture: it all explains why Morubel has such a high degree of seniority. Almost half of the people that work here, have been here for more than fifteen years."

Have you seen any changes in the past couple of years?

"The world around us has changed, and this has certainly had its effect on Morubel. Since the company was separated from Heiploeg to steer its own course, we had to find our own identity again, finding new resources, hiring new personnel, etc. This has, among other things, led to a temporary decrease in volume. However, there have been no layoffs and

the atmosphere among colleagues is still positive. We are all still willing to give a full 100% to help grow our company."

Do you consider yourself to be well informed about the company's plans and state of affairs?

"I myself get lots of first-hand information about the company as I reside in the company's workers council and the committee for prevention and safety at work, where management and employees meet every month. During these meetings, we discuss freely on everything that concerns the company: safety measures, audit results, new business, improvement opportunities etc. All participants can have their say and, more importantly, remarks and suggestions are taken into account. There are minutes of each meeting, to make sure that the to-dos are duly noted and followed up. In addition, there is a biweekly internal newflash that informs all employees on for instance new contracts."

What do you expect the future will bring for Morubel?

"Morubel is our life, our income. Job security is essential for all of us, so we are looking forward to seeing new supplier and customers contracts coming in. I think I can speak for all of us by saying that we are more than willing to put extra efforts to make our company further grow."





Nourishing career opportunities

Morubel has the reputation of being a good employer. How do they live up to this status? Newcomer Alexandra Cools of the company's sales back-office team and senior foreman Dennis Boffel talk freely about the support they get at Morubel.

How would you describe Morubel as an employer?

Alexandra: "The first day on the job already makes you feel right at home. Everything is so well structured... You're welcomed by the head of HR who shows you around the plant and introduces you

to your colleagues. You also get a crash course about Morubel's activities and its core values based on the "welcome brochure."

Do you get opportunities to grow inside the company?

Alexandra: "I've only been working here at Morubel for a year now and I've already taken the next step in my career, switching from the reception desk to the sales' back-office team. I talked about it with my team leader and a few weeks later I was busy inputting orders and contacting customers."

Dennis: "I joined Morubel nine years ago, unloading cargo, and today I am foreman in charge of a team of eight in the freezer department. If you are willing and capable you can be whatever you want, you get all the support you need to realize your ambitions."

What makes you proud of being an employee of Morubel?

Dennis: "My team. We do good work



and get along just great. As a result, we have been together for quite a long time, only a few have left over the years and newcomers are taken up by the group quite easily. All of this makes that there hasn't been a day that I didn't feel like going to work."

Alexandra: "What I value the most, is that I can be a part of a company that aims to make a difference by sailing a sustainable course. It makes my job worth so much more..."



Safety is everybody's concern

Ensuring its employees a safe and healthy working environment, is one of Morubel's main concerns. To achieve just that, the company has built a true safety culture. There is a committee for safety and prevention at work in which employee delegates meet with the employer, the prevention advisor and the company doctor to discuss preventive measures. In addition, the company has its own internal department in charge of prevention. Trained prevention advisor Wim Aernoudt explains how Morubel puts everything in place to limit the risk of accidents.

How does Morubel score in terms of safety?

"Our continuous attention to safety pays off. Each year we are well below the average accident rates of our sector. The data below refer to 2014 and for 2015 so far we have had only one day of disability to work and headed for 200 days without accident. The last severe



accident was a fractured shinbone about ten years ago."

How do you explain these figures?

"The health and safety of our workers has always been top of mind at Morubel: From implementing a no-smoking policy more than fifteen years ago to the Safety for All meetings between me and the production leaders about safety policy and new measures. We go through the entire plant at least four times a year to track down potential safety hazards and report them so that they can be tackled swiftly and adequately."

What is it you are especially proud of as a prevention advisor for Morubel?

"That we succeeded in creating a true safety culture. The good results in term of occupational health and safety are not my achievement, they are the result of all of us at Morubel."

2014

5

Accidents

105

Lost working days

34,5

Frequency rate

(number of accidents related to number of hours worked)

Morubel is well below the sector rate = 70

0,72

Sector rate

(number of lost days due to accidents related to hours worked.)

Morubel is well below the sector rate = 1,34



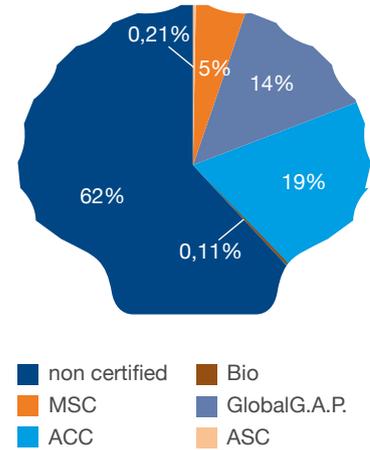
MEETING OUR CUSTOMERS' NEEDS

Morubel is more than a product. Morubel connects people. The relationship with our customers is the keystone of our organization. It is our objective to make sure our products meet our customers' requirements. In order to ensure just that, our New Product Development, Quality and Sales people work closely together with the customer to find the best product specifications to fit their needs.

Customer requirements can differ substantially. There is, for instance, a big difference in demand for sustainability between the north (42% of sales) and the

south (58% of sales) of Europe. In Northern Europe social compliance and ecological responsibility are gaining importance, whereas sustainability requirements are practically nil in the southern part of Europe. This explains why 38% of our sales are certified and comply with our sustainability policy, while in Southern Europe only 0.3% of our sales volume is certified. We do expect substantial growth in ASC certified sales. For shrimp this certification is very recent (October 2014), so it takes time to penetrate the market. Morubel managed to have the first ASC certified shrimp in the Benelux shelves and we continue our efforts to selling responsibly farmed shrimp. But also MSC and organic shrimp are marked on our sustainability path.

% CERTIFIED NORTHERN EUROPE



PRODUCT SALES THAT MEET OUR SUSTAINABILITY POLICY:

Keeping our customers satisfied

Colruyt buyer Michel Jenquin testifies how he experiences the cooperation with Morubel and how Morubel meets Colruyts needs.

How satisfied are you as a customer? What are the main reasons for this satisfaction?

"We are very satisfied with the quality of the products that Morubel supplies.

We also value the cooperation with the Morubel buyer and sales manager: they really think with us on what we want to achieve with our customers. And I am talking products as well as our sustainability philosophy."

What – to your opinion - are the main challenges or issues an organization such as Morubel faces with respect to sustainability?

"We have our own office in Hong Kong, allowing us to buy products directly from the source. Therefore, we consider it very important for Morubel to be a

trendsetter, a pioneer, always ahead of competition. That is something we cannot do from our own organization."

What are the strengths of the Morubel's sustainability approach? What surprises you (positively)?

"When Morubel became an independent company, it was the product expertise and dedication from their people that caught our interest and that put them on the map at Colruyt.

Just continue the good job!"



PURE PRODUCTS

Morubel is and has always been synonymous for high-quality products. Our customers can be assured that we deliver on our promises: providing them with good, safe, honest and authentic seafood.

QUALITY AND FOOD SAFETY, THE SOURCE OF OUR SUCCESS

Morubel is 100% about safe quality food. We have an elaborate set of procedures to ensure the safety and quality of our products in various phases of the process:

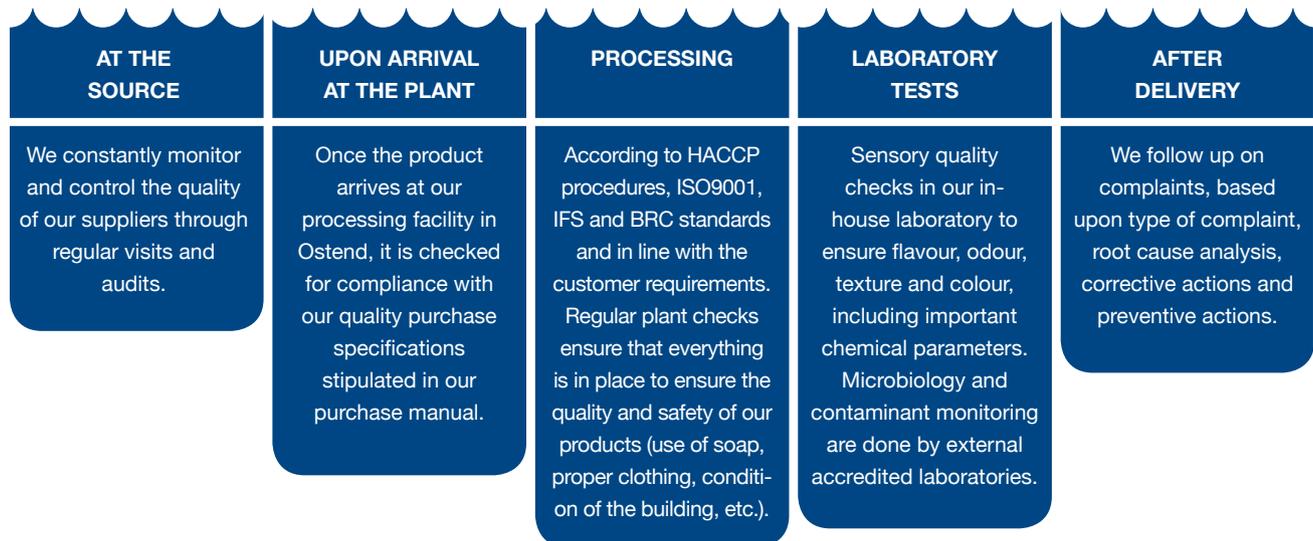
INTEGRITY AND AUTHENTICITY ENSURED

At Morubel, we always deliver on our promises:

- **Product authenticity.** Our customers can be assured that their specifications are exactly met. Next to our stringent quality checks throughout our chain of production, we offer full traceability: we

document every step from the farm or the processing plant, the production unit and delivery to the final customer.

- **Producer integrity.** Various measures have been taken to avoid any risk of fraud. For example, we ensure the trustworthiness of our products and suppliers by buying certified product when possible, as well as regular visits to the supplier's production sites.



Quality is what makes good food taste great



Food quality management is a priority at Morubel. For this reason, the company has forced itself to achieve ISO9001 certification and implement a vast series of quality checks to ensure customers receive the product they requested. Nick Lagrou, Quality Assurance Manager at Morubel discloses the ins and outs of the quality control process at Morubel.

What does a good product mean to Morubel?

“For us, a good product is one that meets all of our criteria, being legal obligations, certification criteria, customer-specific requirements and

our own specific targets and objectives. Hence, our produce is checked on all of these aspects.”

How do you realize all of these checks?

“The first step is prevention. Through our Purchase Manual we inform our suppliers on the various requirements they need to meet regarding species, size, etc. to make sure we get the finest produce. At our processing plant, we execute a variety of laboratory tests to check the salt content and freshness among other things. The factory itself is also inspected periodically, to make sure hygiene standards are followed for example. Finally, we also follow up on any type of complaint.”

How are complaints tackled?

“Each complaint is taken seriously. First of all we investigate what the complaint is about: does it concern the product itself or another aspect such as transport delivery? Next we try to find out where the problem could have originated, so that we can take the appropriate remedial action and prevent similar issues from re-occurring. The full traceability of our supply chain is of utmost importance in this regard. For each batch of produce that we process, we have a complete overview of every step the product went through, right down from the pond or processing plant

the seafood came from.”

Do you expect any evolution in the nearby future?

“Customer requirements keep on evolving. For instance, more and more customers want to reduce the salt content of shrimps. Salt is an important ingredient for us, as it determines the taste. Without any salt, shrimps have practically no taste. We are currently investigating how far we can go in meeting this request, without hampering the taste of our products.”

Our commitment to the future

Continuous improvement is firmly embedded into our organization. Initiatives we have lined up for the near future envelope:

- The implementation of a grievance mechanism, which comprises an internal complaint handling procedure, an idea box, and a whistleblower procedure.
- Achieving ACS (auto control system) certification.
- Follow up on GMP – HACCP principles during factory inspections (with set target levels)

STATUS:



PURE CRAFTSMANSHIP

Sustainability is a main driver in everything we do. It shapes our daily activities, our craftsmanship as we like to call it. Our main objective is optimizing our processes as much as possible: on a human level as well as in the field of energy consumption and waste generation.

STATE-OF-THE-ART TECHNOLOGY

The world keeps on turning, products and flavours change, technologies evolve. With our many years of experience, enormous flexibility and passion for our product, our processing plant continues to steer a smart course. Our various production lines for frozen seafood, retail and bulk packaging are constantly being updated and extended to ensure we are equipped with the most up-to-date technology.

EFFICIENT USE OF RESOURCES

Morubel's main energy consuming processes are cooling the storage halls and freezing the shrimp (nitrogen). Morubel monitors energy consumption closely. More than half of Morubel's energy use comes from renewable and cogeneration sources.



0.597 kWh/kg
Electricity

0.000402 kWh/kg
Gas

1.039 kg/kg
N₂

0.00982 m³/kg
Water

13.75 kg/1000 kg
Flammable waste

2,5%
of the total waste volume
is organic waste

LIMITING PRODUCT LOSS

The Morubel plant is equipped with state-of-the-art processing lines, ensuring highly efficient processing of our shrimps. A residue of 2,5 % is processed into animal feed. We managed a 15 % reduction of non recyclable waste.

Frozen seafood also reduces the risk of product loss at the final customer's side. Not only does frozen seafood have a longer storage life, it also allows the customer to only use the amount of shrimp that is needed: the rest can be put back in the freezer for use later on. In this way, another 40% less food waste ends up in the garbage bin or as compost.

UP-TO-DATE KNOWLEDGE

Morubel's craftsmanship is not only built on technology, but on an excellent workforce as well. We make sure our staff remains up-to-date on all the new technologies as well as the changing market environment by offering them ample training opportunities. In 2014, our employees followed 1453 training hours.



Our state-of-the-art plant



The 37.400m² Morubel plant in Oostende is equipped with 2 processing lines, 4 packaging lines and one thawing line. As a result, the plant is able to process 14.000 tons of seafood every year. The challenge is to achieve this as efficiently as possible. That is why Plant Manager Marc De Wulf is constantly looking for ways to optimize its onsite processes.

How does sustainability fit into the daily operations of a Morubel Plant Manager?

“Sustainability is in more than one way an essential driver in my day-to-day job. It is up to me to ensure the plant’s smooth operation. Not only from an

economic point of view, but from an environmental and human perspective as well.”

In what way do you involve your employees?

“We want our workers to be able to perform their job as efficiently as possible. If they have certain training needs or remarks that could improve their daily operations, then we want to know. And vice versa as well: if we see opportunities for improvement in their work, we will inform them. Initially, this was done on an ad hoc basis, but in 2015 we decided to do this on a regular, strictly organized way as well through performance appraisals. This will certainly evolve in the following years, but the results we got from the talks we already held with the factory workers will certainly be useful to further optimize our internal processes.”

Can you give some examples of initiatives to reduce your plant’s impact on the environment?

“One of our main goals is to minimize our volume of flammable waste. To that regard, we have asked our cardboard suppliers to only deliver recyclable cardboard and plastics. In this way, we can sell all of our cardboard and plastics waste, after they passed through our two onsite presses, to recyclers. In

addition, we also sell our wood waste. For instance, we have a contract with our pallet supplier stating that he buys back all broken pallets. Other wood waste is either sold to recyclers for reuse or to incinerators to produce energy. Organic waste is also sold. Predominantly for reuse in animal feed products.”

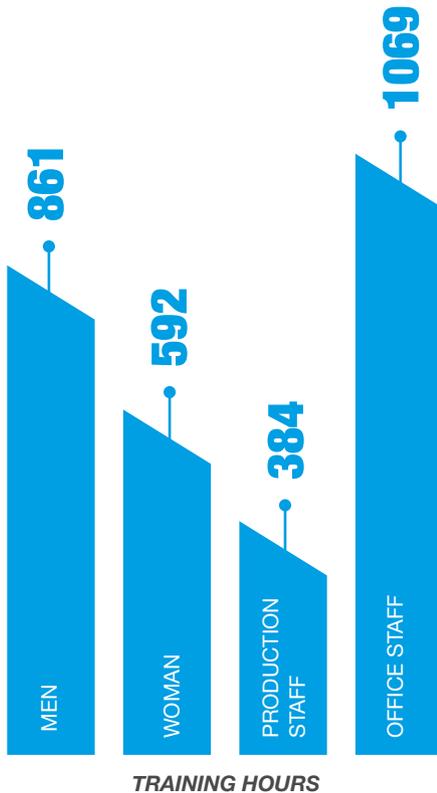
What about the use of resources at Morubel?

“The plant uses a considerable amount of water, for processing as well as cleaning purposes. Waste water is sieved onsite to remove large debris before it is disposed into the public sewage system. Our waste water complies to the prevailing standards and can be used to improve efficiency in the water company’s purification plant. So, we are not planning any further actions in this domain. We have, however, taken actions to improve our onsite energy use. Our energy use is quite constant, and mainly determined by our onsite freezers. So if production volume declines, as was the case last year, energy intensity increases although we have not seen any considerable increase in our overall energy consumption. Still, we have scheduled an energy audit to remove the reactive energy, and maybe even find other improvement opportunities.”



TEMPTING TASTES

Good food is part of what makes life worth living. Morubel ensures our product is an unforgettable savoury experience. The biggest challenge in this regard is reducing the salt content, as increasingly more customers are demanding such a reduction. Hence, our research team is investigating the possibilities, including the reduction of sodium additives while keeping succulent taste.



TRAINING HOURS

Our commitment to the future

We always look for new improvement opportunities. For this reason, we have set new goals for the upcoming years:

- We strive to further reduce the volume of non-organic waste (e.g. cardboard, plastic foils, etc.) per ton processed shrimp by 5%.
- We aim to further improve processing techniques to save on energy use.
- It is our ambition to reduce transportation costs per ton of frozen seafood by 3%

STATUS:



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**Do you have any suggestions
about our sustainability report?**
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MORUBEL

THINK PURE, TASTE MORE