

# GLOBAL COMPACT REPORT 2012





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## UN GLOBAL COMPACT PROGRESS REPORT

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## COMMITMENTS: NEW CHALLENGES ENVIRONMENT

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## **REPORT PARAMETERS**

### ORGANISATION PROFILE

This report communicates the way in which the 10 Global Compact principles are implemented at Grupo Nabeiro/ Delta Cafes companies.

### PERIOD

This reports the main activities and projects carried out from January 1st 2012 to December 31st 2012.

### CONTACT FOR ANY MATTER:

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DELTA WORLD

WE ARE  
REPRESENTED IN  
**30**  
COUNTRIES

**17** WE ARE IN  
EUROPEAN  
COUNTRIES

- + ANDORRA
- + BELGIUM
- + DENMARK
- + ESTONIA
- + FRANCE
- + GERMANY
- + IRELAND
- + LUXEMBOURG
- + MOLDOVA
- + MONACO
- + NETHERLANDS
- + POLAND
- + PORTUGAL
- + SPAIN
- + SWITZERLAND
- + UK
- + UKRAINE



**3** WE ARE IN  
NORTH AMERICAN  
COUNTRIES

- + CANADA
- + UNITED STATES OF AMERICA
- + BVI

**2** WE ARE IN  
SOUTH AMERICAN  
COUNTRIES

- + BRASIL
- + MEXICO

PORTUGAL



**6** WE ARE IN  
AFRICAN  
COUNTRIES

- + ANGOLA
- + QATAR
- + MOZAMBIQUE
- + SENEGAL
- + S. TOME AND PRINCE
- + SOUTH AFRICA

**2** WE ARE IN  
ASIAN  
COUNTRIES

- + MACAU
- + EAST TIMOR



## CHAIRMAN'S LETTER

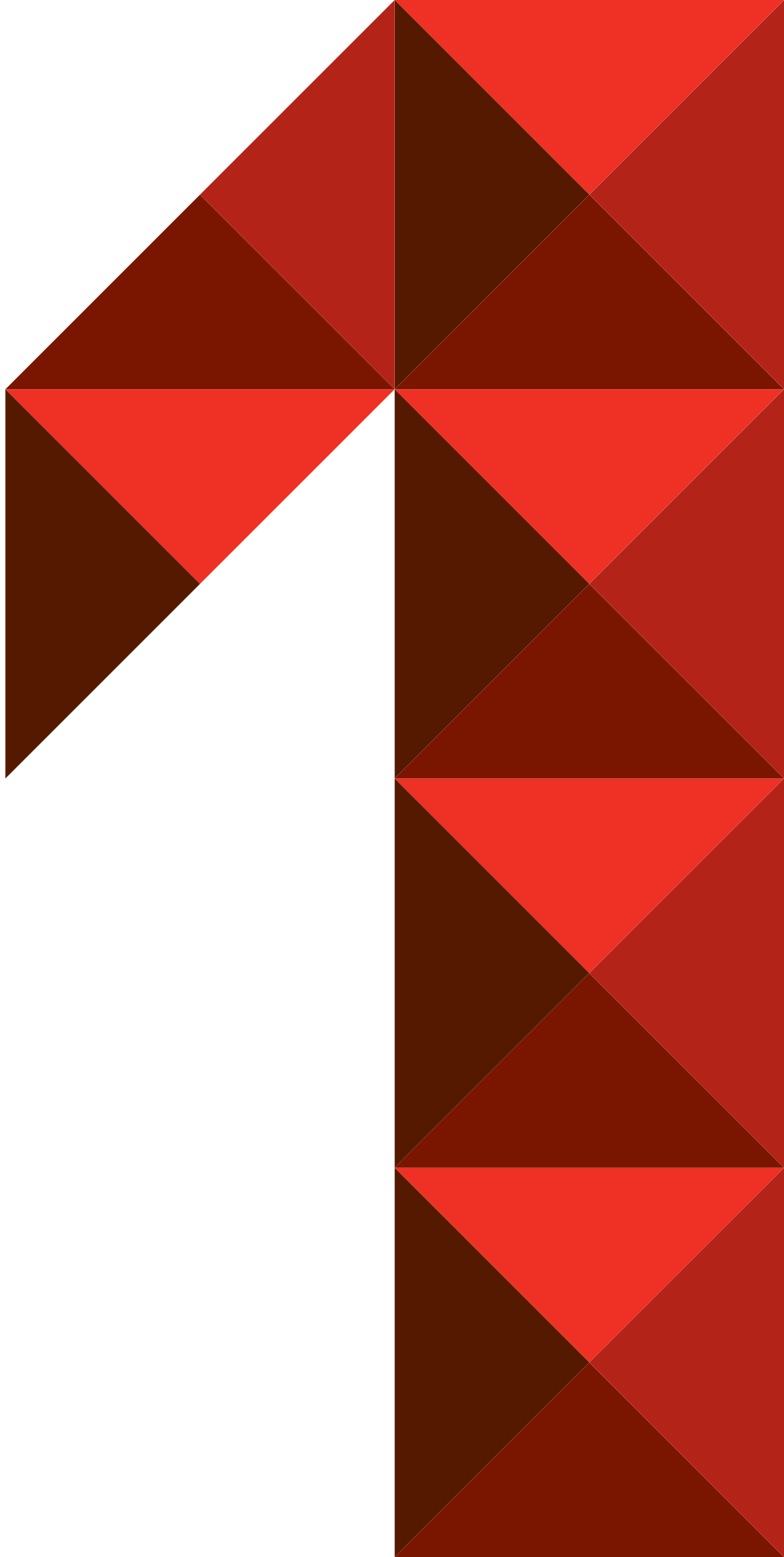
Our company's history drives us on to pursue our policy of excellence and innovation. We firmly support the Ten Principles of the Global Compact pertaining to Human Rights, Labour Rights, Environmental Protection and the Fight Against Corruption in all its forms because only in this way is it possible to ensure economic growth, promote social justice and maintain respect for the environment.

We currently have a great responsibility. Over the years we have been able to overcome the situations facing us. We have witnessed and accompanied the evolution and growth in markets as well as the volatile trends of consumers. We argue that we cannot approach work passively, but rather thoroughly and ambitiously. From this perspective, we declare that our goal is to support and promote the Ten Global Compact Principles vis-à-vis our Stakeholders.

Similarly to previous years, we are responsible for incorporating the Global Compact and its principles into the strategy, culture and daily activities of our organisation. We believe in sustainable progress and in future generations. That's why we undertake to promote the Ten Principles in committed, dedicated fashion, thereby confirming their transparency and veracity.

It is the duty of us all to lend greater emphasis to these matters and transform new generations into citizens who promote progress and happiness.

We are also responsible for submitting a Progress Report within one year in line with the Global Compact COP policy.



# 1. MANAGEMENT WITH A HUMAN FACE

## 1.1 DELTA CAFÉS IN FIGURES

3068

Employees

---

60

Origins of coffee

---

MORE THAN

22.600

Tonnes of coffee sold

---

55.000

Direct Customers

---

450.000

Bags of imported  
coffee

---

27.000

Tonnes of coffee  
bought

---

4KG

Mean consumption  
per person/ year  
in Portugal

6.267.000

Delta coffees drunk  
per day in Portugal

---

MORE THAN

285 MILLION EUROS in sales



# 1.2

## THE MISSION, VALUES AND PRINCIPLES

### MISSION

Delta Cafés' mission over the years has been to meet the real requirements of customers/markets with a view to the total satisfaction and loyalty of consumers through a responsible business model based on the creation and sharing of value with the stakeholders.

### THE VALUES

Since its foundation Delta Cafés has rested on solid values and human principles which were reflected in the creation of a brand with a Human Face based on the authenticity of our relations with all the stakeholders. Along our value chain we seek to implement the values we defend through our practices, policies and principles. Respect for our principles is a pre-requisite for the development of a sound, long-lasting relationship. Belonging to the large Delta family requires our employees to totally accept our values which are set out in the Welcome Manual. The selection, qualification and evaluation of our partners depends on the observation of quality standards and the Guiding Principles of the Business to ensure that our products and services fully meet the integral same ethical standard.

INTEGRITY  
TRANSPARENCY  
LOYALTY  
TOTAL QUALITY  
SUSTAINABILITY  
SOLIDARITY  
RESPONSIBLE INNOVATION  
HUMILITY  
TRUTH





## **GUIDING PRINCIPLES OF THE BUSINESS**

### **Sustainable Development**

Delta Cafés does not believe in immediate benefits which compromise the sustainable development of the company and of the community. However, it recognises the need to ensure a sustainable, long-term return to ensure compliance with the objectives of the expectations of the parties concerned by means of a responsible investment and innovation process.

It ensures a pro-active contribution to the creation and sustainability of "competitive communities" by boosting partnerships and development networks.

### **Normative Integrity and Transparency**

It shares the principle set out in the United Nations' Global Pact which characterises the development of its activity by means of practices which are transparent, full and supportive to all the stakeholders and it expects the same attitude from its partners. It fully supports the principles contained in the Global Pact as regards Human Rights. In this way, Delta Cafés promotes a respect for Human Rights as a formal criterion in the wealth creation process and decision-making in terms of investments and/or acquisitions, ensuring that its business partners are no accessories to Human Rights' breaches.

The publication of Delta Cafés' Annual Report and Accounts ensures the dissemination of financial information, performance and investments.

Every year external audits are carried out by independent auditors so as to offer external, objective guarantees to all stakeholders that the financial statements provide a true picture of the financial position and performance of the company.

Delta Cafés hopes that its employees and business partners respect the organisation's interests in terms of bribery, corruption and favouritism towards public entities.

### **"A Customer, a Friend"**

It is a company focused on its customers/consumers, seeking to make an active contribution to wealth creation in its customers' businesses. With this in mind, it is committed to research and development of greater value-added products and services, seeking an economic, social and environmental balance.

### **Communication**

It promotes an informative communication policy, respecting the principles of transparency, the quality of information about products, services, labelling and promotional contacts, promoting the emergence of "Responsible Consumption".

### **Responsible Innovation, Excellence and Leadership**

The management model with a human face enhances the enterprising capacity and the "on-going improvement spirit" of the stakeholders. In this regard, it works with suppliers, business partners, universities and NGOs with a view to achieving the on-going perfecting of products and services, developing technologies and procedures so as to increase the competitiveness of the chain and guide the organisation to responsible innovation.

### **Quality, Health and Safety**

Its employees are the company's most valuable asset and we are thus committed to working conditions, to wit, Hygiene and Safety in the professional development of employees, implementing integrated on-going training programmes, promoting training and the promotion of talents; boosting a better reconciling between professional activity and family life; and incentivising the involvement of all employees in the sustainable development of the group and the community.

### **Sustainability at the Origins**

Aware that sustainable trade is a fundamental means for integrating economies and combatting the asymmetries between different regions of the world and allowing a fairer distribution of wealth, Delta Cafés is in favour of signing protocols with NGOs to set up Sustainable Trade partnerships and networks which ensure the payment of a fair price to the producer, supporting producer qualification projects and fostering environmental sustainability, promoting environmental-friendly practices and territorial protection.

### **Environmental Responsibility**

Its commitment to the environment is borne out by the stimulation of Sustainable Economic Growth, committing to Eco-innovation to minimise environmental impacts in such a way as not to compromise the interests of future generations.

# 1.3

## GROUP ORGANOGRAM

Delta Cafés came about in 1961, 50 years ago. Rui Nabeiro, an aficionado of the coffee market and enterprising by nature, decided to create his own coffee brand. Half a century later, the brand asserted itself as an example of the pioneering spirit, innovation and business will.

As from the second half of the 1970's the commercial structure was consolidated in a decisive way, viewing the new market requirements serenely. It was against this backdrop that in 1984 there was a separation of the commercial activity ensured by the company Manuel Rui Azinhais Nabeiro Lda, from the industrial activity undertaken by Novadelta SA, the first certified company in this sector in 1994 according to the NP 29002 standards' system. This trajectory resulted in 1998 in the reengineering Nabeiro/Delta Cafés Group, giving rise to the creation of 22 companies, organised by strategic areas to reinforce the main activity of the group. Nabeirogest SGPS SA is currently made up of 27 companies and two Associations.

Delta Cafés SGPS is the sub-holding of the group comprising a dozen companies involved in coffee imports, roasting and commercialisation. Since the publication of the last Report the company Novadelta Luxembourg was incorporated, ensuring the commercialisation of Delta coffee in Luxembourg.

### INDICATORS

UNIT: EUROS

ECONOMIC INDICATORS	AMOUNT 2011	AMOUNT 2012
EC 1 – DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED		
DIRECT ECONOMIC VALUE GENERATED		
REVENUE	287.213.312,46	289.460.222,00
OPERATING COSTS	218.861.384	215.453.931
EMPLOYEE SALARIES AND BENEFITS	56.834.416	67.870.899
PAYMENT TO FUNDERS	5.044.385	4.389.449
PAYMENTS TO THE STATE	6.793.576	4.064.520
INVESTMENTS IN THE COMMUNITY	1.466.436	2.02.641
ACCUMULATED ECONOMIC VALUE	-1.786.885	-4.342.218

Delta Cafés SGPS is the Group sub-holding, formed by 11 companies involved in coffee importing, roasting and commercialisation.



# 1.4

## GOVERNANCE MODEL

The Board of Directors comprises the Nabeiro family who represent the shareholders of Delta Cafés. One of the mechanisms promoting wealth creation in sustainable fashion is the family culture rooted therein since its foundation. The advantage of the Delta culture is the proximity between administration, employees, customers, suppliers and other stakeholders.

The Delta Cafés management system is based on the plurality of interests and an open knowledge network which allows converging motivation, ensuring wealth creation for all stakeholders. This proximity is visible in the integrated management system, at the periodic meetings and in the informality of the daily contacts and relations.

### GOVERNANCE MODEL

BODY	COMPOSITION
BOARD OF DIRECTORS The Board is responsible for the strategic and operational management of the company.	CHAIRMAN OF THE BOARD OF DIRECTORS Manuel Rui Azinhais Nabeiro  DIRECTORS João Manuel Gonçalves Nabeiro Helena Maria Gonçalves Nabeiro
GENERAL MEETING The General Meeting constitutes the proper means for obtaining corporate decisions during the course of company activities.	GENERAL MEETING BOARD CHAIRMAN Alice do Carmo B. Gonçalves Nabeiro  SECRETARY António Miguel Peralta Ribeirinho
STATUTORY AUDIT BOARD Fiscal and financial supervision of company accounts.	STATUTORY AUDITOR Reinaldo Soares, Rogério Coelho & José Jacob, SROC (chartered accountant) 162  ALTERNATE Luís Marques Granja
VERIFICATION AND EXTERNAL AUDIT Verification and independent Audit of company accounts.	Ernest & Young

# 1.5

## SUSTAINABLE WEALTH CREATION

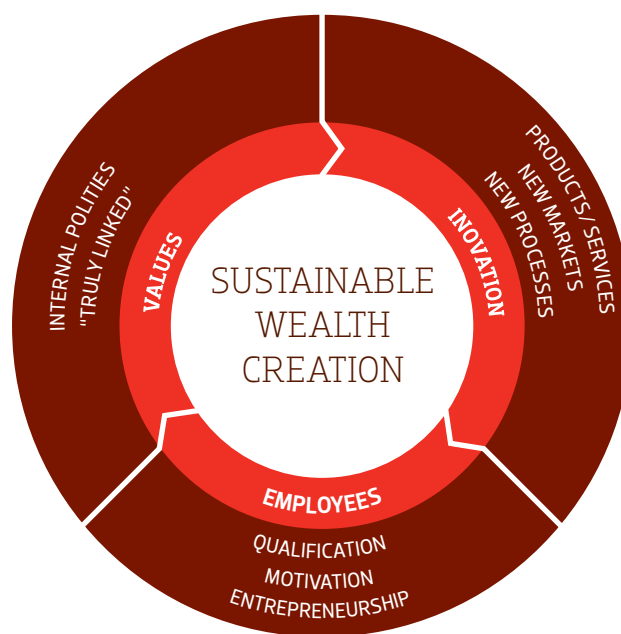
This model is based on a culture of collaboration and initiative, of work in dialectic, self-organised and multidisciplinary teams focused on wealth creation, the optimisation of internal performance and quality. For Delta Cafés the factor lies in the enhancement of its intellectual capital as a means of supporting benchmark and innovation processes.

Delivering a defect-free product to the customer is today a sine qua non condition for being on the market and the customer is not willing to pay for inefficiencies in the production process. The consumer expects to be surprised by unexpected functionalities which appeal to its five senses and incessantly seeks new sensations, flavours, experiences and models.

Delta Cafés assumes the quality and flexibility of internal processes and it sets out to achieve an organisational culture based on values, principles and attitudes which are continuously practised and communicated, ensuring the brand reputation and awareness.

Sustainable wealth creation at Delta Cafés is thus based on a holistic vision of a socially and environmentally responsible organisation which generates new products and services by means of multidisciplinary teams.

This structure includes production processes certified in line with international management references which are continuously evaluated, monitored and controlled by a series of performance indicators which generate knowledge capable of stipulating on-going improvement, minimising waste and defects.





Sustainability governance is ensured by means of the Sustainability Team which comprise six areas: Environment, Human Resources, Innovation, Financial, Social and Marketing. The team can meet in a plenary session or convene a single area in the event of a specific matter.

The Sustainability Committee comprises 12 members and meets every quarter with a view to approving the sustainability strategy, setting the objectives and monitoring performance. The Chairman of the Committee, the General Manager, is responsible for communication and interaction with the Board.

#### COMPOSITION OF THE SUSTAINABILITY MODEL

BODY	MEMBERS	DUTIES	MEETINGS
CHAIRMAN OF THE SUSTAINABILITY COMMITTEE	GENERAL MANAGER	Approval of the strategic lines with the Board.	Annual Approval
SUSTAINABILITY COMMITTEE	FINANCIAL MANAGEMENT, INTEGRATED SYSTEMS' MANAGEMENT, MARKETING MANAGEMENT, HUMAN RESOURCES' MANAGEMENT, CORAÇÃO DELTA MANAGEMENT, INNOVATION MANAGEMENT, WORKERS' REPRESENTATIVE	Analysis of GRI indicators, Benchmarks and other Relevant analyses. Devising of guiding principles and strategic objectives. Drawing up of the Action plan.	Quarterly
SUSTAINABILITY MANAGER	SUSTAINABILITY MANAGER	Monitors Action Plan implementation. Convenes meetings. Coordinates day-to-day Sustainability management.	Daily monitoring
SUSTAINABILITY TEAM	FINANCIAL MANAGEMENT, INTEGRATED SYSTEMS' MANAGEMENT, MARKETING MANAGEMENT, HUMAN RESOURCES' MANAGEMENT, CORAÇÃO DELTA MANAGEMENT, INNOVATION MANAGEMENT,, SUSTAINABILITY MANAGEMENT	Each Area Manager Responsible will have to implement the action plan, monitoring and reporting to the Sustainability Manager.	Fortnightly

#### SUSTAINABILITY MANAGEMENT

##### BOARD OF DIRECTORS

##### SUSTAINABILITY COMMITTEE

##### SUSTAINABILITY MANAGER

##### THE ENVIRONMENT

##### INNOVATION & FINANCIAL DESIGN

##### MARKETING

##### SOCIAL

##### HUMAN RESOURCES



## 1.6 DIALOGUE WITH THE STAKEHOLDERS

STAKEHOLDER GROUP	STAKEHOLDER SUBGROUPS	COMMUNICATION INSTRUMENTS/CHANNELS
INVESTORS	> NABEIRO FAMILY	> Regular Meetings > Sustainability Report
CUSTOMERS/ CONSUMERS	> HORECA > RETAIL > WHOLESALERS > END CONSUMER	> Contact with the vendor > Customer service line > Site > Facebook page > Delta Magazine > Shops > Fairs > Market Surveys > Sustainability Report
EMPLOYEES	> BOARD OF DIRECTORS > MANAGERS/HEADS > VENDORS > TECHNICIANS > ADMINISTRATIVE STAFF > WORKERS	> Reuniões Regulares > Comissão dos trabalhadores > Newsletter > Portal Interno > Site > Revista DeltaMagazine > Relatório de Sustentabilidade
COMMUNITY	> COMMUNITY (CAMPO MAIOR) > COMMUNITIES WHERE THE GROUP HAS A DIRECT PRESENCE > COMMUNITIES WHERE THE GROUP HAS AN INDIRECT PRESENCE	> Customer service line > Visits to Museum and Novadelta > Visits to Alice Nabeiro Educational Centre > Commander Rui Nabeiro International post-graduation centre > Sustainability Report
STATE	> LOCAL GOVERNMENT > REGIONAL GOVERNMENT > PUBLIC INSTITUTES/ MINISTRIES	> Letter > Meetings
NGOS AND INSTITUTIONS	> HEALTH > COMMUNITY > ENVIRONMENT	> Meetings > Projects > Protocols
SUPPLIERS	> RAW MATERIALS > SUBSIDIARY MATERIALS > EQUIPMENT > FOOD PRODUCTS > SERVICES > CONSUMABLE SUPPLIES	> Business Guiding Principles > Market Consultations > Audits > Sustainability Report

The integration of the recommendations/ suggestions of the various stakeholders is carried out by means of a series of channels which enables us to incorporate these inputs into the production process.

# 1.7 GOOD PRACTICES ON THE VALUE CHAIN

## ORIGINS OF COFFEE

The business guiding principles contribute to coffee production in responsible fashion in the economic, social and environmental fields.

In order to promote biodiversity, we have acquired more than 60 different origins.

In Angola we have undertaken several actions to promote producer qualification.

In partnership with the Oeiras Agronomic Station we develop coffee plants in Angola which are more resistant to climatic conditions.



### POSITIVE IMPACTS

Contributes to the competitiveness of developing countries.  
Job creation.  
Economic Growth.  
Improvement in social conditions.

### NEGATIVE IMPACTS

Side effects of economic growth.  
Loss in biodiversity.  
Consumption of resources (water and power).

### STAKEHOLDER IMPACTED

Suppliers;  
Producers;  
Community.

## COFFEE TRANSPORT

To transport coffee between the port of Lisbon and Campo Maior, the train is used, reducing the economic costs and CO2 emission..



### POSITIVE IMPACTS

Contribution to the development of business partners in the region.

### NEGATIVE IMPACTS

Atmospheric and sound pollution.

### STAKEHOLDER IMPACTED

Suppliers;  
Community;  
Local Suppliers.



## COFFEE PROCESSING

The coffee processing procedure is carried out with the concern to optimise resource consumption.

The working conditions seek to ensure the health and safety and well-being of employees.

Delta Cafés provides all its employees with free health insurance, collective transport to the factory unit and a refectory.

Delta Cafés has an integrated management system incorporating Quality, Food Safety, the Environment, Corporate Social Responsibility and the Health and Safety of Employees.

Replacement of lighting with power saving bulbs.

Delta Cafés carries out the appropriate treatment of the waste generated by its activity.



### POSITIVE IMPACTS

Local direct and indirect job creation.  
Improvement of the social and economic conditions of local communities.  
Wealth creation on the national and local chain.  
Development of the local business fabric.  
Increase in the competitiveness of the local community.

### NEGATIVE IMPACTS

Consumption of resources (water and power).  
Atmospheric and sound pollution.  
Waste production.  
Consumption of materials.

### STAKEHOLDER IMPACTED

Suppliers;  
Employees;  
Local community;  
State;  
Investors.

## COFFEE COMMERCIALISATION

Wide range of products adapted to the local market.

Several channels to hear stakeholders.

Optimisation and rationalisation of distribution routes.

Training for restaurant professionals at the Escola Barista Delta.



### POSITIVE IMPACTS

Contributes to the competitiveness of developing countries.  
Job creation.  
Economic growth of communities.  
Promotes producer associationism.  
Improvement in social conditions.

### NEGATIVE IMPACTS

Negative side effects of economic growth  
Abandoning of land.  
Loss in biodiversity.  
Coffee price.  
Resource consumption.

### STAKEHOLDER IMPACTED

Customers;  
Employees;  
Local community;  
Suppliers;  
State.

## "TRULY LINKED"

Support to activities and projects which promote the development of competitive communities.

Innovation promotes wealth creation in Portugal.

Commitment to knowledge network creation in Portugal.

The development of Delta Q machines is a commitment to energy consumption rationalisation.

Guarantee of total traceability on the food chain.

Design and implementation of a CRM system.

Promotion of business volunteers under the "Tempo para Dar" initiative.

Commitment to training children and young people through CEAN.

Support to children and young people with special educational needs.

Dissemination of the Entrepreneurialism Manual through teacher training.

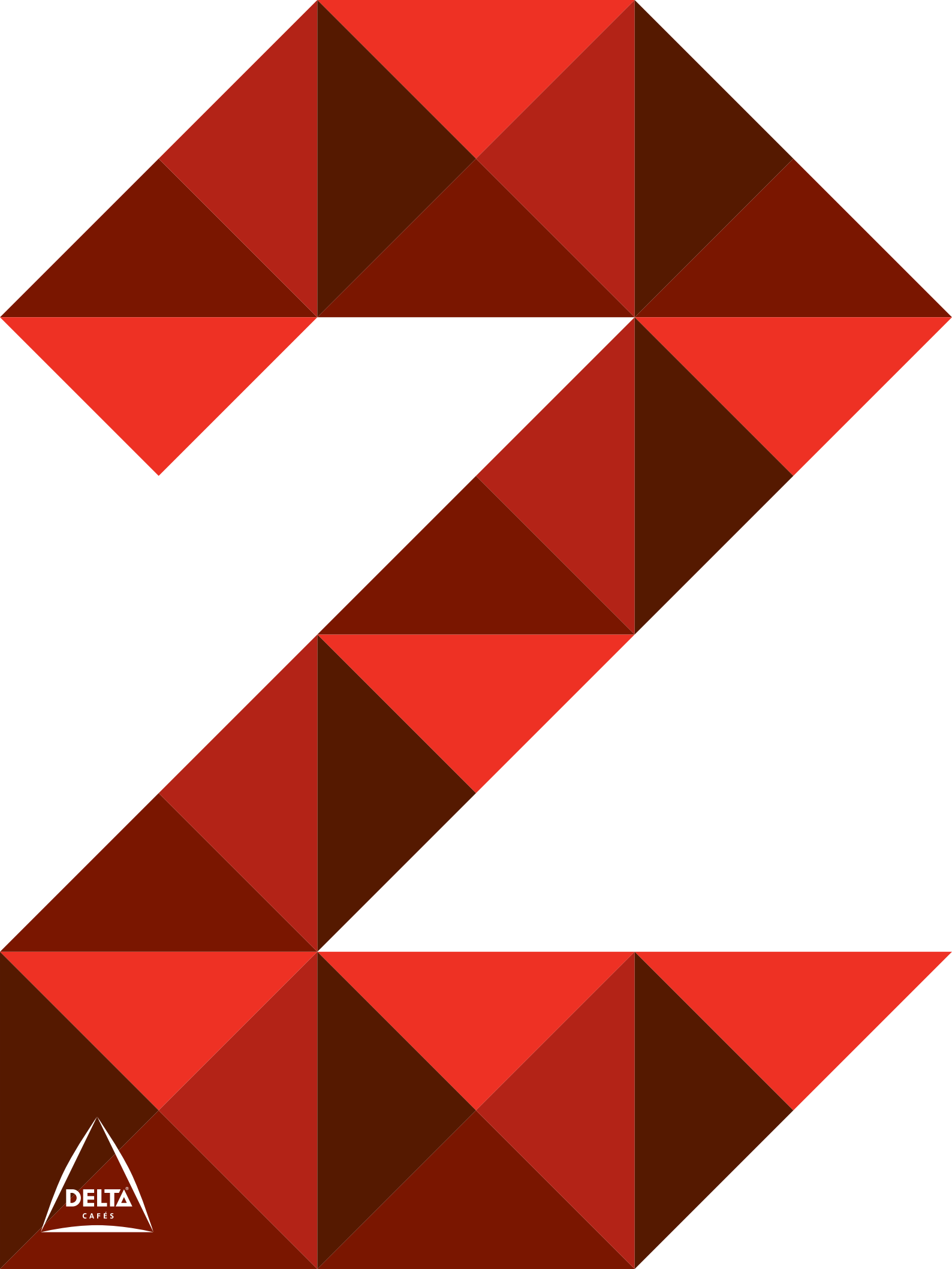


### POSITIVE IMPACTS

Promotion of the development of the community.  
Fostering the entrepreneurial spirit amongst young people and children.  
Community training.

### STAKEHOLDER IMPACTED

Customers;  
Employees;  
Community;  
State.



# 2. UN GLOBAL COMPACT PROGRESS REPORT

## 2.1. HOW WE PROMOTE THE 10 GLOBAL COMPACT PRINCIPLES

### 2.1.1. HUMAN RIGHTS

Delta fully supports the principles set out in the Global Compact in terms of Human Rights, Employment Law, Environment Protection and the Fight against Corruption. It promotes respect for Human Rights as a formal criterion in the value creation process and for making investment and/or acquisition decisions, ensuring that its trading partners are not complicit in Human Rights' abuses.

The protection of Human Rights is a principle inherent in the organisational culture of Delta Cafés and it takes the form of specific operational management actions.



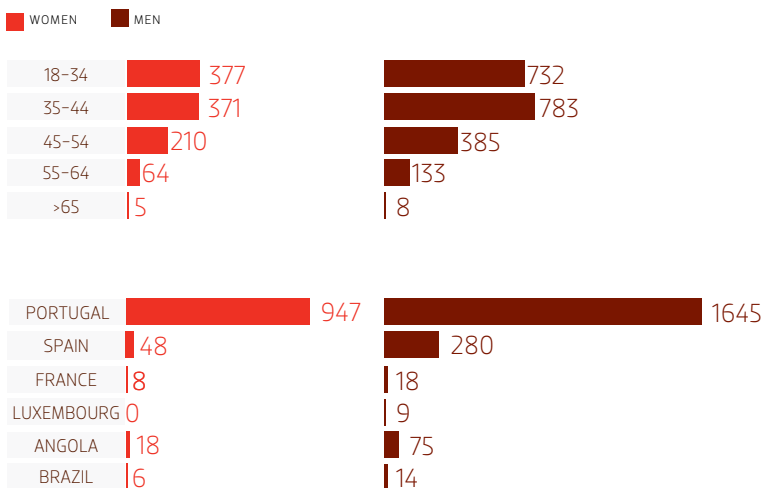
### **HUMAN RESOURCES' MANAGEMENT MODEL**

Human resources' management seeks to meet the needs of Delta Cafés, selecting, boost-ing and training the best talents. It is sought to actively increase their skills and create the conditions for their personal and professional development, seeking to stimulate their creativity and personal initiative in their pursuit of the organisation's objectives.

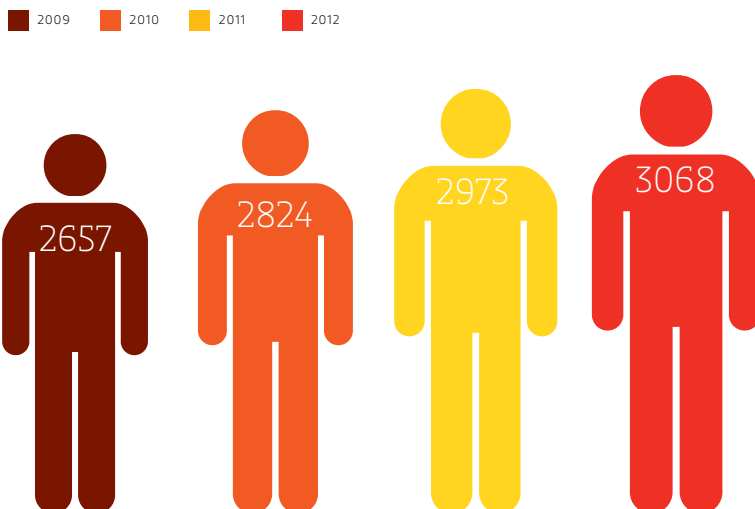
### **PEOPLE MANAGEMENT IS GUIDED BY A SERIES OF POLICIES BASED ON THE FOLLOWING PRINCIPLES:**

- Professional development;
- Equality of opportunities;
- Creation of new skills by means of an ongoing training model;
- Health and safety;
- Freedom of expression;
- Involvement of employees in research activities;
- Respect for Human Rights enshrined by the main International conventions;
- A good working environment focused on the development of interpersonal relation-ships;
- Professional and social fulfilment;
- Spirit of initiative and creativity;
- Professional enhancement by means of career plans;
- Non-discrimination.
- We seek to hire our employees locally, promoting the creation of infrastructures which boost the economic and social development of the various regions where we are present, thereby contributing to the construction of competitive communities.

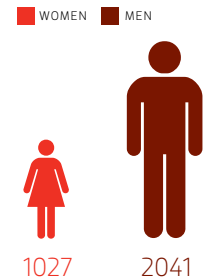
### Nº. OF EMPLOYERS BY AGE, GENDER AND COUNTRIES, 2012



### Nº. OF EMPLOYEES, 2009-2012



### Nº. OF EMPLOYERS, BY GENDER

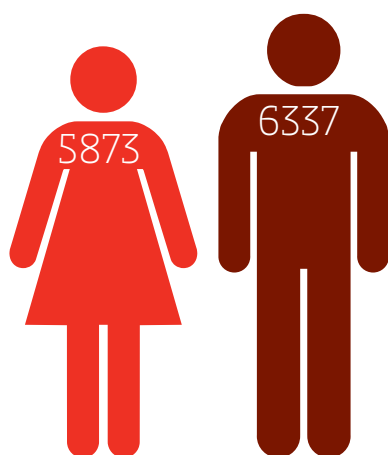


Delta promotes the equality of opportunities and diversity as essential values and no forms of discrimination are tolerated, be it owing to origin, ethnicity, gender, social class, physical disability, HIV carriers, political beliefs, religious choices and trade union associations, using solely objective criteria, including the qualifications presented by the employee bearing in mind the post he/she is to fill.

In the employee welcome process values and principles of the company are communicated as well as what Delta Cafés expects from its employees.

## TOTAL HOURS OF TRAINING PER EMPLOYEES

■ WOMEN ■ MEN



TOTAL

12.210 HOURS

## TOTAL TRAINING PER STAKEHOLDER

	TOTAL	N° OF TRAINEES
TO EMPLOYEES	2.670	258
TO CUSTOMERS	3.527	99
TO THE COMMUNITY	27.428	57
TOTAL	33.625	414

## TRAINING POLICY

Delta promotes the personal and professional development of employees, committing to ongoing training programmes which contribute to the achievement of the strategic objectives of Delta and to increased competitiveness based on the quality of human re-sources.

The Comendador Rui Nabeiro International Post-Graduation Centre, through the development of all its training projects and an extensive number of training hours already provided, has been assuming a role as a true strategic training "pivot" for employees, customers, consumers and the community, anticipating future directions and preparing its human capital to competently overcome the challenges of the 21st century.

With a view to expanding the training options and the knowledge network, we have been developing a series of partnerships with other training entities, namely:

- Universidade Católica Portuguesa (Portuguese Catholic University)
- Beira Interior University
- Évora University
- Minho University
- Portalegre Polytechnic Institute
- Leiria Polytechnic Institute
- Technological Experimental Biology Institute
- Mechanical and Industrial Engineering R&D University

Within this context a Protocol was set up with the National Qualification Agency (A.N.Q.) in the context of the New Opportunities' Initiative so as to ensure the joint boosting of the academic and vocational training and education facilities with a view to developing employee qualification levels.

A protocol was signed between the Vocational Training and Employment Institute (I.E.F.P.) and Grupo Nabeiro in the context of the New Opportunities' Initiative so as to jointly boost learning courses with a view to strengthening and diversifying dual certification training offers at secondary level and which has gradually become a pre-requisite for supporting the development requirements of knowledge-based economies.



## HEALTH, SAFETY AND HYGIENE POLICY

Delta Cafés considers employees as its most valuable asset. This is why it promotes a safe working environment, providing the equipment required to avoid accidents, injuries and occupational diseases related with professional activity, complying with the risk regulations and preventive management.

It is committed to preventing accidents, injuries and vocational diseases and to protecting our employees and partners.

The occupational Health and Safety policy sets safety as a priority. It recognises and requires everyone to play an active role in the promotion of a safe, healthy environment and it promotes raising awareness of and training on health and safety to business partners.

To ensure the application of these principles, there is an integrated management system which includes the Hygiene, Health and Safety Policy which is applied to all employees. This aims to contribute to the prevention of occupational risks, increasing competitiveness and reducing the rate of accidents.

In the context of our health and safety prevention policy, several screenings were carried out on employees, namely for depression, hearing, osteoporosis, speech therapy, glycaemia, blood pressure, oral hygiene and healthy diets under protocols with various entities.

Some screenings were also carried out on the community, to wit, hearing, allergology and oral hygiene on children from the borough of Campo Maior.

## GLOBAL COMPACT PRINCIPLES

**PRINCIPLE 1:**  
Companies must support and respect the protection of international human rights within their sphere of influence.

**PRINCIPLE 2:**  
Make sure it is not complicit in human rights' abuses.

### IN GROUP COMPANIES

Human Resources' Management Policy;  
Training Policy;  
Health, Safety and Hygiene Policy;  
Carrying out of various screenings.

### ON THE SUPPLY CHAIN

Business Guiding Principles;  
Supplier Assessment;  
Supplier Audits;

### IN THE COMMUNITIES

Protocol with IEFP;  
Support to education and entrepreneurialism projects through the Alice Nabeiro Education Centre;  
Carrying out of several screenings;  
Fight against loneliness amongst the elderly through the Time to Give project;  
Support to production communities in Angola through the Nhãrea and Kicolo project.

## 2.1.2 WORK PRACTICES

The key to success is people and their commitment to the brand which results from the relationship of proximity that Delta practices. There is people management through proximity which is expressed by direct contact with the administration, the knowledge of each employee and their needs and motivations.

Delta Cafés fully respects the contracts and working hours of all employees, not getting involved in the use of forced labour. It meets its legal obligations in terms of working hours and public holidays in accordance with the legislation of each country and under the principles of the International Labour Organisation. It assumes a fair remuneration policy which meets the basic needs of employees and affords a substantial quality of life to families.

Delta Cafés recognises the right of free association of its employees, respecting and enhancing its participation in trade unions, not practicing any kind of discrimination with regard to employees who are trade union members. The Group complies with and acts in accordance with the rules set out in the collective employment agreements applicable in the different activity sectors and regions. Respect for the right to association, enshrined in the Constitution, is disseminated amongst the employees of Delta Cafés when they are employed.

### GLOBAL COMPACT PRINCIPLES

	IN GROUP COMPANIES	ON THE SUPPLY CHAIN	IN THE COMMUNITIES
<b>PRINCIPLE 3:</b> Companies must support the freedom of association and the effective recognition of the right to collective bargaining;	Human Resources' Management Policy. Employee Welcome Manual. Training Policy. Audits.	Business Guiding Principles.  Supplier Assessment.  Supplier Audits	Nhãrea and Kicolo Projects in the production communities in Angola.
<b>PRINCIPLE 4:</b> The elimination of all forms of forced and compulsory labour;			
<b>PRINCIPLE 5:</b> The effective abolition of child labour;			
<b>PRINCIPLE 6:</b> The elimination of discrimination in respect of employment.			

Delta Cafés is certified in Corporate Social Responsibility pursuant to standard SA 8000 and it is forbidden to use child labour at any stage of production at all Group companies.

In view of the complexity of this situation in coffee producing countries, Delta Cafés believes that the partnership relations with the suppliers and audits carried out thereat contribute to a diminishing of the problem and the raising of awareness of the parties responsible, managing to implement ongoing improvements in all those who participate in the supply chain.

In the supplier/partner selection process, the acceptance of the Business Guiding Principles is a pre-requisite in order to establish sound, long-lasting relationships. Verification of compliance with the Principles is achieved through auditors and the supplier assessment process subject to criteria which look at performance, quality standards, economic and financial performance, corporate social and environmental responsibility.



## 2.1.3 ENVIRONMENTAL PROTECTION

The new product development cycle is based on the principles of eco-efficiency and eco-design, seeking to foster the sustainability of the origins, reduce inefficiencies in the production process and reduce and recover the waste produced.

At all stages of the product life cycle we strive to use natural resources efficiently and to promote the use of renewable sources, managed in sustainable fashion.

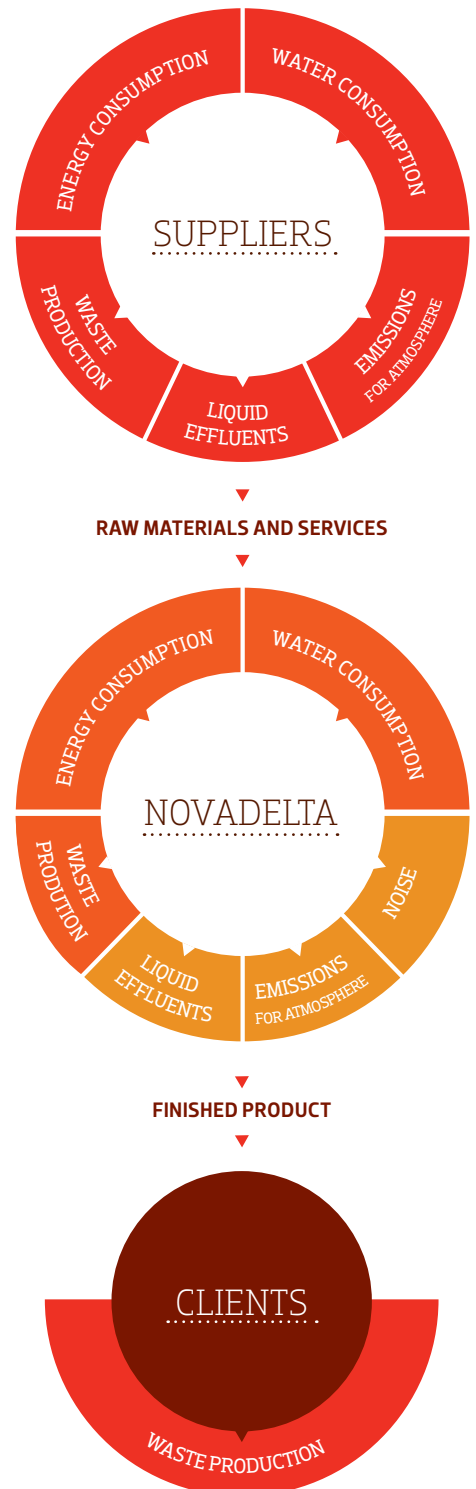
Delta Cafés has created a specific Environmental Management System, part of the integrated management system. The Environmental Management System is the series of processes, practices, methods and means which enable the organisation to set up an environmental policy and objectives, identifying and managing the impacts of their activities, products and services on the environment.

As an expression of its environmental concerns, Novadelta has met the standards required for Environmental Certification in accordance with the standards NP EN ISO 14001 and EMAS.

The identification of the environmental aspects deriving from activities, products and services and the assessment of their importance is carried out bearing in mind:

- The main direct environmental aspects of the organisation that the company can control directly;
- The indirect environmental aspects that the company can influence. They are mainly associated with the activities undertaken by subcontracted parties and innovation and design activity. Examples include the transport service, equipment assembly activities and new product development, respectively;
- Those aspects associated with emergency situations such as, for example, those related with the occurrence of a fire or spillage;
- Those aspects regarded as significant bearing in mind the impact importance assessment methodology.

### IDENTIFICATION OF ENVIRONMENTAL ASPECTS



- INSIGNIFICANT INDIRECT ENVIRONMENTAL ASPECTS
- INSIGNIFICANT DIRECT ENVIRONMENTAL ASPECTS
- SIGNIFICANT DIRECT ENVIRONMENTAL ASPECTS

## ENERGY EFFICIENCY

Every year the energy reducing targets are set. To attain them, a series of actions has been implemented which are aimed at attaining energy efficiency, namely, a network of sustainability ambassadors was created which has allowed an increase in the participation and involvement of employees in energy and water consumption reduction matters. At Novadelta solar thermal panels were installed to support hot water production; a heat recovery system was implemented; the factory lighting was replaced with energy-saving bulbs (Leeds) and partial meters began to be assembled throughout the manufacturing area so as to facilitate the monitoring of electrical consumption.

## EFFLUENTS

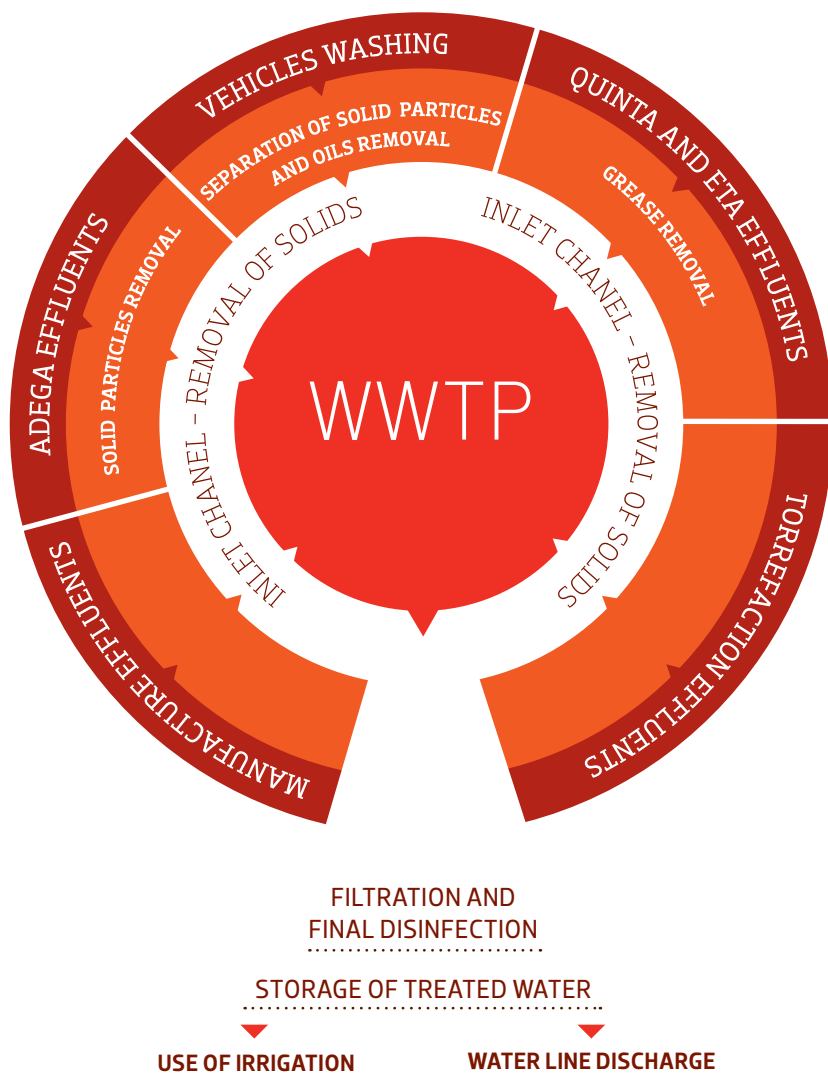
At Novadelta effluents are treated at its own WWTP (Waste Water Treatment Plant) wing to the fact that this area does not have any local council sewerage and sanitation infrastructures.

Since 2005 a project has been implemented which is aimed at recovering effluents in view of the fact that water consumption is a major environmental aspect. In this way the waste water from the WWTP began to be used for irrigation and green spaces. In 2012 around 30% of effluents were reused for irrigation.

## WASTE: PROMOTING RECYCLING

Waste reduction and recovery is a concern when developing new products and services. The acquisition of the new Delta Q packing machines for the Novadelta industrial unit took into account the capabilities of this technology to reduce the waste generated, thereby reducing the environmental impacts of the product.

## IDENTIFICATION OF EFFLUENT TREATMENT STAGES



## BIODIVERSITY

Novadelta is part of the classified site of Caia and it is close to the Special Protection Zone of Campo Maior (ZPE) and its surroundings have high biodiversity. Part of the surrounding properties are also classified as RAN (National Agricultural Reserve) and REN (National Ecological Reserve) and classified site of Serra de São Mamede, being regarded as important conservation areas endowed with greater biodiversity.

The coffee roasting activity carried out by Novadelta is associated with environmental aspects such as atmospheric emissions, the emission of noises to the exterior and the production of liquid and effluents and waste. However, the constant monitoring of these aspects means that the impacts associated with biodiversity are not significant. The fact that said manufacturing unit is located in the vicinity of a National Highway results in the minimum disruption for local biodiversity. To monitor the local biodiversity levels, a survey was carried out of the fauna and flora to be found at Herdade dos Adões, a property acquired by the Group in 2010.

The data obtained reveals that there is high biodiversity both in terms of the steppe birds, game species (rabbits, hares, partridges) and a high number of species associated with the ecosystem of the cork oak forest and agricultural production.

Delta Cafés is committed to preventing climate change and the attendant loss in biodiversity. The production process is based on obtaining a diversity of high-quality raw materials, it being essential to minimise the inherent consequences of its carbon footprint. The scarcity of certain nutrients in the soil, combined with the increase in temperature, will result in losses in arable land, restricting the diversity of coffee species vital for the formation of some lots which are characteristic of Portugal and the Delta Cafés brand.

Novadelta company policy conforms to all the environmental requirements and the conservation objectives of the areas where it is inserted.

## GLOBAL COMPACT PRINCIPLES

**PRINCIPLE 7:**  
Companies must support a precautionary approach to environmental challenges;

**PRINCIPLE 8:**  
Undertake initiatives to promote environmental responsibility;

**PRINCIPLE 9:**  
Encourage the development and diffusion of environmentally friendly technologies.

### IN GROUP COMPANIES

14001 and EMAS Environmental certification.  
Annual targets for energy, water and waste.  
Renewable energy initiatives (solar thermal panels).  
Reuse of effluents.  
New product innovation and development policy.

### ON THE SUPPLY CHAIN

Business Guiding Principles.  
Supplier Assessment.  
Supplier Audits.

### IN THE COMMUNITIES

Eco-school certification of the Alice Nabeiro educational centre.  
Sponsorship of the Chair for Biodiversity Rui Nabeiro at Évora University



## 2.1.4 FIGHT AGAINST CORRUPTION

The entities must fight against all forms of corruption, including extortion and bribery.

Delta Cafés ensures practices to minimise the occurrence of active and passive cases of corruption/bribery on the supply chain.

Transparency is at the very heart of our company and this is reflected in our management with a Human Face in which, by means of publications like Corporate Social Re-sponsibility Reports, annual reports and accounts and Training and Procurement Policies for the Procurement sector, inter alia, we let society as a whole know about our positions and actions.

By means of external audits carried out by independent auditors, the financial procedures of Delta Cafés are verified and validated, ensuring the transparency and integrity of the actions carried out by the company.

### GLOBAL COMPACT PRINCIPLES

**PRINCIPLE 10:**  
Businesses should work against corruption in all its forms, including extortion and bribery.

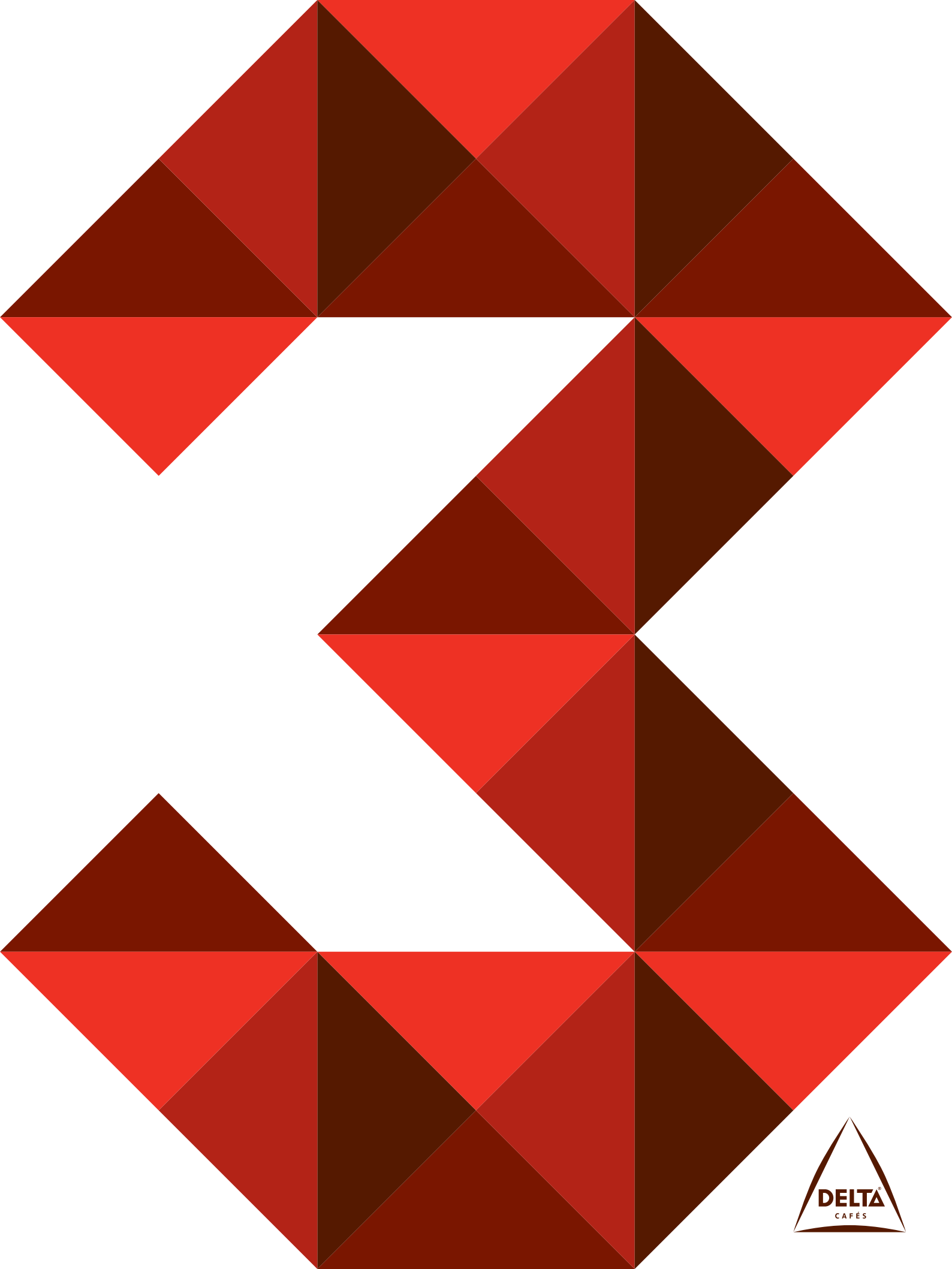
#### IN GROUP COMPANIES

Publication of Sustainability Report and Annual Report & Accounts.  
Audits.

#### ON THE SUPPLY CHAIN

Business Guiding Principles.  
Supplier Audits.

#### IN THE COMMUNITIES





## 3. COMMITMENTS: NEW CHALLENGES

For 50 years now we have been watching market signals, anticipating opportunities and business threats.

Over time, challenges change in line with the economic climate, but the final objective remains unshakeable: to ensure business profitability through sustainable wealth creation.


We are increasingly more global, seeking to achieve a balance between the financial performance and investment which can ensure that our performance levels are sustained in the long-term.

We have stepped up investments in the construction of the Delta Cafés Brand, Innovation in R&D, on new markets and in our people.

We wish to achieve our commitments to our business model where corporate responsibility and growth are not only connected but are totally inseparable, a reality which is very highly valued by our founder Rui Nabeiro. This means that our sustainable growth depends on our investments in the construction of a healthier future for people and for our Planet.

Environmental sustainability is our commitment to protect the planet's natural resources. We are investing in a healthier planet, reducing the use of water, increasing recycling levels and minimising our carbon footprint. We support sustainable agriculture and the communities linked to coffee growing where we directly act in the fields of water conservation, the proliferation of more efficient agriculture methods and an increase in access to drinking water.

Economically speaking, the challenges are based on the maintenance of leadership of the national market, continuing to be the Brand of Trust of the Portuguese. We are also seeking to win over our leadership on the capsules' market in Portugal, increasing the number of Delta Q machines.



In terms of exports we have plans to increase turnover by increasing Brand internationalisation on priority markets such as Spain, Luxembourg, France, as the platform to penetrate Europe, Brazil as the gateway to the Latin American markets and Angola as the access platform to southern Africa.

At Delta Cafés we have built our commitments with the participation of the partners concerned, bringing about a transformational process in society.

We are still committed to training and we are planning on increasing the number of hours' training by employee, ensuring constant motivation.

Our Alice Nabeiro Educational Centre project is an example and its continuity is certain. In this way we are seeking to achieve a spirit of entrepreneurialism in the children of Campo Maior and disseminate it amongst the national teachers and educators with the support of the Entrepreneurialism Manual.

The Coração Delta Association was created to meet social emergency situations in the borough of Campo Maior and outskirts. However, it has ended up undertaking several national volunteering projects and has set out to expand its scope of action to those communities where Delta Cafés is present.

In challenging times and the most difficult macroeconomic environment of recent decades, we are managing to achieve the commitments we have set ourselves. We can confidently say that Delta Cafés is still developing a business model based on a sustainable growth platform.

Looking back at the last 50 years, we can conclude that it has been good for society and also for our company. This reality is extremely encouraging and although the current scenario may be turbulent, we have the resources, people, creativity and desire to keep moving forward successfully.

That I am quite sure of.

  
DIRECTOR



## ECONOMIC OBJECTIVES

### Growth in turnover

aligned with the previous years, bearing in mind the current economic climate;

### Exports

to represent around 30% of total turnover by strengthening brand internationalisation on the priority markets;

### Market Leadership

in the capsules' segment;

### Innovation

introduction of new products and services which are still surprising our consumers;

### Traceability and Sustainability

on the supply chain;

### Risk analysis

to be implemented at the Delta Cafés SGPS Business Units which enable us to anticipate the business threats and opportunities.

## ENVIRONMENTAL OBJECTIVES

### Cutting packaging and logistic costs

restructuring and standardisation of the product range on the various markets which will allow environmental benefits.

### Optimisation of pallet type

with a view to rationalising storage space and transport;

### Reduction in the waste

generated by unit produced.





# SOCIAL OBJECTIVES

## Talents

attracting and retaining the best

## Motivation

Ensuring that this is a constant in our employees;

## Corporate Culture

strengthening in the context of internationalisation;

## Coffee Science Centre

opening of a musicological space endowed with unique characteristics in the Peninsula which sets out to bring together all coffee-related themes;

## Alice Nabeiro Educational Centre

To lend continuity to the Project, driven on by the enterprising spirit through the dissemination of the Entrepreneurialism Manual alongside the national teachers and educators

## Entrepreneurialism Manual

development of a new version for the age bracket 13-18 years;

## Coração Delta Association

continuation of the work undertaken so as to meet social emergency situations in the borough of Campo Maior and outskirts;

## Social Fund for Employees

## Social Shop and Laundry

opening in Campo Maior in partnership with the institutions of the borough;

## Tempo para Dar

continuation of the Business Volunteering project and extension of its actions to Spanish Extremadura;

## Enove+'12

participation in the organisation of the Job and Entrepreneurialism Fair with a view to promoting employability in the region;



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