

EVOLUTION, PROGRES, SOLUTIONS & INNOVATION FOR A SUSTAINABLE GREEN COFFEE SUPPLY CHAIN



EFICO SUPPORTS THE UN GLOBAL COMPACT PRINCIPLES SINCE 2003



This is our Communication on Progress
in implementing the principles of the
United Nations Global Compact.
We welcome feedback on its contents.

Foreword

COMMUNICATION ON PROGRESS (COP)

This annual communication report, or Communication on Progress (COP) is an important demonstration of the Efico Group's commitment to the UN Global Compact and its principles.

As a Global Compact signatories since 2003, we are committed to publicly communicate with stakeholders on an annual basis on our progress in implementing the ten principles with the aim to stimulate and to enhance sustainability and transparency with internal and external stakeholders.

By reading this report you will find the implemented activities we achieved this year. As we will explain in detail, our company has greatly evolved these last years. Currently, within this evolution, we haven't had the full opportunity to quantify and measure our progress and results.

In 2009 we made a first GRI Draft report based on 2008 figures. As part of a learning process, this report was only internally used. We decided this year to present a more detailed qualitative report on how our new Group is implicated in the sector and what we achieved in 2010 for the sector.

OBJECTIVES OF THIS COMMUNICATION

In presenting our case we hope to be a source of best practices, and inspire others in providing a new approach towards sustainability for our sector.

We demonstrate how we influence and are influenced by the expectations regarding sustainable development.

In the general context of sustainable development and, in particular, of moving towards sustainable production and consumption, economic, environmental and social issues are managed along all stages of the supply chain. This contributes to maximise and integrate alongside other aspects of products such as performance, quality and safety.

Therefore, we include Corporate Social Responsibility (CSR) through integrating social and environmental concerns in our business

operations and in our interaction with our stakeholders on a voluntary basis.

CONTENTS OF THIS REPORT

The purpose of this report is to give an overall view on all the aspects that entail our business, its influence, and its share in the industry.

The main topics of this report are:

Presentation of the EFICO GROUP

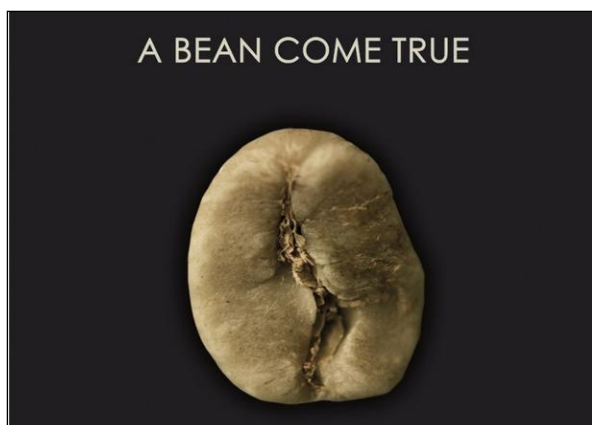
ALL-IN Services we provide

- Commodities Market
- Responsible Trade Strategy
 - Commitment
 - Responsible sourcing
 - Pre-Financing
 - UN Global Compact- Coffee Supplier Audit
 - Follow-up Audit
 - Sustainable Coffee
 - International Relations
- Responsible Supply Chain Management
 - CO2 reduced and compensated green coffee supply chain
 - Action plan both in producing and consuming countries
 - Efico Foundation
- Quality Control, Food Safety, Traceability & Management Systems
 - International Organization for Standardization
 - Traceability – Track & Trace system
 - Customer Facilitator
 - Future Improvements for Seabridge
 - ISO 14001, 9001, ISO 22000, inclusive HACCP
 - AEO
- Eco-Innovation, Eco-Efficiency & Waste Management
- Optimizing Costs and Return
- Exchange of Product Knowledge and Marketing Support

Top-down overview of the Efico Group activities Within the framework of 10 UNGC principles

Stakeholders Involvement

We pointed out the activities and the focus points of 2010 to cover our main achievements. In the future, the challenge would be the measure our progress and outcomes. Our proposal is to express that Corporate Sustainability is a long-term-commitment embedded into the entire structure of the Efico Group. Our business activities fully include the UNGC philosophy in our strategies, daily operations, and business culture throughout the entire value chain.



PRESENTATION OF THE EFICO GROUP

- Efico is a green coffee and cocoa trading house, providing services to the European coffee and cocoa sector. The headquarters of our Group are located in Belgium (Antwerp), with offices in Germany, France, Switzerland, Guatemala and Ethiopia.

- In March 2003, Efico became the first Belgium coffee & cocoa trading company in Belgium to sign the United Nations Global Compact principles. UNGC provides the basis for our own CSR model.

- In 2010, we trade about 60.000 MT. green coffee & ± 4.000 MT. cocoa, with an annual growth of 10%. Coffee is our main commodity, and cocoa business has been developed since 2004 primarily at the request of our coffee customers.

- Throughout the years we evolved from a small family owned company to a medium sized Group with more than 70 persons, and with a turnover of ± € 166 mio. this year.

EVOLUTION OF THE EFICO GROUP

2010 was a real transition year, where we were enlarging the scope of our historic activities in which we were active as a trusted, reputable partner since 1926 (for 84 years) and four generations. Each entity of our Group developed its own expertise and specification within the same strategies by focussing on quality, sustainability and traceability.

EFICO is characterised by :

- Trading 2 commodities, over 287 varieties and blend of green coffee and cocoa worldwide,
- Product and Market knowledge,
- Ensuring quality of our product at competitive prices,
- Aiming to develop stable and long term relationships with a worldwide network of trusted partners in producing & consuming countries including approximately 650 coffee and cocoa industry actors in Europe.

► Vision on sustainable coffee supply chain management and responsible trading.

SEABRIDGE

- A European sustainable State-Of-The-Art facility centre dedicated to green coffee,
- Rationalised and automatised logistic flow in a sustainable manner for storage, handling, product enhancement and distribution according to the highest standards,
- Green Building Certificate & Award: green energy is produced on site and measurements are conducted to assure efficient energy use ,
- Waste Management Solution.

► Creates added value thanks to innovation & technology in sustainable logistics services.

EFICO FOUNDATION

- Is a private foundation supporting sustainable multistakeholder's development projects in producing countries,
- Provides a business solution to enhance access for the coffee and cocoa community to a sustainable development that will create income generating opportunities and strengthen economic empowerment,
- Works in partnership and seeks support for the sector,
- Is a tool for European coffee roasters to support sustainable production,
- Implements projects through NGO's or coffee organizations.

► Achieves structural support on sustainability from producer to consumer.

Each entity fulfils its own objectives, and contributes to the sustainable development of the group on a stakeholder model which offers all-in services to the sector.

ALL-IN SERVICES

Commodities Market

- Our team of experienced traders is based in Europe and in producing countries.
- They continue to uphold the values of a long-standing family business, existing since 1926, and providing services "With a Personal Touch" while strongly believing and promoting the values of the UN Global Compact principles.
- Our traders keep up to the minute with world coffee exchanges in London and New York by offering our clients the best price at the right time. The development of the coffee commodity exchange market has created greater swings due to speculation. This leads to an increase in price volatility.
- Our traders use the futures market to help determine the price for future deliveries. It is used to purchase a contract today to guarantee a shipment of coffee in the future. More importantly, the futures market for coffee is also used to be protect against the wild variations that occur due to coffee market speculation.
- The effects of coffee differentials as well as foreign currency exchange rates are 2 other factors which influence the price of our commodities. Coffee Differentials are depending on product quality and the country of origin, a capital gain or capital loss is applied on market prices.
- Weather conditions, inventory reserves, fluctuation between supply & demand and market speculation, are the determining factors of price setting. Today, climate changes, and increasing consumption of emerging and producing countries are new components which also lead to a disruption in supply influencing the price setting of our commodities.
- The value of those additional factors are remaining important. The financial aspects of our activity are becoming increasingly important. Mainly in producing countries, as their financial capacities are limited, and the requirement for substantial external finance is substantial. Therefore, we guarantee our suppliers a fast payment, as well as pre-financing possibilities (details pg 3).

In consuming countries, Efico has to cover the financing of the margin calls and to optimize our liquidity by following up client payments. Those transactions require strong capitalization on own assets.



Trading Team in Antwerp

Responsible Trade Strategy

COMMITMENT

- Efico is committed the principles of the UN Global Compact and promotes them to partners, collaborators and business relationships. Internally we have adopted a Code of Conduct which provides a clear guidance of good governance.



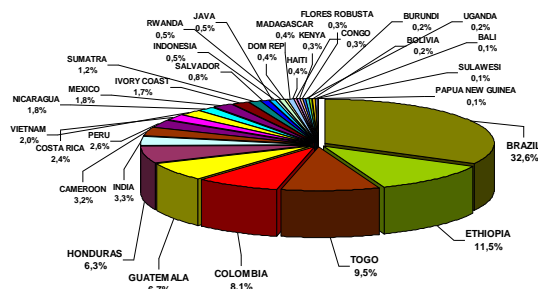
Board members from left to right: Partick F. Installé, Chairman Efico Group – Michel Germanès, Managing Director Efico – Marc Beernaert, Managing Director Seabridge, Philip van Gestel, Board member Efico Group.

Celebration of Michel Germanès, Head of Trading Department and Managing Director Efico 25 years services at Efico.

His vision: *"For me, Efico embodied sustainability, long before it became a buzzword. Sustainability has been a vision since I started. Sustainability means first and foremost the sustainability of Efico. A place with a family tradition and a deeply embedded team spirit, something that I have never found elsewhere."*

RESPONSIBLE SOURCING

- We source our coffee from 36 different countries, the top five being Brazil, Ethiopia, Togo, Guatemala and Colombia.



- Screening suppliers: our trading team builds a strong experience and relationship by travelling to our local partners and visiting the installations of the supplier. This provides a quick analysis of the local situation.
- The active support of our two offices in producing countries helps us to gain effective experience in specific local origins, to assess local situations and to react very quickly on any change occurring on the market, if requested.



Efico Central America team

PRE-FINANCING

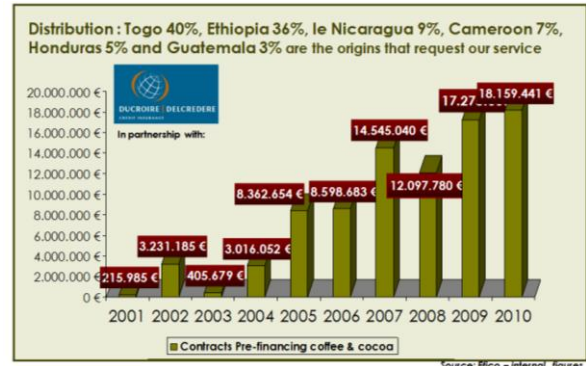
- Pre-financing is a kind of payment in advance on the next harvest guaranteeing our deliveries. This service is very appreciated, as financial organizations sometimes fail to provide support.
- Our traders strive to accommodate the needs and wishes of every seller and/or buyer, including all pre-financing needs.



Since 2001 we operate in partnership with Delcredere: the Belgian Export Credit & Insurance Agency against Risk. Delcredere provides insurance & reinsurance coverage against political and commercial risks entailed in trading activities. This

risk protection allows us to do business with more confidence in all markets around the world. In 2010, we pre-financed more than € 18 mio.

Volume of Pre-financing of the Coffee & Cocoa contracts - since 2001 to 2010



- In 2010, Togo and Ethiopia were the 2 African origins covering more than 76% of the total pre-financing service.

UN GLOBAL COMPACT COFFEE SUPPLIER AUDIT

- We expect from all our suppliers to comply with all local and national laws relating to employment and social issues.
- Our trading team initiates each year at least one UN Global Compact Supplier Audit.
- In 2004, Efico developed in partnership with Mayacert its own and independent supplier audit based on the 10 UN Global Principles.
- Mayacert is an independent and recognised monitoring and certification organisation, which is accredited with regulation ISO 65/EN45011. Its technical standards are equivalent to the European regulation No. 2092/91. It is supervised by the European control organisation Verein Zur Begutachtung Von Prüfstellen (VBP). It has been recognised by the international organic certification organisations BCS-OKO Garantie und Naturland.

- Suppliers subjected to our UNGC Supplier Audit:

2004	Finca El Platanillo & SU Beneficio in Guatemala
2005	Finca Candelaria in Costa Rica
2006	Inaginsa in Honduras
2007	Hacienda Santa Anita in Costa Rica
2008	Finca Montecarlo & El Ciprés, Beneficio Tres Rios, Exportadora El Volcán in El Salvador
2009	Compañía Jinotegana de Café Jinotega, Nicaragua
2010	Perhusa in Peru

- During the audit the 10 principles are analysed. Part of the audit is based on:

Workers Interviews: with a representative sample of employees by verifying working conditions, employee files, timecards, health and safety records, etc.

Management Interview: discussion of management systems, wages paid, working hours, environmental issues, etc.

- The audit conclusions are discussed on a confidentiality basis with the concerned parties, including a list of recommendations, which are a base of improvements and inspiration of the management.

- Suppliers who fail to obtain a satisfying result of the audit disclosures will be penalised; or by corrective action to be applied either by removal from our list of suppliers.

- The audit results provide also credibility with stakeholders. Our customers who buy coffee from concerned plantations/beneficios/exporters may consult the final conclusion of the audit. Those audits demonstrate our awareness and the challenges we impose on our supply chain.

- Effective audits are possible thanks to the preparation work and the close relationship we have with our supplier through our long term relationship and our office in Guatemala. So far, all our supplier audits were conducted in Central America where we benefit from the support of our local office, but also Mayacert's active role in that area. Currently, we analyze the possibilities for such audits on other continents.

- Our engagement must meet local expectations, be realistic, and offer future perspectives in order to succeed and share our concern.

FOLLOW-UP UN GLOBAL COMPACT SUPPLIER AUDIT

- By mutual agreement, an action plan can be developed based on the Audit results. This requires a local need and willingness to improve current situations.

- Consequently, Efico initiated in 2010, a 4C verification program for Compañía Jinotegana de Café, in Jinotega, Nicaragua.



From left to right:
Renaud Cuchet - Managing Director Efico Guatemala, Emilio Molina Jr. - Owner & Worker in the plantation, Christian Meeus - Head of International Relations Efico, Emilio Molina - Owner & Managing Director of Compañía Jinotegana de Café.

SUSTAINABLE COFFEE TRADING

- According to the State of Sustainability Initiatives (SSI) Review 2010, published in November, markets for sustainable products have expanded significantly, compared to conventional products, and constitute one of the few segments of the coffee market presenting sales growth in recent years.

- Today, consumers have an increasing interest and concern about the environmental and social conditions under which the goods are produced. Therefore, there is a growing need for coffee roasting companies who show the quality of their products, the commitment to sustainable development, the protection of the environment, and the good treatment of producers and plantation workers, by adopting accepted and responsible practices improving the performance of qualitative production.

- Worldwide, sales of certified sustainable coffee have more than quadrupled over the past five years, reaching 392,347 metric tons in 2009, up from 73,602 metric tons in 2004. Total sustainable coffee represented more than 8 per cent of global coffee exports and 17 per cent of global production in 2009 (source SSI).

- Coffee is always being ideally suited for ethical trade. It is consumed in large quantities, in Europe and the United States, where demand for sustainable products is growing, by structured trade channels.

- Today's ethical coffee producers and consumers are challenged to distinguish organic, shade grown, mountain farmed, Rainforest Alliance or UTZ Certified, 4C verified fair-traded or Fair Trade coffee, or Bird Friendly coffee in addition to companies' private schemes with their respective verification, such as Nespresso's Triple A program, Starbucks Coffee Practices,

- While the market penetration of certified coffee is still relatively modest, coffee is nevertheless the leading agricultural sector in terms of the number and frequent use of such certifications. These certification initiatives are more responsive to public needs and have become important vehicles for managing or regulating sustainability in coffee. Therefore legislation is trying to establish a legal framework in this matter.

- In 2010, the sustainable trade figure of Efico represented 26% of the total traded volume.

- Sustainable coffee is part of our commercial offer and is demanded by a certain segment of our clients. The relative importance of the various certification schemes differ from country to country.

For example, organic coffee is more important in Germany, while in the United Kingdom and France, fair-trade is the leading certification. Utz Certified coffee accounts for 40 percent of the coffee market in the Netherlands, which is strongly related to the strong market position of an important local retailer - Albert Heijn.


In Belgium and the Nordic countries, its share was 'only' 10% in the same year. In Southern Europe, France, Germany and the UK, the market share of Utz Certified is still much lower.

For Rainforest Alliance, Germany, Italy, Japan and the United States are the most important markets. The well-known banana campaigns, of 2005, contribute to boost its awareness.

- Efico is a member of Rainforest Alliance, UTZ Certified, Organic, Flo-Cert & 4C Association. 4C as well as Rainforest Alliance were very active partners this year. Efico is a founding member of the Association and part of the Technical Committee on climate changes. For all those organisations we fulfil the requested obligations, which become more and more professional but also administratively and financially very demanding.

- Knowledge sharing: by having regular contacts with the certifying bodies we stay informed about changes. This information is then available to our customers. Our consultancy mission is to provide advice and analyses on the different programs. To this end we also inform journalists.

We seek to obtain the right information in newspaper articles where we try to broaden the scope of the presented labels in order to give our customer roasters complete information that they can disseminate to their customers.

BIO AB EKO	Biolabels van enkele buurlanden	Landen (1), Frankrijk (2), Nederland (3)	alle	www.bio-siegel.de www.agencelbio.org www.eko-kurmerk.nl
	Geeft aan dat de koffie met het Efico Foundation logo op de verpakking via Efico Foundation duurzame projecten steunt in koffie- en cacao producerende landen (geen certificaat).	koffie		www.eficofoundation.org
	Het product voldoet aan de internationale criteria voor eerlijke handel: de boeren in het Zuiden krijgen een rechtvaardige prijs voor hun oogst, de landarbeiders werken in correcte sociale omstandigheden en de productie methoden zijn milieuvriendelijk.	alle		www.maxhavelaar.be
	Garandeert milieubewuste teelt, kwaliteit en versheid, gebruikt door zes groente- en fruitverladers gereguleerd onder LANA.	groenten en fruit		www.flandria.vlam.be
	Waarborgt dat het fruit geteeld werd in overeenstemming met het Fruitnet-landboek. Dat stelt hogere eisen dan de reglementering i.v.m. de geïntegreerde fruitteelt.	fruit		www.groepfruitnet.com
	Bevestigt dat het product werd vervaardigd volgens 200 criteria rond o.a. milieubescherming, arbeidsomstandigheden, gezondheid en veiligheid, maatschappelijk engagement en afvalverwerking.	koffie, thee, bananen, cacao		www.rainforestalliance.org
	Waarborgt dat het product voldoet aan de Utz Certified gedragscode waarin economische, sociale en milieucriteria zijn opgenomen.	koffie, thee, cacao, palmolie		www.utzcertified.org

Business to Business Press - Store Check – 1/02/2010

- In order to be able to trade certified products, our organization is audited on a regular basis by several third parties to ensure that we meet and fulfil the special requirements of those programs.

RESPONSIBLE SELLING STRATEGY

- Internal communication workshops: for the first time we organised with the support of external professionals two workshops, with following theme:

- Why to implement CSR?
- Challenges and opportunities of CSR for our new Group structure.

- Sharing experiences and issues with our partners.

- "Just In Time" deliveries are the basis of our professional relationship.

- Assist clients in their product development, marketing, and guarantee a high level of services and a professional management of any complaints.

This maintains the loyalty of our clients, but also strengthen all stages of our supply chain.

- Support of sector initiatives: in Belgium, The Coffee Federation, among others, organises in 2011 a business trip in Guatemala, with a Belgian delegation of coffee roasters. Our local office is in charge of this organisation. We also follow the activities of the SCAE – Speciality Coffee Association of Europe and of the ICO – International Coffee Organisation.

- Our trading team ensures that banking transactions are the only means of payment granted to customers.

INTERNATIONAL RELATIONS

- Coffee is the first agro-export product for many developing countries. Its market share holds mostly a high position in the total export of those countries. It is produced and exported by nearly 65 countries and ranks as one of the top cash crops.

- According to the International Coffee Organization (ICO), world exports of green coffee amounted to 120.000.000 bags in 2009, valued at approximately US\$16.5 billion. (data 2010 n.a. for the moment)

- More than a commercial product, the coffee industry is a social, cultural, institutional and political network that has served as a base for the countries' development.

- Coffee represents the primary activity of the rural communities providing a direct & indirect livelihood to 100 million people and a primary activity on highlands as well as a pillar upon which rural development rests.

"Latin America is uncomfortably dependent on commodities. In the past decade they accounted for 52% of the region's exports, according to the World Bank" The Economist – Sep 9th 2010.

- Therefore, Efico increases its institutional contacts to facilitate collaboration in targeting the structural challenges of our sector. As a private company, Efico focuses on institutional sectorial capacity building, which strengthens mutual understanding.

- On 22 October, Efico participated at the organisation of the 20th anniversary of Euracen: the Chamber of Commerce Europe-Central America.

- The emphasis was on the association of promotional efforts around trade relations between Europe and Central America.



Speech of Christian Meeùs, Head of International Relations at Efico & President of Euracen.

8 embassies were present (Belize, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua and Panama) and the private actors were Efico, Dredging International, Delcredere/Ducroire, Don Jaime, Jan De Nul and Port Of Zeebrugge, as well as representatives of European Institutions.



Assembly on the Euracen 20th Anniversary

- The scope and intimacy of the relationship between coffee producers and a host of intermediary institutions along the coffee supply chain makes the sector of critical importance to sustainable development at local, regional and global levels. In the countries where Efico operates, this target group is fully part of our multi-stakeholder concern.

- In that perspective Efico invites regularly several delegation, and participates in ministerial delegations, to visit producing countries. For example; Efico imports one third of the coffee production of Togo, and invested this year in local infrastructures to guarantee better storage conditions for our commodities.



Christian Meeùs, Head of International Relations participated at the Belgium delegation in Ivory Coast in June 2010.

Responsible Supply Chain Management

CO₂ REDUCED AND COMPENSATED GREEN COFFEE SUPPLY CHAIN

- European consumers are more and more prepared to buy goods and services that have a reduced environmental impact. Producers, service providers, and the advertising industry are aware of this trend, and thus seek to respond to clients through the environmental benefit of their goods and services.

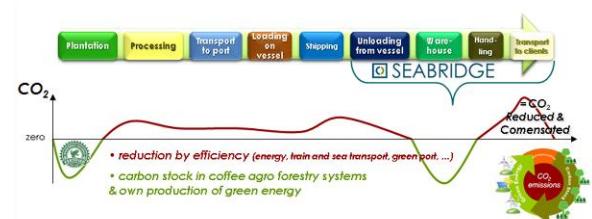
- In conclusions to the Sustainable Production and Consumption Action Plan, the Council of the European Union invited the European Commission to study the possibility of introducing the carbon footprint of products in the existing EU environmental labelling instruments, such as the Eco-label and energy labelling. Taking into account Member States' experience, to start working as soon as possible on common voluntary methodologies facilitating the future establishment of carbon assessments for organisations and the calculation of the carbon footprint of products.

- By the fall of 2012, the European Commission will evaluate whether it is possible to develop a methodology for the ecological footprint.

- Since 2008, Efico analysed the CO₂ Footprint of the green coffee supply chain based on the Green House Gas Protocol set up by the WBCSD (World Business Council on Sustainable Development). It allows the Group to reduce its consumption where necessary. The analyse pointed out the consumption of each phase of the green coffee supply chain. Thus, we learned that growing countries have a significant share of Green House Gas emission.

THE 9 STEPS OF THE GREEN COFFEE SUPPLY CHAIN

To be actively involved in each phase of our supply chain, we launched a concept of CO₂ reduction and compensation of the green coffee supply chain.



THE ACTION PLAN IN BOTH PRODUCING & CONSUMING COUNTRIES

- Our concept and action plans are based on our conviction that the issues on the climate have to be tackled on the place where they occur. Emissions in coffee producing countries should be reduced by activities in producing countries, and the CO₂-emissions in Europe should be reduced in the same place. We have built our model on that assumption with partners in the sector and throughout the whole supply chain.

In producing countries

- Millions of coffee growers around the world, as well as the coffee industry as a whole, need to be prepared to face the challenges of climate change and ensure the sustainability of their livelihoods.

CABI Bioscience: 'even a modest rise of 2°C in temperature over the next 50 years would lead to a contraction of the area available for the growing Arabica coffee, because the lowest suitable altitude for its cultivation would rise by about 6 meters a year.'

Pilot Project we initiated in producing countries:

- "The Climate Friendly Farming Program" allows certification of good environmental practices by developing an extra module in the existing SAN standards to validate climate friendly farming in coffee production.

With the support of ANACAFE, Universidad de la Valle, the Fundacion Interamericana de Investigacion Tropical of the Guatemala Sustainable Agriculture Network, the SAN Standard was analysed to see what else farmers could do to mitigate and adapt to climate change. This will be the proposal of the Climate Module of the Rainforest Certification Program. The module will be launched in February 2011.



Factsheet of the project edited by Rainforest Alliance

- Certified farmers are already reducing their emissions, and preparing for climate change. Farmers can also volunteering to accept the extra challenge of meeting the Climate Module criteria. In addition, some coffee roasters want to motivate farmers to mitigate and adapt to climate change.

- This project will promote the reduction of Green House Gases in farms, as well as carbon stock in soil and biomass. It will stimulate adaptation and risk management strategies in a context of climate change and extreme weather events and create awareness about climate change in addition to create added value for the producer. This project is one of the Efico Foundation projects.



Renaud Cuchet presented this project at Sintercafé in Costa Rica – November 12, 2010.

This event reassemble more than 500 participants.
<http://www.sintercafe.com/en/pages/18>



Renaud Cuchet, Managing Director EFICO

Renaud Cuchet was born and raised in France, he is an MBA graduate of the Normandy School of Business and Administration (Le Havre). He was trained in the world of commodities in a coffee and cocoa trading firm in France before moving to Central America in 1985. Managing Director of Efico Central America S.A. (Guatemala office), a Belgium-based coffee and cocoa trading company, supplying the world markets, with offices in Belgium, Switzerland, Germany, Guatemala and Ethiopia. Renaud is also the Latin America Coordinator for the Efico Foundation (Belgium) and a member of the Board of the Efico Group. He was involved in the implementation of several sustainable coffee projects in Latin America. He is fluent in three languages: French, English and Spanish. He has lived in France, the United States, Ilcaragua, and is a resident of Guatemala since 1987.



15 April 2010 – Renaud Cuchet also presented the project at **SCAA** Annual Exposition, all details page 23.

- Market Climate Friendly Coffee will promote coffee growing in valuable agroforestry systems,

the reduction of GHG emissions in coffee supply chains, and farmers being more prepared for climate risks and extreme wether events. Many of our partners in producing countries mention that they are still affected by climate change, and the incidence on production quantities and qualities is indisputable.

More information available on:



Film: to share the projects experience, we realised a film available to everyone:

<http://www.youtube.com/eficogroup#p/u/1/gbUvFPZMCvE>

Projection of this film at Cancun, United Nations Conference on Climate Change (COP 16):

4 December on the Cancun film festival.

On the Efico Foundation website:




<http://www.eficofoundation.org/projects/promotion-climate-friendly-practices-coffee?page=video>

Powerpoint presentation:

http://www.eficofoundation.org/sites/default/files/project_13_powerpoint.pdf

The SAN Climate Module

Adaptation and Mitigation to Climate Change In Coffee Farms

- Renaud Cuchet, Managing Director, Efico Central America
- Nils Leporowski, Vice President, Anacafé
- Michelle Deugd, Technical Assistance Manager, Rainforest Alliance

Sintercafé, Costa Rica
November 12th, 2010

What are we looking for?



Promote the reduction of Green House Gases in farms.



Promote carbon stock in soil and biomass.



Stimulate adaptation and risk analysis strategies in a context of climate change and extreme weather events.



Create awareness about climate change and create added value for the producer.





Factsheet available on the Rainforest Alliance or Efico websites:

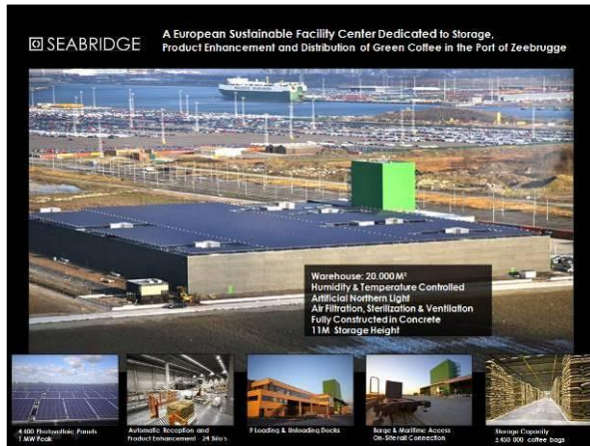
http://www.agricultureday.org/presentations/Rainforest-Alliance_Climate-Friendly-Farming.pdf

or

http://www.efico.com/sites/default/files/climate_project_fact_sheet.pdf

Our action in consuming countries

- Meanwhile, in the consuming country we have developed **our own sustainable logistic service centre.**



**Spread out over a period of 30 years,
this project will enable the suppression of
20.610 Tones of CO₂ emissions,
compared to a standard modern-day building.**

- In 2009, we received the GreenBuilding Certificate from the European Commission, and in 2010 we were proud to receive the Green Building Award which confirms the enhanced energy efficiency of our building.

- The Green Building program is a voluntary scheme that invites private and public organizations to reduce their energy consumption in buildings through several measures, such as thermal insulation, efficient heating and cooling, intelligent control systems, renewable energy production, etc.

- The award ceremonies took place in Frankfurt on April 13 and 14 April during the "Improving Energy Efficiency in Commercial Buildings" Conference (IEECB'10). A total of 24 participants (selected from 700 participants from all over Europe) received awards in this 2010 edition for their results or their innovative projects. Decisions were based on their energy savings, technology use, and the sector they belong to; public buildings, retail, offices....

**Seabridge was awarded as one of the
most "ambitious projects" in
the Category Special Acknowledgement.**



Katrien Delaet, Head of Sustainable Projects at Efic was pleased to receive this Award.

- Seabridge is equipped with a highly efficient system to maintain a constant temperature and humidity, and to control air ventilation and sterilization to guarantee the optimal storage conditions for green coffee. Our energy efficiency is mainly attributed to appropriate construction materials and an on-site green energy production by photovoltaiques panels.

**Those two measures result in a total
energy efficiency increase of 73%
compared to the Belgian Building Code.**

In 2010, we produced 981.676 kWh green energy at the Seabridge equal to an average yearly electricity consumption of ± 300 families.



- The quality conditions of Seabridge are of high performance.
- Some coffee producers associations already decided to storage most of their European stocks at Seabridge.



Pupils in El Duraznito renovated school

The Efico Foundation is Efico's private foundation, established in 2003 for the promotion of sustainable development in coffee & cacao producing countries. It operates as a facilitator for European Coffee Roasters and the coffee sector who are willing to support sustainability on a large responsible scale.

- The financial means of the foundation are generated by:

- the sales of labelled Efico Foundation coffee regrouping 46 European coffee roasters,
- the annual transfer of Efico of at least € 50.000,
- private and/or public donations.

Each of these categories contribute to about one third of total financial resources.

The diversification of its revenues ensures the durability of the foundation's means.

- The Efico Fund is a corporate fund, within the King Baudouin Foundation, which manages, finances and selects the projects on the basis of pre-determined criteria, through an independent jury of experts.

- 100% of the financial resources go directly to development projects. A unique and strong model with a complete guarantee of transparency, and a 100% money allocation to projects.

- Strengthening the producing community.

Efico Foundation is committed to contribute to sustainability and responsible corporate citizenship based on the universal principles of the United Nations Global Compact. It fully fulfils the Efico commitment in producing countries.

By reinforcing empowerment in producing countries, we contribute to increase the mutual influence, the distribution of power, the sharing of knowledge and responsibilities, the democratic decision making, the investment in learning processes, and the development of local confidence in own capacities.

This results in reinforced spiritual, political, social and economic strength of individuals and communities.

- The Efico foundation acts on several Goals of the Millennium Development Goals; 1 – 2 – 3 – 7 – 8. Although we have no project directly related to health care, the impact of certain projects to incidence on welfare recipients and thus the health of producers. So we have an indirect impact on their health and therefore on those goals.

The project's activities are aiming to improve the conditions of the coffee production, by processing it in all three dimensions of sustainability (social, ecological and economic).

Type of projects we supported:

- ✓ micro-credit,
- ✓ scholarships,
- ✓ school construction,
- ✓ coffee or sustainable education,
- ✓ operating a water source,
- ✓ protecting biodiversity,
- ✓ capacity building by training sessions or certification programs,
- ✓ launching or relaunching agricultural production in difficult areas,
- ✓ improving working and living conditions, as well as income of farmers,
- ✓ income diversification,
- ✓ promotion of agroforestry systems and food safety,
- ✓ improving infrastructure,
- ✓ providing wastewater treatment,
- ✓ product quality improvement,
- ✓ efficiency methods of sustainable production,
- ✓ know-how transfer to small scale farmers,
- ✓ raise climate awareness and create added value in the chain.



An example: Water Management Source Exploitation in Guatemala – Water for the Village.

- Through our foundation we support a lot of sustainable production programs.

One third of our projects are related to certification programs, while all projects must comply with our sustainable criteria.

In 2004, we started with our first certification in Guatemala. In 2006 we started a three-year 4C verification program in Colombia.

- The realized verification/certification projects were not the most easiest projects. We initiated those programs for the first time in those countries. Examples:

the first Rainforest Alliance program in Ethiopia in 2006 & 2007 and this year in Bolivia.

- The difficulty we often met is the lack of existing structure. We also had a hard time transmitting the experienced agencies' auditors. Efico had to recruit a local agricultural engineer to unblock the project.

- We also supported a three-year UTZ-certified program in Honduras, and for the moment we continued a project in RD Congo. This project was delayed due to the civil war in RD Congo. This new timing requests the approval of Efico Foundation's Jury, within the King Baudouin Foundation.



- The difficulties are almost always the same. While the choice of the certification program is very clear, the marketing of labelled production is mostly a challenge, because the market is new for these producers and in many cases supply exceeds demand. On the other hand, our experience has shown that these types of programs require a long-term engagement of minimum two to three years. If Efico Foundation doesn't charges the audits' costs, producers are not able to bear these financial cost, meaning that they mostly stop with those programs.

- The potential impact of adaptation to sustainable measures can be summarized as follow:

Planet/ecological:

- creation of capacity building,
- upgrading of agricultural responsible practices,
- enhancement of environmental protection,
- recovery management of natural resources; wood, water, land, air, biodiversity, ecosystem, ...

People/social

- good organizational development the width learning's program provides upgrading in field expertise, technical transfer educations opportunities, and self-assessment within the communities,
- achieving better social conditions and reaching a considerable number of coffee farmers and their families,
- social welfare, safe drinking water, the improvement of life and labour standards of coffee growers and workers in coffee cultivation and production processes,
- increase of social cohesion & better organization of communities,

Profit/economic:

- higher financial & qualitative product value,
- reduction of costs and higher productivity,
- improvement of the market access.
- scholarships, management practices, languages, computers, exchange experience,
- reduction of poverty, and a real benefit for the communities,
- presence and positive action in rural regions where a lot of well-known international development organizations are absent.

Important precision: there is no commercial obligation between the beneficiary of a Efico Foundation project & the Efico trading activity. Collaboration can be provided only on the request of a beneficiary of a project.





Coffee producers in the plantation

Results Assessment:

Through our multistakeholder approach we are confident that our projects create leverage opportunities around their sphere of influence. A snowball effect results mostly in the region of the project, which occurs by adopting complementary actions around the main project.

- The gained experience will contribute to the future development of those regions. The modification of behaviours of those communities will better prepare them to propose a sustainable response to future challenges. Consequently, they become real sustainable actors in their issues.

Since its inception,
Efico Foundation supports
**34 sustainable multistakeholder
development projects**
in **12 coffee & cocoa producing countries**
amounting to **± € 1.281.060.**

- Our **partners** in implementation & finance are:



- **Our vision:** The various predefined criteria used in the selection of our project assure us of qualitative projects in order to create an effective partnership with the coffee communities.

We believe that a selective collaboration with trusted and qualitative partners is preferable to a large number of projects.

- In December 2010, a meeting of the board was scheduled to select future projects.

This year we received **86 projects**, distributed as follows;

- 40 coffee related projects
- 31 cocoa related projects
- 7 coffee & cocoa related projects
- 8 projects out of scope, without any coffee or cocoa link

Those projects are originating from:

Cameroon	17 projects
DR Congo	8 projects
Uganda	8 projects
Ghana	7 projects
Indonesia, Ivory Cost	5 projects
Colombia	4 projects
Bolivia, India, Burundi	3 projects
Ethiopia, Rwanda, Peru, Honduras, Ecuador :	2 projects per country
Laos, Nigeria, Liberia, The Philippines, Brazil,	
Nigeria, Mexico, Cuba:	1 project per country.

- The number of projects increased by 35%, compared to last year.

- A pre-selection allowed the Jury to retain 11 projects that met to our quality criteria. These assessments were reviewed by all members of the Jury who realise the ranking of the best project. This is submitted to the Board that, in function of available budgets, gave its support to four new projects knowing that we still have six projects under way at the moment. Our foundation cannot complete all projects due to a lack of available resources. Our search for new funding or partnerships is an on-going process.

- What makes a good project?

After 5 years of activities the shortlisted projects by Efico Foundation have certain things in common:

- They demonstrate a high potential for transfer and replication.
- Results and methodology are clearly reflected.
- They are innovative and help us to bridge structural support to sustainability.
- They are constructed on a participative model and involve a maximum of trusted key partners.

- They create clear and substantial environmental benefits, such as reduced emissions, waste, hazardous substances, and improved resource efficiency.
- They are economically viable and will have a future after receiving support.
- On the micro-level level, the projects are improving competitiveness, capacity building, infrastructures, the quality of labour and the social cohesion. The added value contributes to enhance the livelihoods of producers.
- On a macro-economic level, the project's benefits influence the framework of the development of future policies of land use, agriculture, forestry, education, ...

Finally, all projects contribute to facilitate the transfer of ideas & knowledge. When obstacles arise, proactive proposed solutions are encouraged and appreciated by the Jury.

First visit of a coffee roasting company to the two Efico Foundation projects it co-finances.

- From December 1 to 3, Sylvain and Chantal Caron travelled to El Duraznito - Jalapa in Guatemala. This was a unique event, as they are the first coffee roasters to pay a visit to the projects they supported in the coffee producing countries.



Sylvain and Chantal Caron (owners of the French coffee roasting company Caron Service Automatique) surrounded by pupils.

- In 2009, Caron first co-financed a primary school renovation project (budget: € 11. 186). Besides this school project, they defray the costs of the construction of a pipeline to introduce drinking water in the Duraznito community and to provide clean water for coffee processing (budget 2010 & 2011: € 21. 000).
- Our Office in Central America welcomed our guests and guided them during this trip.



Mr. & Ms. Caron, French coffee roaster, the El Duraznito Team & Efico Central America visiting the beneficio of the plantage

- This year, and for the first time, a world leader manufacturer of coffee machines, providing professional's solutions for gastronomy, catering and office, Franke GmbH granted an allocation to the Efico Foundation, instead in offering Christmas gifts to its clients & partners.



Franke Christmas Communication

- During our first contact we immediately discussed the possibility for Franke to become UNGC member since they are implicated in CSR. What a surprise when they confirm their willingness and intention to be member in 2011. The Efico membership was a real added value for Franke when they selected the organization they wished to support.

Our foundation always tends to be a vector in our sector stimulating dynamic public-private partnerships in favour of sustainable development in the South. This sustainable Christmas activity achieved its goal.

Efico Foundation created emulators; two of our customers have decided to create their own foundation; Peeze Foundation in the Netherlands, and Colruyt with the Colibri Foundation in Belgium. Both, supporting our projects.

Quality Control, Food Safety, Traceability & Management Systems

- Over the years we have built a solid network of reliable suppliers. Our goods are shipped with the greatest care and are traceable at any time.

- A range of standard and rigorous tests are carried out on all our goods to ensure quality and food safety at every stage of the supply chain.

We require the highest standards for all our operations, and do utmost to meet and exceed our buyers' demands and expectations.

- Off every coffee lot that we buy, we receive a pre-shipment sample, and on arrival minimum 1 sample per lot. Next to this, offer samples are analysed to discover new possibilities for coffee sourcing. All samples are analysed in our coffee laboratories.



Coffee cupping laboratories in Zeebrugge & Antwerp



In 2009, Efico was delighted to have the **Vice World Cupper** in its team. In 2010, Bart Van Sanden is Vice Champion of Belgium.



INTERNATIONAL ORGANIZATION FOR STANDARDIZATION



- In 2003, Efico became the first coffee trader in Europe to be **ISO 9001** certified. The Quality Management System **has been** certified by Lloyd's Register Quality Assurance. This ISO certification has several implications on all our activities, as well as on the implementation of our corporate social responsibility approach.

- Since July 2008, the Efico Food Safety Management, and the traceability procedures have also been **ISO 22000** certified by Lloyd's Quality Register. Our HACCP plan is an integral part of the Food Safety Management System.

SEABRIDGE QUALITY IMPROVEMENTS

The emergence of new technologies allows us to improve our operations.

- The storage area is temperature and humidity controlled, the air is filtered and sterilized to remove and prevent development of dust, moulds, yeasts, moulds and micro-bacteria.

- We are equipped with a high-tech machinery park for green coffee reception, cleaning, grading on screen and density, blending, drying, color sorting, s and packaging. The machinery is fully automatized in a foodsafe environment.

- SeaBridge uses a state-of-the-art warehouse management system (WMS), which runs on Microsoft Dynamics NAV Platform.

- By using this WMS, we can maintain a high standard of excellence and provide the best customized services.

- With this pioneering technology we can increase inventory accuracy, reduce reception times, optimize control mechanisms and products' locations, in order to exceeding our customers' expectations up to 'Just In Time Deliveries'.

- From the receiving dock to the shipping dock, this WMS directs and tracks every stock movement into, within and out of the warehouse.

TRACEABILITY - TRACK & TRACE SYSTEM

- Through our tailor-made Enterprise Resource Planning (ERP) all our goods are carefully tracked and traced from the coffee suppliers/exporters, the producers, on the ship, on the road, in the warehouse, and to final delivery.
- All marks, on bags, containers or trucks, are registered and linked to a unique barcode providing the ID of the goods.
- Through this unique bar coding and scanning system, goods in storage areas and portals can instantly be identified and located.
- Shipping documents, test results, and handling history are registered in the system, and can be consulted on screen upon simple request.
- A recall or withdrawal can be organized immediately by simply clicking on a button.
- Using wireless scanners, all barcodes can be scanned quickly and efficiently, leading to an accurate stock management.
- Full tracking from warehouse to pallet level with lot or pallet information is stored in a database and can be consulted per lot.



CURRENT FRAMEWORK

1. BUILDING & FACILITIES FASFC APPROVED

- **The Seabridge building & facilities are approved by the Belgian federal agency for the safety of the food chain (FASFC)** which is a federal executive agency with authority over the whole Belgian territory. It lays down the operational standards applicable to businesses, and integrates all official control and inspection services for the food chain. In the port of Zeebrugge we benefit of a Border Inspection Post (BIP). It's a One-Stop-Shop where control of goods is bundled with a customs logistics process providing a very fast service to our company.

2. CONTROL OF POTENTIAL HAZARDS IN FOOD PRODUCTION BY A HACCP-PLAN

- **HACCP stands for Hazard Analysis and Critical Control Point.** These are guidelines to ensure that food remains free of contamination by making sure that all food operations are safe and hygienically executed. During the implementation of the HACCP system, potential hazards are identified, and control measures are run at specific moments in the supply chain to prevent and control risk occurrence.

3. CUSTOMER FACILITATOR

The Memorandum Of Understanding (MOU) for Drugs Prevention settles the partnership between the customs authorities and the coffee trading companies with the purpose of reducing Drug and Precursors trafficking. Efico initiated this as a pilot project, and is currently being used by the authorities.

FUTURE IMPROVEMENTS

Seabridge will operate with an integrated package of management systems. Norms, standards and framework in which we will operate, and tender to realise in the coming years:

1. QUALITY 1 FOOD SAFETY MANAGEMENT SYSTEMS

During the next years we will be very active in obtaining the **ISO 9001 & 22000** certifications for Seabridge.

2. ENVIRONMENTAL ISSUES

- **ISO 14001** which addresses various aspects of environmental management

3. CUSTOMER FACILITATOR

- **AEO 'Authorised Economic Operator'** is a status that companies can acquire and which indicates to Customs that the company is reliable in the fiscal and security domain.

The advantage of the AEO-status is that facilities are less physically controlled by Customs. Control of goods are announced in advance and the company has priority at these controls. Furthermore, data can be supplied later and less data is needed for the Customs declaration. This accelerates the handling of our goods.

- Logistics in Flanders is strengthened through a unique collaboration between service providers/ companies and customs authorities. We have always experienced fluid and flexible flows in our commodities. We can provide our European customers in a continuous way.

REASON FOR THIS REQUIRED FRAMEWORK

- ACTING FOR THE COMPANY:**

Certification of our management systems by an independent and accredited party enables our group of companies to receive a recognition of the quality of our services.

- ACTING FOR THE SECTOR:**

In the past, we experienced that by professionalizing our working methods other industry players followed us steps. By extending our pro-active behaviours on these best practices others were inspired and provide a benchmark for analysis of performance.

- Our self-evaluation process is reinforced by our continuous improvement with respect to laws, norms, codes, performance standards, and voluntary initiatives.

- In these challenging times, demonstration of clear and structured processes have never been more important for most of our clients as today.

Eco-Innovation, Eco-Efficiency & Waste Management

From the moment we want to be integrated in a responsible supply chain, each stage and each stakeholder is concerned. To become a full actor, the Efico Group integrates sustainable and long term investments. These specific measures are also part of our 'Environmental Policy'. We provide solutions and sustainable services to our customers who are also concerned in promoting all environmental dimensions. To achieve this eco-performance, and make the right decisions in new areas, we constantly consult our stakeholders to challenge all opportunities.

ECO-INNOVATION

Eco-Innovation globalise our

1) new services : ie. CO₂ concept, New Product with an as low as possible impact on the environment and optimal use renewable

resources, promoting Rail Transport and Waste Management solutions.

2) new technologies and processes: clean production, full automatization and activities covered by green energy.

ECO-EFFICIENCY

Eco-Efficiency is a focal action point of the Group. Since we realised our **first footprint** analysis, in 2008, and took measures to decouple our economic growth from our environmental impact.

- One of those measures was to choose a suitable location for Seabridge. The **port of Zeebrugge** shares our same sustainable vision and allows us to optimize the use of sea- and rail transport.



- Storage and handling activities are centralized in **one location**.

- Seabridge holds the **European Commission's "Green Building" Certificate and Awards** thanks to unsound environmental building concept.

- During the construction **energy efficient building and isolation materials** were used.

- Green energy** is produced from the 4 600 photovoltaic panels located on the roof, with a capacity of a 1 MW Peak.



- Climate change** is our concern (more info pg 6-7).

By monitoring emissions in the coffee supply chain and taking action to reduce our CO₂ footprint, SeaBridge aims to limit its impact on the environment, and create a **sustainable coffee chain by** working closely with all actors in chain, in order to create win-win partnerships.

- Direct **Rail transport** to the SeaBridge site enables us to replace lorries by trains, reducing road traffic and the CO₂ emissions .

"As from mid October 95% of the incoming cargo will find its way to Seabridge by train, while more than 50% of the outgoing cargo will also leave Seabridge by train. The remaining being dispatched per truck to more than 300 coffee roasters throughout Europe who are not all rail connected. It can be conservatively estimated that for the twelve months ahead about 8000 containers will be transported by train to and from Seabridge and will therefore decrease the congestion on local, national and international roads."

Explained Patrick F. Installé during the inauguration event of Seabridge.



Front part of the building with railroad

Transports optimization, time and fuel efficiency, guaranteed loading & unloading time, and direct rail connection on site have a positive green impact on our activities.

- All types of reception and delivery are proposed on our new logistics site; bulk, big bags, containers or normal bags. The flexibility of the packaging possibilities and optimal loading offers also a new way towards more eco-efficiency.



Containers are removed from the rail by Reach Stacker

- The aim of SeaBridge is to incorporate economic, social, and environmental issues into its **business model** to obtain economic growth without harming the environment.

WASTE MANAGEMENT

- Our waste management system is based on the **cradle-to-cradle** concept. Through a unique waste management system, we sort and recycle waste and re-allocating it as input for making new materials. This solution is proposed to clients who adhere to this concept.



Jute bags & paper are apart sorted

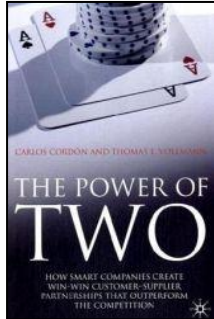
- In Seabridge, a special area is dedicated to store these materials. By loading goods customers can unload their waste. This **simple system** provides a real sustainable solution to our partners for waste.



Optimizing Costs and Return

NEW BUSINESS APPROACH

- With the new structure of our Group we have the opportunity to optimize and create a new customer approach.



Based, and mainly inspired by 'The Power of TWO', we developed a new strategy in which we share all the services we are able to provide to our clients, set-up under the best cost analyse.

The authors are:

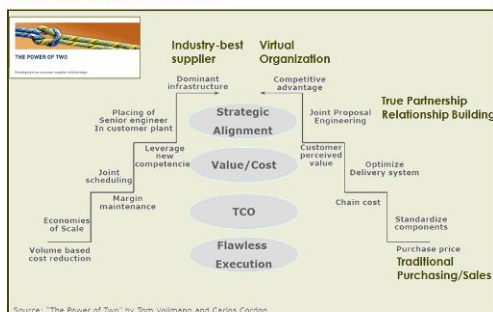
Carlos Cardon & Thomas Vollmann, 2008. Both of them

are teachers of the IMD Business School in Lausanne.

- 'Our focus is on TCO (Total Cost of Ownership) providing a new focus for collaboration: all costs, direct and indirect – to both customer and supplier – are seen as a targets for elimination or significant improvement. The underlying assumption is that they only can be improved together.'
- We segment our clients' portfolio, and manage each interested client separately in a tailor-made way to determine which service proposal is best suited for a win-win situation.
- To apply this model **Trust & Transparency** are perhaps the most important, the hardest to maintain, and the least obvious to assess.

WIN-WIN CUSTOMER-SUPPLIER PARTNERSHIP

Total Cost of Ownership – TCO Model



Source: "The Power of Two" by Tom Vollmann and Carlos Cardon

GREEN COPPER & COCOA



EFICO

- The appreciation of this model is very concluding, it enables both partners to change their approach and forces new considerations.

- Some of our partners even inform us before investing in new machines, buildings or material to be sure they do not duplicate with our possibilities.

PERFORMING BUSINESS ACTIVITIES

- In performing its business activities, Efico provides information about sustainable or emerging topics to various stakeholder groups. Nowadays, more topics must be managed, and research is becoming equally important.

- With the extension of our services, corrective measures are still applicable while Seabridge is already operating at full capacity. The road construction to our site, extreme weather conditions (the first heat of the summer, the first snow, ...), introduction of work force from the port of Zeebrugge,... Finally, all these new factors require special attention and constant improvement of our organization.



- In addition, we increase efficiency by combining purchasing, logistics, and investments in a new user-friendly software package for registration and reporting. All processes from purchase at origin to delivery at final customer are fully supported by Microsoft Dynamics NAV.



The weighing, assigning of a lot number, labelling, production, making delivery notes, occurs with an integrated system. Today, the processes are much more efficient than ever before. The manual input of data is reduced to a minimum and risk of data-errors are reduced to a minimum. Reporting and analyses are automatised.

- Periodic analysis of cost structures have also been simplified.

Exchange of Product Knowledge and Marketing Support

SHARING PRODUCT KNOWLEDGE

• Knowledge is power. Product knowledge is difficult to summarise. Many factors and subjects are part of the job, it requires a long training and formation period. On a daily base our trading team tastes each pre-shipment and arriving coffee sample. In addition they regularly travel to producing countries to evaluate local situations and maintain or establish long term relationships. Those experiences are shared with our clients.

• "Efico Coffee Selection" File.

It is easier to effectively offer a special product to a coffee roaster with all the available information. We developed our own tool, and most of the products we propose are accompanied by a complete description, summarized on one page.

EFICO COFFEE SELECTION

SHS PLATANILLO

The Coffee

- Arabica
- SHB / Guatemal
- Bourbon 60 %, Caturra 20 %
- Typica 20 %
- Washed
- Screen Size: 16 > screens 16
- Number of defects: 0 per 30kg
- Bag of 60 kg

Cup Profile

It is said that coffee from Guatemala is one of the best in the world. Platanillo is an aromatic coffee which is pleasant with a well-balanced acidity and lightly fruited.

The Process

Picking method: manual - 3 passages
Washing method: 24-36 hours of fermentation made on the terrace (Beneficio Platanillo)
Drying method: mechanic, 24h in drum and in the sun if the weather allows it, finishing by machine.
Sorting & sorting method: mechanically done in Guatemala City in the SU Beneficio which is modernistically equipped, guaranteeing the best preparation.

The Exploitation

Number of permanent employees: 80-100 persons
 Temporary employees: 500-1,000 persons
 Social community: since 2005, a primary school was built thanks to the support of the Efic Foundation. Its expansion is being realized. Health care, sports activities for the employees and their families are being organized.

Certificate

Rainforest Alliance Certification, of the plantation and the SU Beneficio. First certification dated May 2005. During the last international competition Long Beach in May 2007, this coffee was classified among the best Rainforest Alliance certified coffees in the world. Privileged supplier and by tradition of Efic, the first one to have made subject of our audit UN Global Compact by May 2004.

Particularities

• Assistance to the development of new products is another function of this shared information.

• Internal meetings with our partners and offices contribute to share and feed experiences on our products.

STRENGTHENS COMMUNICATION SKILLS

• Having a thorough understanding of our products and services allow us to use different techniques and methods in presenting them to our customers.

Our trading team's strong communication skills are reinforced by tailor-made PowerPoint presentations for each type of customer.

• 2010 was a challenging year on communication level. We achieved

1. the restyling of our brands by developing new communication material and digital communication,
2. the launch of an internet and intranet website,
3. a presence on Social Media,
4. a participation at several events and exhibitions,
5. an active participation at several interesting conferences,
6. participation in the UN Global Compact Steering Committee from the Belgium Network,
7. numerous press activities.

• Of course, we continued to highlight the introduction of Seabridge and we also provide visual information to the sector about producing countries.

• In 2009, we edited a first photo book about coffee and cocoa producing countries. We received a lot of questions about that project. Consequently, we allowed the services of a full time journalist to develop audio visual material. This didactic material provides illustrations of coffee production in countries of origin, and explain the different stages of the supply chain.

1. NEW COMMUNICATION MATERIALS & WEBSITES

Our new and up-to-date branding allows us to present the new structure as an integrated Group. Home Page of our Group Website ▼



- Our communication tools are useful for our stakeholders. It's important that they know us better and are aware about our concern for both our suppliers and our customers who have an intimate relationship with our Group.

- We are convinced that our motto **'With a Personal Touch'** is more than ever applicable. For that reason we encourage tailor-made PowerPoint presentations which allow us to directly check if our message is correctly understood.

- Dr. J. Edward Deming, a famous quality guru, provided a simple, yet highly effective technique that serves as a practical tool to carry out continuous improvements on the workplace. This technique is called PDCA Cycle, or simply Deming Cycle.

PDCA is acronym of Plan, Do, Check and Action. The famous "Deming cycle" of quality management and business process improvement, that we used for the launch of Seabridge, can easily be applied to communication:

Plan: Build a consistent communication plan.

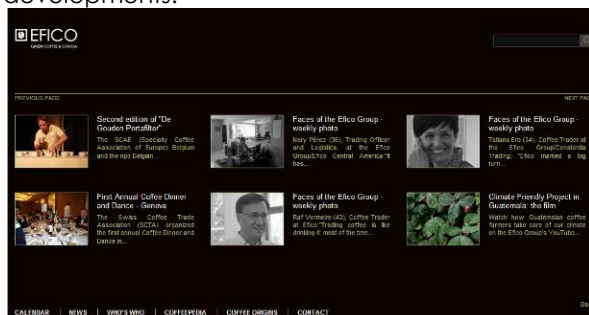
Do: Execute the plan towards all the different stakeholders and the internal layers of the company.

Check: Verify that the message is coming through correctly.

Act: Analyze why the message is not well understood and communicate again to rectify the deficiencies.

2. NEW INTRANET WEBSITE

Intranet provides a large range of information to our colleagues all over the world ; such as performance of each department, participation to events, profile of collaborators of the Efico Group and presentation of people in producing countries, clients activities, news, updates of the Group website ... Every week a new message is posted. This frequency keeps the whole organisation informed about internal & external developments.



Example of the diversification information available on our intranet page

3. SOCIAL MEDIA

To increase awareness of our profession and our activities to a larger audience, we decided to be present with our digital material in social media networks, such as Facebook..



As a specialist pointed out in a recent article*: "social networking inside the enterprise is not only inevitable, it is essential. Used correctly, social media can help your company solve problems, burnish its public image, recruit top talent, and generate ideas. Implemented poorly – or worse, ignored – it can create a world of pain."

* Dan Tynan: Should you block access to Facebook, Twitter at work? in InfoWorld, October 23d 2010

4. PARTICIPATION ON SEVERAL EVENTS/EXHIBITIONS

- 26 to 28 February 2010 - **World Coffee Conference** in Guatemala.

The Conference was organized by Anacafé, in close cooperation with the International Coffee Organization (ICO). It was chaired by the President of Guatemala with main theme : "Coffee for the future: Towards a sustainable coffee sector".

A lot of Efico's suppliers were also present.



Our team from left to right: Thorsten Hammersen, Managing Director Efico GmbH, Patrick F. Installé, Chairman Efico Group, Nelson García, trade support in Central America, Katrien Delaet, Head of Sustainable Projects, Renaud Cuchet, Managing Director Central America.

- 15 March 2010 - **Lecture about Seabridge** for Zeehaven Brugge vzw by Patrick F. Installé.

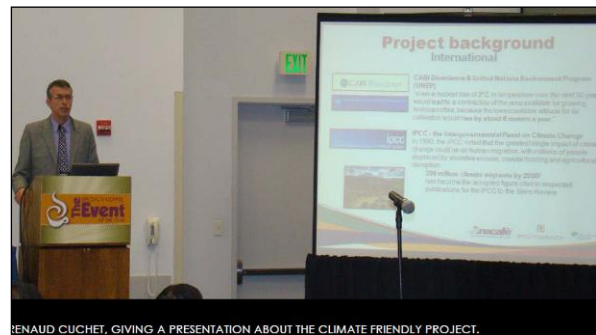
Facing an important audience, including Portuary & Regional authorities. Patrick F. Installé presented the new company – Seabridge.



- 15 April 2010 – **The Specialty Coffee Association of America's (SCAA)**, 22nd Annual Exposition & Symposium, Anaheim, California. Renaud Cuchet attended as speaker and presented our Climate Friendly project.



At "The Event," thousands of international coffee professionals from more than 40 countries converge at the Anaheim Convention Center to focus on specialty coffee, sustaining the industry and farmer's livelihoods, and the latest and most innovative trends and products in the coffee marketplace. SCAA is the world's coffee authority and largest coffee trade association.



RENAUD CUCHET, GIVING A PRESENTATION ABOUT THE CLIMATE FRIENDLY PROJECT.

- 4 to 6 June **COTECA** Hamburg.

Coteca is Europe's first specialty coffee, tea and cocoa exhibition, covering the whole tea, cocoa and coffee chain from raw materials to ready-to-

drink hot beverages. With nearly 3,000 trade visitors from 25 countries, the international trade show and its accompanying conference gave information and insights into the innovations and developments in the coffee, tea and cocoa markets. This brilliant beginning underscored COTECA Hamburg's positioning as a high-calibre platform for the whole value chain of the three industries, from raw commodities to finished products. It featured presentations of products and services from more than 100 companies from 17 countries at the Hamburg Fair site.



Patrick F. Installé & Michel Germanes welcome our hosts on the stand.

For this event we used a recycled cardboard stand.



More information on:
<http://greenboarddesign.wordpress.com/decor-exhibitions/>

- 18 June 2010 - **Seabridge Open Day**

Clients were invited to experience high-technology features of our European Sustainable-Logistics Center, which is dedicated to storage, handling, and distribution of green coffee located in the Port of Zeebrugge.

Clients who couldn't attend to this event got the opportunity to arrange another visit.

- 10 September 2010 - **Inauguration of Seabridge**

The Efico Group was very pleased to welcome a large number of ambassadors, many partners and suppliers, as well as Belgian, Foreign, Portuary, and Customs authorities, ...

The assembly visited the site, and there were several speeches by prominent guests, such as Nestor Osório Londoño, Executive Director of the ICO (International Coffee Organization), Joachim Coens (President of MBZ - Port Authority of Zeebrugge) and Patrick F. Installé, who talked about the unique, state-of-the-art coffee distribution centre, as well as the port and the general issues in the coffee world.

"Collectively, 15 coffee producing countries are officially represented here, responsible for more than 75.000.000 bags of green coffee production, on a yearly basis, the equivalent of 62,50% of coffee grown worldwide." said Patrick F. Installé.



From left to right: Joachim Coens (President of MBZ - Port Authority of Zeebrugge), Nestor Osório Londoño, Executive Director of the ICO (International Coffee Organization) and Patrick F. Installé, Chairman Efico Group

- 8 October - **Coffee Dinner in Geneva**

The Swiss Coffee Trading Association organised this first edition. A large delegation of our colleagues represented our Group, and had the opportunity to meet a lot of key players of the coffee industry. They commented the upcoming challenges and issues.

- 19 October - **Gouden Portafilter 2010**

Fifth edition of the Belgian Cuptasting Championship. Bart Van Sanden obtained the second place, Vice Belgium Champion, after being Vice World Champion in 2009.

- 22 October - **20th anniversary of Euracen**

Efico participated at the 20th anniversary of the Chamber of Commerce Europe - Central America (details pg 5 & 6).

- 28 & 29 October - **European trends in CSR development.** As an Advisor member of the new UN Global Compact Network Belgium Steering Committee, Efico participated to the co-organization of this successful **event in Brussels.**



UN Global Compact Belgium Steering Committee surrounding Soren Petersen – UNGC Senior officer in New York.

- 12 November 2010 - **24° Edition of Sintercafé in Costa Rica.**

Renaud Cuchet, Managing Director of Efico Central America was a guest speaker (details pg 8).

- 25 November 2010 - **Event Voka West Flanders**

The Flemish Network for Entrepreneurs received more than 50 ambassadors, or their representatives, assisting at the closing event of the "Week of International Business" in the port of Zeebrugge. Several hundreds of business leaders were able to meet in the presence of ambassadors, or their representatives.

During that closing session Joachim Coens of the Port of Zeebrugge (President of MBZ) presented the performances of the port. Also Patrick F. Installé had the opportunity to present Seabridge. Both have focused their speech on corporate responsibility and sustainability within the international logistics environment.



The assembly surrounded Patrick F. Installé

2010 was enriching year for our Group, as we mobilised all our people to organise all previous described changes and activities.

Every time we participate to an event we noted that the number of visits to our website significantly increased.

5. PARTICIPATION AT SEVERAL CONFERENCES

Kauri events - KAURI is the Belgian multi-actor learning network and knowledge center on Corporate Responsibility and NGO Accountability.

12/01/2010
Workshop Sustainability Reporting (GRI)
05/02/2010
KAURI Speed-dating
11/05/2010
Workshop Business & Human Rights
23/09/2010
Workshop Social Profit Financial Responsibility

IMD – Business School Lausanne

30/11/2010
Sustainable Supply Chain Dialogue

4C Association

24/02/2010
Technical Committee in Guatemala
15/04/2010
Trade & Industry

UNGC – Network activities

6. PARTICIPATION IN THE UN GLOBAL COMPACT STEERING COMMITTEE FROM THE BELGIUM NETWORK.

- As an active member of the UN Global Compact since 2003, Efico always promotes UN Global Compact in Europe and in coffee and cocoa producing countries. All communication material refers to our commitment to the principles of the UNGC. Also in interviews, speeches, and presentations we refer to our membership. (see press clipping on this page).

Since 2009, a dedicated person of our team, assisted as Advisor to the several meetings of the UNGC Belgium Network in order to organise events, the framework of the network, and the internet communication strategy of the network.

We followed those events:

06/05/2010
COP Workshop: Getting your COP started
06/07/2010
Debriefing Leaders Summit@KBC
29/10/2010
European trends in CSR development

7. PRESENCE IN THE PRESS

- Being mentioned in the press or invited to conferences, and presented as the 'Pioneer in Sustainable Supply Chain Management' is a nice

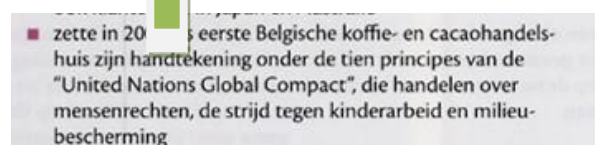
recognition to continue developments on sustainability.

More Press Clipping available on:

www.sebridge.eu



"EFICO's Seabridge Logistics sets the standard"



THIS TOP-DOWN OVERVIEW GIVES A PICTURE OF THE EFICO GROUP ACTIVITIES WITHIN THE FRAMEWORK OF THE 10 UNGC PRINCIPLES

GREEN COFFEE CHAIN	Plantation	Processing	Transport, Shipping, loading & unloading from vessel	Trading, Warehouse & Handling	Transport to 650 EU clients	Manufacturing
HUMAN RIGHTS principles based on the Universal Declaration <i>Principle 1:</i> Support & respect the protection of human rights <i>Principle 2:</i> Ensure no complicit in human rights abuses	<ul style="list-style-type: none"> - Review legislation profile per country - Offices in producing countries - Screening suppliers - Certified products - UNGC Supplier Audit - International Relations - Sustainable projects via Efico Foundation 	<ul style="list-style-type: none"> - Review legislation profile per country - Offices in producing countries - Screening suppliers/exporters - Certified products - UNGC Supplier Audit - International Relations - Sustainable projects via Efico Foundation 	<ul style="list-style-type: none"> - International Legislation - Shipping lines contacts - Port Authorities Management/ Regulations - International Relations 	<ul style="list-style-type: none"> - National & EU Legislation - Efico Group Policy - Efico Management Systems - ISO 9001 - Internal Code of Conduct - International Group with offices in producing countries - Communication: use of social media to publicize all aspects of the Supply Chain Management 	<ul style="list-style-type: none"> - National & EU Legislation - Internal Code of Conduct 	<u>Tools available to our customers:</u> <ul style="list-style-type: none"> - International Group with offices in producing countries - Efico Foundation - UNGC Supplier Audit - Product Offer: all certified products - Seabridge infrastructure - Communication tools: shared and available for our customers
LABOUR principles resulting from The International Labour Organization's Declaration <i>Principle 3:</i> Freedom of association & right to collective bargaining <i>Principle 4:</i> Elimination of forced and compulsory labour <i>Principle 5:</i> Effective abolitions of child labour <i>Principle 6:</i> Elimination of discrimination in respect of employment and occupation	<ul style="list-style-type: none"> - Review legislation profile per country - Offices in producing countries - Screening suppliers - Certified product - UNGC Supplier Audit - International Relations - Position paper child labour - Sustainable projects via Efico Foundation 	<ul style="list-style-type: none"> - Review legislation profile per country - Offices in producing countries - Screening suppliers/exporters - Certified product - UNGC Supplier Audit - International Relations - Position paper child labour - Sustainable projects via Efico Foundation 	<ul style="list-style-type: none"> - International Legislation - Shipping lines contacts - Port Authorities Management/ Regulations - International Relations 	<ul style="list-style-type: none"> - National & EU Legislation - Efico Group Policy - Appropriate training & work environment Team building activities - Management Systems - ISO 9001 - Internal Code of Conduct - Seabridge = State-of-the-Art Service Center & distribution platform. - Automatic Reception, Handling & Packaging. - Specific security/ safety equipment. - Communication: use social media to publicize all aspects of the Supply Chain Management 	<ul style="list-style-type: none"> - National & EU Legislation - Internal Code of Conduct - Seabridge infrastructure completely adapted to different modes of transport used by our customers 	<u>Tools available to our customers:</u> <ul style="list-style-type: none"> - International Group with offices in producing countries - Efico Foundation - UNGC Supplier Audit - Product Offer: all certified products - Seabridge infrastructure - Communication tools: shared and available for our customers
ENVIRONMENT principles derived from the Rio Declaration <i>Principle 7:</i> Precautionary approach to environmental challenges <i>Principle 8:</i> Promote greater environmental responsibility <i>Principle 9:</i> development & diffusion of environmentally friendly technologies	<ul style="list-style-type: none"> - Review legislation profile per municipality/country - Offices in producing countries - Screening suppliers - Certified product - UNGC Supplier Audit - International Relations - Sustainable projects via Efico Foundation - "Climate Friendly" Pilot Projects via Efico Foundation 	<ul style="list-style-type: none"> - Review legislation profile per municipality/country - Offices in producing countries - Screening suppliers/exporters - Certified product - UNGC Supplier Audit - International Relations - Sustainable projects via Efico Foundation 	<ul style="list-style-type: none"> - International Legislation - Identification of Maritime routes 	<ul style="list-style-type: none"> - National & EU Legislation - Environmental Policy - Environmental Management System - Pre-cursor role in environmental sound technologies: green energy production, waste management, train transport, ... and communication on those topics as well as : <ul style="list-style-type: none"> - Climate Change - Sustainable Supply Chain - Green Building - Green Logistics 	<ul style="list-style-type: none"> - Rail connections on Seabridge site - Screening transport companies - Promotion of Train Transport 	<u>Tools available to our customers:</u> <ul style="list-style-type: none"> - International Group with offices in producing countries = Field Expertise - Efico Foundation - UNGC Supplier Audit - Product Offer: all certified products - Seabridge infrastructure - Green logistics: Train Transport Waste Management Solutions - Communication tools: shared and available for our partners/customers
ANTI CORRUPTION principle based on The UN Convention Against Corruption <i>Principle 10:</i> Against corruption in all its forms, including extortion & bribery	<ul style="list-style-type: none"> - Review legislation profile per country - Offices in producing countries - Screening suppliers - Pre-financing with Delcredere - UNGC Supplier Audit - International Relations - Sustainable projects via Efico Foundation choice of partners 	<ul style="list-style-type: none"> - Review legislation profile per country - Offices in producing countries - Screening suppliers/exporters - Pre-financing with Delcredere - UNGC Supplier Audit - International Relations - Sustainable projects via Efico Foundation choice of partners 	<ul style="list-style-type: none"> - International Legislation - MOU Drug Prevention - Shipping lines contacts 	<ul style="list-style-type: none"> - National & EU Legislation - Internal Code of Conduct - MOU Drug prevention - Financial Transparency - Communication on MOU prevention 	<ul style="list-style-type: none"> - National & EU Legislation - Customers services 	<u>Tools available to our customers:</u> <ul style="list-style-type: none"> - International Group with offices in producing countries - Efico Foundation - UNGC Supplier Audit - MOU Drug prevention

Stakeholders Involvement

PARTNERSHIP, A REAL CONCERN

• In 2010, as you discovered in this report we participated to a lot of events and presented the activities of our Group (see pages 22 to 25). Thereby we also exchanged our experience and skills with institutional bodies.

• Another example: on 30 March 2010, Patrick F. Installé was invited by **FICA** (Flemish International Cooperation Agency) to present his point of view about PARTNERSHIP. The title chosen for his presentation was: 'PARTNERSHIP IS A MUST!'. He explained the importance of clear working frameworks between partners, who exchange expertise in order to achieve professional partnerships in a changing environment. Presentation available on internet, where is also mentioned our UNGC involvement:

http://www.vvob.be/vvob/files/20100330_present_efico.pdf

[PDF]

[EEN VAK KAN JE LEREN, EEN PASSIE MOET JE BELEVEN](#)

Bestandsformaat: PDF/Adobe Acrobat - Snelle weergave

30 maart 2010 ... gebruikt UNGC als uitgangspunt voor het MVO-kader van Efico. Is lid Taskforce bij lancering UN Global Compact Belgische Netwerk, ...

www.vvob.be/vvob/files/20100330_present_efico.pdf

THE STARTING POINT BEHIND PARTNERSHIP

- Our long history and strong family tradition, including 4 generations of expertise, allows us to build stable relationships between stakeholders of the coffee and cocoa business.
- Building on the past, we benefit from strong assets, which are reputation, service orientation,

proactivity, innovation, and a sustainable business approach with a long term vision.

- This tradition helps us to create added value focussing on quality standards and food safety, traceability and sustainability.

SKILLS AND EXPERIENCES IN ACHIEVEMENT

- By focussing on the different concerns and needs of the stakeholder groups on various emerging topics, the performance of Efico's business and activities significantly improve.
- The key stakeholders of Efico, Seabridge, and the Efico Foundation are almost different. We aim to work in close partnership with all of them.
- Maintaining an active dialogue with these stakeholders assures us that we act according to their request. We appreciate any exchange in point of views and appreciate their interest and concern in the evolution of our activities.

SHARING THIS COP REPORT WITH STAKEHOLDERS

- This detailed report illustrates on how we work with our various stakeholders, and which projects we conducted in 2010.

This report will be shared with all partners mentioned in this report, and the UN Global Compact internet address will be figuring on each Efico PowerPoint presentation.

See example below:



SUSTAINABLE ENTREPRENEURSHIP

UN Global Compact



First coffee trading company subscribing to the UN Global Compact since 2003:

basic and elementary rules of conduct regarding human rights/ labour conditions / environmental protection and anticorruption

The world's largest voluntary corporate citizenship initiative
Multi-stakeholder concept with the goal of sustainable And more just world economy

8.000 signatures in 135 countries



Ban Ki-Moon
United Nations
Secretary General

Efico

- Uses UNGC as the basis for CSR
- Is a member of UN Global Compact Taskforce/ Steering Committee which launched the Belgian Network, in collaboration with Ministry of Foreign Affairs
- Is a member of other initiatives
Kauri, IMD - Forum For Corporate Sustainability Management, Rainforest Alliance, UTZ Certified, Bio, Flo-Cert, 4C, ...

"BUSINESS PRACTICES ROOTED IN UNIVERSAL VALUES BRING SOCIAL AND ECONOMIC GAINS."
BAN KI-MOON | SECRETARY GENERAL OF THE UNITED NATIONS






KAURI **IMD** **UTZ** **FLO-CERT** **4C ASSOCIATION**

GREEN COFFEE & COCOA [WWW.EFICO.COM](http://www.efico.com)

More information on <http://www.unglobalcompact.org/participant/3166-Efico-S-A->

Other Communication Support available on:

<http://www.efico.com/communication-material>



A PRACTICAL TOOL FOR IMPLEMENTING SUSTAINABLE ENTREPRENEURSHIP

EFICO is a green coffee and cocoa trading house, providing services to the European coffee and cocoa sector. EFICO has its headquarters in Belgium (Antwerp) and offices in Switzerland, Germany, France, Ethiopia and Guatemala.

In 2003, EFICO became the first coffee and cocoa trading company in Belgium to sign up to the **United Nations Global Compact** principles.

Patrick F. Installé, managing director of EFICO: "The UN Global Compact provides the basis for our own corporate citizenship model. We developed tools to adhere to the principles and implement best practices in our company, as well as in the relation with our coffee and cocoa suppliers and clients. This strategic multi-stakeholder approach enables us to constantly improve sustainable entrepreneurship."






Together with **Mayacert**, EFICO developed an audit system for its suppliers, to verify their compliance with the Global Compact principles. Mayacert is an independent EU-accredited monitoring and certification organization based in Guatemala.

The **EFICO Foundation** supports sustainable multi-stakeholder projects in coffee and cocoa producing countries. The EFICO Fund is managed by the **King Baudouin Foundation**.


Seabridge is a European sustainable facility center dedicated to storage, product enhancement and distribution of green coffee in the port of Zeebrugge.

Within the EFICO Group, the 10 Global Compact principles are re-enforced through monitoring and measuring social, economic and environmental indicators.


Our annual Communication On Progress (COP) is reported on the UN Global Compact website.




THE MAYACERT AUDIT, THE EFICO FOUNDATION PROJECTS AND EFICO'S COMMITMENT TOWARDS SUSTAINABLE ENTREPRENEURSHIP ARE TOOLS FOR CLIENTS AND SUPPLIERS TO PROMOTE RESPONSIBLE BUSINESS PRACTICES IN THE COFFEE AND COCOA SECTOR.



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