

MAY 2015



EFICO

GREEN COFFEE & COCOA

EFICO Group
Communication On Progress Year 2014

Based on the COP of the United Nations Global Compact



COMMUNICATION ON
PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

Foreword

The annual communication report or this EFICO Group's May 2015 edition is based on the Communication On Progress (COP) requests of the United Nations Global Compact (UNGC). It reflects our commitment to the UNGC and its ten principles.

The UN Global Compact provides the basis for EFICO's corporate citizenship model.

Being a signatory since 2003, we developed tools to implement best practices in our company.

This strategic multi-stakeholder approach improves sustainable entrepreneurship.

As mentioned in our previous report, sustainability is part of EFICO's DNA.

With our sustainability initiatives, we additionally aim to create

tools for clients and suppliers to promote responsible business practices in the coffee and cocoa sector.

Being a coffee and cocoa trading company since 1926, EFICO shares its know-how with its partners, stakeholders and approximately 450 European coffee roasting companies.

With offices in Belgium, Germany, Switzerland, Brazil, Ethiopia and Guatemala we also operate in an international context.

This report reflects our corporate engagement with regard to the ten principles and our implemented activities and progress in 2014.

By publicly communicating to our internal and external stakeholders about the progress we made, we want to contribute to the recognition of the UNGC-framework.

As part of the learning process, we proposed a GC ACTIVE LEVEL.

We share our UNGC engagement in all communication material and in meetings with our stakeholders.

We also actively participate to the events of the local UNGC Network Belgium.

We adhere a lot of importance to exchanging ideas with people in the same or other sectors.

Thanks to this cross-pollination of thoughts, we can continue learning and improving. Because learning and exploring new things is a constantly evolving process, it never stops.

Similar to our previous reports, this COP report is published on www.unglobalcompact.org and on www.efico.com/un-global-compact.



Table of Contents


Forewordi


Statement of continued support 20141


EFICO Group's Vision and Commitment2

Implementation UNGC Principles throughout EFICO Group's Supply Chain4

Because we care about:

 Our COFFEE8

 Our PEOPLE12

 Our ENVIRONMENT16

EFICO FOUNDATION20

Into the future25

with a
personal
touch.





Drying coffee on patio

Guatemala

Statement of continued support 2014

Dear Partner,
Dear Stakeholder,

The EFICO Group subscribed to the ten United Nations Global Compact Principles - covering Human Rights, Labour, the Environment and Anti-Corruption since 2003.

This UNGC Framework is rooted in our corporate values, "IMPROVE". These values reflect what our Team strives for and shape our integrity, our commitment to behave ethically, responsible and transparent in our business activities.

Established in 1926, EFICO has a longstanding family history. The Group differentiates itself by offering a complete concept throughout the Green Coffee Supply Chain, from Flower to Cup. This means we consider it not only our duty to deliver a high-qualitative product, COFFEE, but also take into account and limit our impact on society - PEOPLE - and our ENVIRONMENT. In this report, we therefore zoom in on these three important parameters, per entity of our Group.

EFICO comprises our Trading activities. Our Trading Team is the "nerve center" of the Group. Coffee is tracked, traded and traced from order up to delivery. We are proud of this Team, composed of experienced, multi-lingual traders with excellent knowledge. Together with our Quality Control Team, they evaluate coffees at frequent intervals. Our Quality Laboratories are quite unique in Europe. We consider them the "heart" of EFICO.

Coffee is a very sensitive product. Special attention has to be adhered during Storage and Transport. This brings us to SEABRIDGE. This state-of-the-art sustainable logistics centre takes care of coffee storage, handling, product enhancement and distribution.

Our EFICO FOUNDATION, a private Foundation within the EFICO Group, established in 2003, supports sustainable multi-stakeholder development projects and aims to improve hereby the livelihoods of many in coffee and cocoa producing countries. BINARY SERVICES, the IT entity within our Group, takes care of IT solutions.

Going through the realizations of our entities and teams, we see 2014 has been a year of growth and progress. Our Corporate values "IMPROVE" can be taken to the letter.

2014 was also a year of decisions, ensuring the Group's future.

Recently, NOORD NATIE reinforced its participation in the EFICO Group. This decision was taken to further strengthen EFICO's position as a competitive and innovative international coffee trader and to preserve the Group's well-known cornerstones and values.

Based in Antwerp since the 16th Century, NOORD NATIE operates water linked commodity terminals.

NOORD NATIE has expertise in coffee handling, -storage and -logistics since decades and shares a long history of coffee passion with EFICO.

NOORD NATIE's President, Philip Van gestel, joined EFICO's Board of Directors in 2004 and remains Chairman.

Michel Germanès, Managing Director, continues to preside the EFICO Team.

By taking this step, EFICO remains faithful to its roots. The Group's corporate identity will be secured, whilst still being able to operate independently. EFICO will continue to uphold the values of a long-standing family business, providing tailor-made services *'with a personal touch'*.

Quality, responsible entrepreneurship, a proactive approach and a people-focus will remain key for a fruitful business.

It is our ambition to create long-term partnerships, share our knowledge and let our partners experience our passion. We offer our commitment towards the ten UNGC Principles as a Tool for our clients, suppliers, partners and others.

In this way, sustainable entrepreneurship can be promoted and implemented throughout the coffee sector.

We invite you hereby to read our report and welcome your feedback.

Michel Germanès
Managing Director

Philip Van gestel
Chairman





EFICO GROUP'S VISION AND COMMITMENT

OUR VISION

EFICO's family tradition of being a small to medium-sized company empowers our activities and gives us the advantage of being able to establish long-term strategies and partnerships based on mutual trust and respect. Respect for a given word is essential to us. At EFICO, a personal approach is key.

We put our experience and our knowledge at the service of our customers and partners.

Every stage of our business is important to us and is considered as an integral part of the whole process that we call the "Green Coffee supply chain."

This process involves the selection and flow of raw materials from origin up to delivery: Quality and Food Safety controls, understanding a customer's request, knowledge of the product or the analysis of needs and markets and the logistics, financial and administrative aspects related to our activities.

Quality, Food Safety, Traceability and Sustainability are EFICO's cornerstones. They are embedded in each entity of our Group. We believe it is our duty to deliver a high-qualitative product, whilst taking into account and limit our impact on the environment and on society.

OUR COMMITMENT

Sustainable development is an international challenge. It cannot be met unless every one of us contributes.

The United Nations Global Compact sets out principles incorporated in a global sustainable development perspective. Companies that accept this initiative subscribe to certain "ethical" rules, in order to encourage, promote and guarantee the respect of minimum standards in these fields. This additional commitment realises and perpetuates our long-term tradition of a responsible enterprise.

In actual terms, this means that we manage our commercial activities in a responsible manner, throughout the chain of products we import, so that we may contribute to society across our activities and consequently to make our world a better place to live in, today and tomorrow.

We are well aware that this commitment must be a permanent one. EFICO has a long tradition of social responsibility. By drawing on this experience we have firmly and sustainably developed the scope of our social responsibility in a constantly evolving world. We will pursue this goal into the future.

By choosing to buy at EFICO, our customers show that they recognise and appreciate the efforts EFICO is making to promote sustainable development.

"Make our world a better place to live in, today and tomorrow."



www.efico.com/corporate-engagement

ARE REFLECTED IN OUR CORPORATE VALUES

INSPIRED BY THE UNGC FRAMEWORK

“**IMPROVE**” is the compilation of letters that reflect EFICO Group's values.

This internal Code of Conduct defines the principles and expectations our EFICO Team should comply with:

Integrity
Tailor-Made
Passion
Respect
Open minded
Values
Ensure Quality



(I) INTEGRITY

Act respectfully towards internal and external stakeholders.
Care for an open and honest communication towards internal and external contacts.
Deliver a trustworthy service.
Act consequently in accordance to the EFICO Group company values.
Confidentiality and discretion are a requirement.



(M) TAILOR-MADE

Adjust the offer of services and products to our clients' needs through continuous dialogue.
Continue to inform clients via a state of affairs, actions and adaptations in order to reach agreed results.
In doing so, ensuring an even better service from the EFICO Group towards the client.



(P) PASSION

Express a personal engagement to the Group.
Show your commitment towards your own specific professional field.
Keep a drive to explore new insights and opportunities.
Permanently improve personal expertise and competences.



(R) RESPECT

Address clients on an equal base and with required respect. Accept mutual differences.
Stimulate and value the mix of different talents, visions and experiences.
Encourage teamwork through active listening, constructive feedback and a good working climate.



(O) OPEN-MINDED / FLEXIBLE

Adapt attitude and ideas to changing circumstances - in view of improvement and quick response to altering needs. Help to make colleagues realize challenges in their job function – through dialogue and pro-active actions.



(E) ENSURE QUALITY

Continuously improve high professional standards and working methods.
Permanently strive for required quality via a proactive approach.
Take on new opportunities and challenges using creative ideas.

Making
a difference,
TOGETHER.

THE TEN UNGC PRINCIPLES

EFICO integrates the ten United Nations Global Compact principles in its strategies and actions:

HUMAN RIGHTS - principles based on the Universal Declaration

Principle 1: Businesses should support and respect the protection of international proclaimed human rights

Principle 2: Businesses should ensure that they are not complicit in human rights abuses

LABOUR - principles resulting from the International Labour organization's Declaration

Principle 3: Businesses should uphold the freedom of association and recognize effectively the right to collective bargaining

Principle 4: Elimination of all forms of forced or compulsory labour

Principle 5: Effective abolition of child labour

Principle 6: Elimination of discrimination in respect of employment and occupation



ENVIRONMENT - principles derived from the Rio Declaration principles

Principle 7: Businesses should support a precautionary approach to environmental challenges

Principle 8: Undertake initiatives to promote greater environmental responsibility

Principle 9: Encourage the development and diffusion of environmentally-friendly technologies

ANTI-CORRUPTION - principle based on the
UN Convention against Corruption

Principle 10: Businesses should work against corruption
in all its forms including extortion and bribery



ACTIONS EFICO GROUP 2014

IMPLEMENTATION UNGC PRINCIPLES THROUGHOUT EFICO GROUP'S SUPPLY CHAIN

PLANTATION



PROCESSING



TRANSPORT, SHIPPING & UNLOADING FROM VESSEL



TRADING



WAREHOUSING & VALUE-ADDED SERVICES



TRANSPORT TO CLIENTS



MANUFACTURING



EFICO'S COMMITMENTS - HUMAN RIGHTS & LABOUR :

OUR SUPPLIERS:

- Our **sourcing policy** is influenced by a sensitive global context that requires increased supervision. By adhering to the Global Compact we strengthen the prevention aspect of our efforts by making our staff aware of the ten principles.
- EFICO follows at all times both **national** and **international legislation**.
- Our long tradition of family management has ensured for us a network of regular suppliers, but selecting a new supplier always entails extensive examination that includes information of a financial, historical and reputational nature.
- To **promote the principles of the UNGC** we have created, together with Mayacert, our **own audit** back in 2004 that measures each of the ten UNGC principles in the field. This audit takes place minimum once a year. In 2014, green coffee exporter Transcafé was audited in Guatemala. Transcafé successfully passed this audit.
- Within the **EFICO FOUNDATION** we have increased our partnerships with established NGOs and farmer's organizations that share our concern for protecting human rights. A new partner of our foundation is always thoroughly researched to ensure that the funds paid out are used as agreed.

OUR SUBCONTRACTORS AND OTHER STAKEHOLDERS:

- The supply chain of our raw materials is a long one. **Trust** between the different partners is a **necessity**. The values which we uphold are the foundation of this collaboration and therefore the selection of our collaborators is based on their individual contribution to our global values.
- Our **Responsible Business Conduct Policy** describes EFICO's vision on business partners.

OUR CUSTOMERS:

- We have a very diversified client portfolio and **some of our clients are very aware of the impact of our activities in the supply chain** and related **opportunities**. They therefore appreciate receiving frequent updates of market info, coffee availability, news of the EFICO FOUNDATION, sustainability developments and other.





OUR COMPANY: INDIVIDUAL AND ORGANIZATIONAL LEVEL:

- EFICO's internal Code of Conduct and values are inspired by the UNGC framework. **Respect and reciprocal trust** are an integral part of the values we uphold.
- When it comes to protecting human rights and those of our collaborators in particular, EFICO goes further than is required by the mandatory legal framework: EFICO invests in the **quality of life** of its personnel and ensures a **balanced distribution of gender**.

By adopting a multi-stakeholder approach, as set out per above, it becomes clear that actions taken in a positive way can have a multiplier effect on the different stakeholders.

EFICO'S COMMITMENTS - ENVIRONMENT & ANTI-CORRUPTION

The **environment** has **always** been an **important part of our Corporate Social Responsibility (CSR) strategy** and is addressed in every one of our activities:

-  We support sustainable projects and invest in sustainable production through our Foundation;
-  We market sustainable products: 36% of our coffees are certified or verified;
-  We take into account our ecologic footprint, we produce green energy at our state-of-the-art logistics, warehousing and distribution facilities SEABRIDGE;
-  We stimulate transport by barge and train, we give advice to and encourage our partners to develop a sustainable supply chain and many more.

Since 2009, we **particularly focus on climate change in coffee regions** since it will have an enormous impact in the coming years.

EFICO & the EFICO FOUNDATION initiated a Pilot Project "Climate-Friendly Practices", together with the Rainforest Alliance and Anacafé. Finca El Platanillo in Guatemala succeeded the Rainforest Alliance Climate Audit in September 2011.

The Climate Module consists of criteria for mitigation and adaptation to climate change, reinforcing the current certification criteria and provide additional value.

EFICO served as a catalyst for many other initiatives that exist today.

Early 2014, a consortium of leading coffee companies and stakeholders had been selected to run a pilot for the **European Commission's Product Environmental Footprint (PEF) project**. EFICO Group joined the pilot as a stakeholder and was represented at the first consultation at the European Commission in Brussels in October 2014.

Respect, trust and honesty are an integral part of the values we uphold. Our **Management** constantly monitors the activities of each department.

Our activity requires that we negotiate for large quantities of green coffee in countries for which this constitutes a significant activity.

The **long-term partnership philosophy** we apply to our relations with suppliers allows us to know them well and to avoid, to the greatest possible degree, all undesirable situations.

Our **financial transparency**: next to an Internal Audit and Control Team and a Risk Manager, who report directly to the Board of Directors, EFICO undergoes each year a financial audit. We rely on the collaboration of independent specialists who provide our management with unbiased, objective advice.

To counter the trafficking of drugs and all illegal substances, EFICO established a **Memorandum of Understanding** with the customs authorities in 2001 and in 2011 anew with SEABRIDGE. Both EFICO and SEABRIDGE also obtained an AEO (**Authorized Economic Operator**) certificate back in 2012. This certificate strengthens the safety of the supply chain.

EFICO acts as an **open Group** and enables its partners to carry out all types of audits.

In view of the aforementioned, EFICO also implements the UN Global Compact Management Model:



BECAUSE WE CARE ABOUT ... OUR COFFEE

Whilst drinking an excellent cup of coffee, you might wonder what the story is behind.

Coffee is grown in more than 50 countries in tropical conditions north and south of the equator. Millions of coffee farmers world-wide directly depend on coffee as main source of income.

At EFICO, we are convinced that we can only make progress in the long run when all actors in the coffee supply chain can make a sustainable living of their work.

We continuously work hand in hand with our stakeholders and balance the needs of our clients and suppliers. A personal approach is hereby key.



CAREFUL SELECTION OF RELIABLE SUPPLIERS

We source coffee from about 40 coffee producing countries. With strategic offices in Central America, Brazil and Ethiopia we have antennas all over the world to closely assess and monitor the performance of our suppliers in an efficient and effective way. This presence in origin allows us to make quick reactions according to the market needs.

When EFICO acquires raw materials, the choice of our partners is based upon

-  Risk assessment of the supplier
-  Quality, Food Safety and Traceability
-  Good Agricultural Practices
-  Reliable partners operating ethically
-  Compliance with local and international legislation
-  Business integrity and transparency
-  Openness to discuss improvement

We work closely together with cooperatives, farmers organizations and private exports to continuously improve product performance and pro-actively work on alignment of service requirements.

Our support goes beyond support on product level. With the Efico Foundation we aim to structurally support coffee communities in improving the living conditions of thousands of farmers.

DID YOU KNOW...



Studies show that **coffee drinkers** have a much **lower risk of several serious diseases**:

- Protective effects on liver
- Protective against liver cancer and colorectal cancer

Discover more coffee health benefits on
www.coffeeandhealth.org

**A cup of coffee a day
keeps the doctor away.**

SELECTION OF OUR COFFEES

The sensorial appreciation that a consumer experiences is very personal.

This is why we select and offer a very wide range of coffees from various regions, climates and with different taste sensation. We have more than 300 coffee varieties & blends from different origins to offer to our clients.

SPECIAL COFFEES

Next to the conventional coffees, our team selects a wide range of "Special Coffees" every day: grown in special and ideal climates and distinctive because of their unique flavor and taste.

Similar as with wine, this is the result of the "terroir" where the coffee grows. Geography, geology and climate of a certain place interact with plant genetics and this expresses this special and unique flavor in our coffees. This can go from niche market coffees such as micro-lots, specialty coffees and single estates up to gourmet coffees.

Thanks to our thorough coffee knowledge, we are able to select several gourmet coffees that have a very similar or sometimes even better taste sensation and

therefore deserve to be put in the spotlight too. These coffees are also considered as "Special" to us.

In the past 5 years we report a substantial increase of certified coffees. With our membership of 4C association, Fair Trade, Organic, Rainforest Alliance, UTZ and so on we can offer all kinds of certified coffees.



QUALITY CONTROL

All coffees that are sourced are cupped at several moments in the supply chain. This detailed evaluation by our experienced Quality Control and Trade Team includes physical, sensorial and micro-biological analysis. Our range of products is described in Product Specification Sheets, available upon request.

Our Trading Team has up to 30 years in-house coffee experience.

Our Green Coffee Quality Expert Team is also very qualified. Ivan Lamilla Muñoz is an Agronomist Engineer and a Q-Grader from the Coffee Quality Institute. Bart Van Sanden was once Vice World Champion Cup tasting.

SHARING KNOWLEDGE

Internal trainings are organized to keep colleagues up-to-date on the knowledge in the different coffee topics.

Sharing EFICO's knowledge equals experiencing our passion. Cuppings according to the SCAA standards or in-house cupping sessions with our clients - see *photo middle* - are organized to analyze and evaluate cup profiles, develop roasting profiles, blends and to on.

EXPERIENCING PASSION

Together with our offices in Central America, Ethiopia and Brazil, and business partners all over the coffee world we let you discover the taste sensation and story behind each cup of coffee.



At EFICO, we are convinced that quality will generate the ultimate consumer satisfaction for a cup of coffee.

Therefore we believe it is our duty to deliver such a special coffee and service, on which our clients can rely.

Coffee drying

Ethiopia



CLOSE COLLABORATION WITH OUR CLIENTS AND PARTNERS

At EFICO we have a wide range of clients, all with very different requirements. With a personal approach we always aim to meet our client's requirements and deliver tailor-made services.

EFICO's key coffee suppliers are evaluated on their global performance. The results of this analysis are used to improve our collaboration. In 2014, EFICO reoriented its systematic analyses of gathered data material concerning complaints - both from customer side and towards suppliers. The root-cause analysis allows the EFICO Group to optimize Claims Management, KPI monitoring and improve customer satisfaction.

On frequent basis, Trade can look into the detailed analyses and action can be taken where necessary. In this way, EFICO's relation towards Suppliers and Customers can be optimized.

Besides **Claim Management, Liquidity Optimization** is key.

An accurate follow-up of EFICO's account receivables and full screening of (new) clients allows us to limit possible risks.



EFICO Antwerp premises

FOLLOWING THE HIGHEST STANDARDS

During the past 10 years, stringent national, European and international food safety and product traceability legislation have substantially changed our business environment, our business processes and risk management for the green coffee and cocoa beans delivered to the industry.

EFICO, as a Group of companies, has worked hard on **Sustainability, Food Safety and Product Traceability, Climate Change, Waste Management and CO₂ related issues:**



Quality and Food Safety are two of EFICO's cornerstones. Since 2003 already, EFICO is ISO 9001 certified for its management processes.



SEABRIDGE, the logistics services provider within the Group, disposes of an:

- ISO 9001 certificate (Quality)
- ISO 22000 certificate (Food Safety)
- AEO Certificate, granted after an audit of Belgian Customs and Excise
- succeeded for an Ethical Audit based on ISO 26000 (SMETA)



A strong emphasis on Safety and Security resulted in a higher performance and detailed monitoring of all incidents: We note a status-quo in incidents but a reduction in work accidents of 17% compared to 2013.



To counter the trafficking of drugs and all illegal substances, EFICO established a Memorandum of Understanding with the customs authorities in 2001 and in 2011 anew with SEABRIDGE.



All Efico Group's certificates are available on www.efico.com/certifications and www.seabridge.eu/certifications

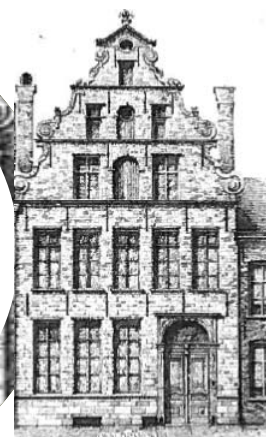


EFICO Group has and still aims to be proactive and innovative and wants to provide its clients with solutions and answers towards a more demanding consumer and legislator.

DID YOU KNOW...

EFICO stands for

- E** Emile Installé, founder of EFICO
- F** François Installé, brother of Emile
- I** Installé, last name of founder
- CO** Company



First EFICO office in Antwerp, 1926



BECAUSE WE CARE ABOUT ... OUR PEOPLE

The success of a company is mainly based on the motivation, enthusiasm and satisfaction of its team.

Therefore EFICO works to stimulate and assess this satisfaction and commitment through interviews, meetings and other.

Only a horizontal structure and participative management facilitate contacts within our organization, with each member of the Management Team managing a department.




In terms of Human Resources (HR), the EFICO Team can count on training opportunities, interesting challenges and attention to their individual needs.



EFICO'S RESPONSIBILITY TOWARDS ITS PEOPLE

The good practices of the UNGC are based on **communication, transparency, dialogue, partnership** and **voluntary commitment**.

EFICO shares this vision and adopts the same approach, one of openness and mutual exchange, towards 3 target groups:

-  its Team
-  Producers/Suppliers
-  Customers

The personal aspect has always influenced EFICO's manner of operations: *'With a personal touch'*.

EFICO'S TEAM

In terms of the status of the staff, the selection and promotion policy and evaluation systems, the EFICO group of companies does not discriminate according to gender, religious beliefs, origin, lifestyle, age or other characteristics.

A healthy cooperation is stimulated by mutual respect between colleagues, respect of EFICO's values, understanding for the problems colleagues are faced with when carrying out their functions

and daily operations and open discussions.

Over the years, EFICO has been developing various programmes covering subjects such as Food Safety, Quality (Control), Sustainability and other.

These very current subjects are at the heart of the concerns of our company and as such of our entire Team. For each of these subjects, EFICO has employed expert staff to be consulted for any issue surrounding these matters.

Additionally, by providing both internal and external training on different important topics, each EFICO co-worker can improve his/her current knowledge.

This adds up to their competencies, skills and values. By giving opportunities to grow on-the-job, people also receive opportunities to grow as a person.

This eventually results in continuous improvement, influencing the company's results.

HUMAN RESOURCES

EFICO's Human Resources Department is a supportive factor in these processes. Communication with employees is facilitated.

Throughout 2014, EFICO highly focused on internal training: Quality, Food Safety, IT, Commodity, Outbound & Production Training are amongst the examples.

HR also supervises the effectiveness of trainings. This is measured in order to verify the added value and to change direction if necessary.

Yearly, an employee evaluation is carried out. This evaluation process allows Management to map the efforts and results made throughout the year.

Topics as Performance evaluation, Compliance with EFICO Group's values, defining future growth and training needs are on the agenda.

This evaluation also allows to measure employee satisfaction. EFICO strives for a high employee satisfaction rate.

PRODUCERS/SUPPLIERS

For EFICO, coffee is much more than a material to process, as it represents the economic motor and the pillar of rural development in many countries.

25 million individuals in 65 producing countries are concerned and depend directly or indirectly on coffee production for their daily income. The human factor has long been an important factor in our sector.



All our partners benefit from the same treatment and appreciate working with and/or for EFICO and consider us a reliable partner. This trust is the fruit of a long professional collaboration, which shall be continued in the same spirit.

CLIENTS

EFICO is a true partner to its customers. Working hand in hand we put the sector's know-how at their disposal.

It is in this capacity that our customers consult us at different levels, knowing that our involvement is important for our sector.

We adhere particular importance to the professional services for our clients.

As a responsible negotiator, we pay a lot of attention to respecting our commitments.

Professional competence, the sense of initiative and responsibility, consideration, honesty, discretion, helpfulness and courtesy provide the basis for sustainable and constructive professional relations.

EFICO's values (see page 3) are implemented in our day-to-day activities and results in a thorough commitment towards our final clients.



At EFICO, we believe that success is based on the motivation, enthusiasm and satisfaction of our Team.

Coffee plantation

Cerrado region, Brazil














EFICO GROUP COMMUNICATION

Besides HR, Communication is also considered as a supportive process within the EFICO Group. New objectives for both processes have been implemented in 2014, with respect for the set out guidelines, vision and values (IMPROVE).

Optimization of Communication within and between the different departments of the Group is key to provide a good service and good external communication towards our different stakeholders.

EFICO disposes of a Sharepoint platform to share information internally.
Set-up of a yearly Communication Plan is important to monitor and adjust communication.

EFICO disposes of different communication tools:

-  Commodity futures and world currency market news and analysis; Hedging Assistance
-  Daily Market News: also to be downloaded from: www.efico.com/market-news
-  Coffee Quality Information & Origins Library:
Grading Sheets, Sensorial & Organoleptic information, farm info and so on
-  Sustainability: Advice on Sustainable Certification and Verification Programs,
EFICO FOUNDATION projects, Climate Change and other topics
-  Brochures, including EFICO's Communication-On-Progress Report
-  Tailor-Made PowerPoint presentations
-  Green Coffee Supply Chain Training
-  Visits: both in producing countries and in Europe: At EFICO we share our know-how with our stakeholders
-  Website: www.efico.com & Social Media: [Youtube](#) and [Facebook](#)
-  Press Communication and Appearance in Magazines
-  Membership of and Presence at different coffee related events (International, European and local);
examples: International Coffee Organization (ICO), European Coffee Federation (ECF),
Specialty Coffee Association of America (SCAA), Specialty Coffee Organization of Europe (SCAE) and so on



Visit to origin
here: Brazil



Internal Trainings at EFICO

BECAUSE WE CARE ABOUT ... OUR ENVIRONMENT

Sustainable development is an international challenge and cannot be met unless every one of us contributes.

At EFICO, we continuously work on our economic success within the scope of our sustainable approach. By using safe, environment-friendly products and technologies, we reduce the negative impact of our activities on the environment and health.

Our commitment towards sustainability allows us to discover new markets and to form new partnerships in various activities: Trading, Food Safety, Sustainability, "Green" Logistics, Transport, Alternative Energy sources and many more.














OUR ENVIRONMENT IS ONE OF THE THREE KEY FACTORS IN EFICO'S CSR STRATEGY

Sustainability is a value that has long been close to the company's heart and our continuity is the best proof of this. However, besides this logic, EFICO places this value at the forefront and goes the extra mile.

Sustainability is the starting point of each entity of the EFICO Group of companies. Taking care of our environment, our planet, takes a prominent place within our vision.

Our commitment is addressed in the following actions:

-  Sustainable projects through our EFICO FOUNDATION
-  Certification and Verification programs:
www.efico.com/sustainable-coffee-and-food-labels
-  Taking into account our ecologic footprint
-  SEABRIDGE, EFICO's state-of-the-art Logistics, Warehousing & Distribution facilities
-  Production of Green energy at SEABRIDGE
-  Waste Management and Energy Efficiency
-  We stimulate transport by barge and train
-  Since 2009 particular focus on climate change
-  Participation to events and Sustainability Initiatives
-  We give advice to and encourage our partners to develop a sustainable supply chain
-  Donation of refurbished PCs to a local Belgian non-profit organization, "VZW ArmenTeKort"

DID YOU KNOW...



At SEABRIDGE green energy is produced from the 4,600 photovoltaic panels on the roof, with a value of 1 MW Peak: this equals energy supply to about 300 families

Discover more on
www.seabridge.eu

SEABRIDGE,
Taking care of your coffee.

SEABRIDGE

SEABRIDGE is one of the actions that allow EFICO to position itself as innovator in the development of solutions that meet our stakeholders' concerns and illustrate our systematic ambition and involvement in our sector.

AMBITIOUS PROJECT

SEABRIDGE is an independent company within the EFICO Group - located in the port of Zeebrugge - sharing the same values of tailor-made services, expertise, quality, and sustainable entrepreneurship.

In May 2008, this ambitious project was launched, fully and solely dedicated to green coffee handling, its highly qualitative storage, its quality enhancement and distribution.

The concept is so far unique in the world.

The warehouse is a solid construction with state-of-the-art machinery and high-qualitative laboratory equipment.

In-house developed software and database management assure an integrated track-and-

trace system which can be integrated in our client's IT infrastructure if they would wish so.

Product quality, food hygiene and security are being assured through a temperature and humidity management system combined with a unique air-filtering system which neutralizes or eliminates bacteria and



moulds to prevent contamination between coffee lots while they are being handled and stored.

All transports within the warehouse are being done solely with electric powered forklifts to avoid quality deterioration of coffee by exhaust particles.

ENERGY EFFICIENCY & WASTE

At SEABRIDGE, energy efficient building materials and an energy measurement system are used that highlights areas for improvement. For this we received a GreenBuilding Certificate and Award from the European Commission.

100% of the energy used is green energy produced by the 4,600 solar panels on the roof or certified green energy injected from the national grid.

In 2014, we note a reduced energy use of 26% compared to 2013.

SEABRIDGE has further undertaken measures with regard to waste management:

This resulted in 2014 in the recycling of 97% of all waste streams, or an increase of 6% compared to 2013.

The global CO₂ footprint has been further reduced by the use of barges instead of truck transport.



At EFICO, we are convinced it is the coffee trader's duty and socio-economic function to provide the different actors of the coffee chain, in producing and consuming countries, with answers to their questions and solutions to their problems.

Interior warehouse

SEABRIDGE, Belgium



CREATING VALUE CHAINS

At EFICO we stimulate our partners throughout the Green Coffee Supply Chain to adhere importance to the three sustainability pillars.

Besides economic and social factors, our environment deserves special attention.

By giving advice and encouraging them towards sustainability, value chains are created.

As mentioned earlier, it is our ambition to create long-term partnerships, share our knowledge and let our partners experience our passion.

We offer our commitment as a tool to our clients, suppliers, and others.

In this way, sustainable entrepreneurship can be promoted and implemented throughout the coffee sector.

We work to implement actions both globally and locally:

In 2014, a large part of EFICO's computers had to be replaced.

EFICO decided to donate the refurbished computers to a local Antwerp non-profit organization:

VZW ArmenTekort.



*Cupping at
SEABRIDGE
laboratory*

PARTICIPATION TO EVENTS

In 2014, we participated to numerous events, working on sustainability topics:



UNGC Network Belgium events:

The Global Compact Network Belgium (GCNB) is a group of Belgian UN Global Compact signatories (both, local companies and subsidiaries of foreign companies operating in Belgium) that come together to promote and implement the ten Principles and the UN Global Compact itself at a local level.

It serves as an inspirational platform to facilitate responsible business activities.

During these events, the global dialogue issues are taken down to the level of implementation, while at the same time moving innovative solutions upstream for global imitation and replication.

By sharing ideas and knowledge within different sectors, progress can be made.



Antwerp ITCCO events:

Antwerp-ITCCO is a local Public Utility Foundation that aims to promote and support the standards, research and development goals of the United Nations. It is affiliated with UNITAR, The United Nations Institute for Training and Research.



European Commission's Product Environmental Footprint (PEF) project, see page 7



Climate Change and Coffee Event, Guatemala City:

Several international NGOs, producer associations of Central America, the Dominican Republic and Peru, as well as representatives of roasters and traders, met to analyze the adaptation strategies implemented in each coffee producing country to fight climate change.

EFICO was present through the participation of Elmer Nij, in charge of our Sustainable Coffee Programs at EFICO Central America (Guatemala).



Presence at local and global sustainability events



Renaud Cuchet and proud El Platanillo students

El Platanillo School, Guatemala

EFICO established its private Foundation in 2003 to support sustainable coffee and cocoa projects in producing countries, improving the lives of many in a structural way.

EFICO FOUNDATION is an open initiative, independent, apolitical, philosophically and ideologically neutral.

The Foundation is the only one in Europe, to focus on coffee and cocoa achieving multi-stakeholder participation in the development of its projects.

It is therefore a unique vector and a flexible tool to allow anyone to contribute to sustainability and sustainable development of the entire supply chain by federating the sector and stimulating public-private partnership.

It is not a certification body, but works in partnership with certification organizations, NGOs, pub-

lic organizations and so on.

The EFICO Fund is a Corporate Fund within the King Baudouin Foundation that manages, finances, selects and monitors projects based on pre-determined criteria, through an independent jury of experts.

100% of the generated funds goes directly to the selected projects as operational costs of the structure are financed by the EFICO Group.

This unique and strong model guarantees 100% transparency and 100% funds allocation to the selected projects.

Transparency is also guaranteed through communication via our website. On www.eficofoundation.org there is - amongst others - an overview of all projects.

At present, more than 50 sustainable multi-stakeholder develop-

ment projects are supported by the EFICO FOUNDATION in 16 coffee & cocoa producing countries.

Almost 60 coffee roasters spread over 7 different countries joined our Foundation, 4 governments participate financially or through their development agencies in projects, together with almost 70 different organizations including NGOs, research institutes, universities, national coffee associations, local partners, cooperatives or coffee and cocoa producing countries.

MAIN ACHIEVEMENTS 2014

The EFICO FOUNDATION projects require close monitoring and control for the best results, which was anew possible thanks to the support of all our project partners, our Team in Central America and our KURU Team in Ethiopia.

RESULTS PROJECTS 2014

We can say with pride that 2014 was a year with successful project realizations.

IMPROVED LIVING CONDITIONS

In **San Rafael Las Flores, Guatemala**, a partnership was set up to improve the living conditions of 200 families by installing smokeless stoves and improved latrines.

Each participant family received training in financial planning, disaster response, preventative health, nutritional cooking, project management, and stove/latrine construction. They were also responsible for contributing materials and labor in building these products under Habitat for Humanity's supervision.

Next to the positive impact on health and living conditions, a positive environmental impact is realized by these wood-efficient stoves, with lower CO₂ emissions and reduced wood consumption.

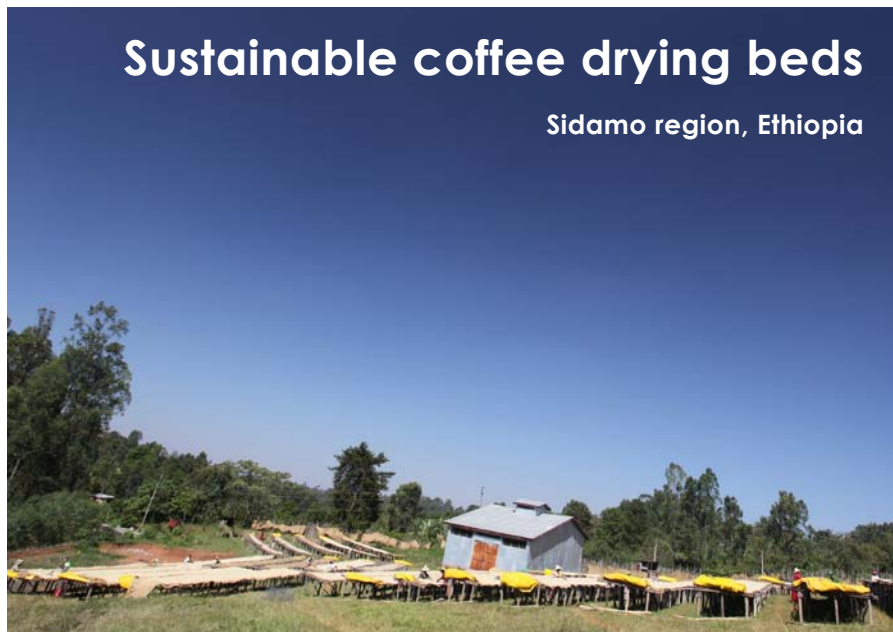
This project was possible thanks to the partnership between Habitat for Humanity, the Local Community Development Council COCODE, a Dutch coffee roasting company, and the EFICO FOUNDATION.

A special thank you for project follow-up goes out to Renaud Cuchet, Managing Director of EFICO Central America, who attended the inauguration of the project and could witness the improvements and impact on the daily lives.

WATER FILTER PROJECT

In **Guatemala**, safe drinking has been provided to 275 households in coffee growing regions, in the regions of **Quetzaltenango, Santa Rosa, Jutiapa, San Marco, Sololá and Alta Verapaz**.

This project also provided training and education to Guatemalan



women who live in rural coffee growing regions on the importance of access to clean, safe drinking water for cooking, cleaning, and drinking at home.

This is a first step in promoting household health via the correct and continued use of water filters. The project was funded by a Dutch coffee roasting company.

Efico Central America provided supervision of and coordination to this water filter project.

QUALITATIVE AND SUSTAINABLE COFFEE DRYING

In the **Sidamo region in Ethiopia** a collaboration between a Dutch coffee roasting company, Fero Cooperative - coffee producers organization, Technoserve - an NGO, and the EFICO FOUNDATION was set up. Project follow-up was provided by KURU.

Sustainable drying beds were built during this first phase in remote coffee production areas.

The aim of this project was to improve coffee quality by appropriate coffee drying while using sustainable materials for the construction of the dry beds and thereby reducing wood consumption.

These improved drying beds are the first of its kind in the Sidamo region and generate leverage on knowledge on surrounding cooperatives.

During a second phase (see **NEW PROJECTS 2014, page 24**), water efficiency is the key aspect: by upgrading the coffee processing plant in Fero's main washing station, a significant reduction in water use and reduction of environmental pollution of waste waters will become a fact.

The different phases in this project reflect a long-term focus and realization of structural improvements. This is in line with the aim of the EFICO FOUNDATION, improving people's lives in a structural, long-term way.

TRAINING ON SUSTAINABLE AGRICULTURE

In **San Martin, Peru**, young workers in coffee plantations were trained for sustainable coffee production in agroforestry systems.

This project addressed main weaknesses that were preventing its smallholders from reaching full potential in terms of quality, competitiveness and sales. Key objective was enhancing productivity and sustainability of coffee production in agro-forestry



systems through training:

74 young workers were candidates for the training, 64 initiated the program and at present 21 students finished and received a diploma.

The youngsters are able to offer their specialized services to coffee growers under coordination of the coffee associations, receiving a fair payment for it.

These young specialists already offered many individual services to producers of the organizations: 3,455 people have benefited so far.

We are all proud of this project.
[Discover the film here.](#)

In **Jimma, Ethiopia**, the partnership between the Catholic University of Leuven, Jimma University, Ma'ar (NGO), a Luxembourg coffee roasting company and the EFICO FOUNDATION aims to diversify farms and forests by bee-keeping as an additional income and increase ecosystem services.

In the meantime, a paper was published by the University of Leuven, on pollinators of wild coffee in Ethiopia. In the acknowledgements, they mention this project. Mid 2016, the final project results will be a fact.

NEW PROJECTS 2014

In 2014, the EFICO FOUNDATION supported 5 new development projects and 1 special project in Central and South America and in Africa. See also www.efico-foundation.org/projects.

EDUCATION FOR A SUSTAINABLE FUTURE

In **Coromoro, Colombia**, a cooperation between the Collibri Foundation, the Regional Coffee Grower Committee of Santander; the Colombian Technical Education Platform (SENA), Florentino Gonzales Rural School and the EFICO FOUNDATION

was set up.

'*Education for the Future*' is a local initiative to foster capacity building, peaceful coexistence and income generation for 100 youngsters and their families (+/- 300 family members).

Indirectly, younger students and teachers of the school and 200 neighbour farmer families of the beneficiaries benefit from the actions and improvement of education programs (+800 people).

In three years time, an innovative education and training program for young students and graduates will be implemented that integrates the use of IT technologies, practical training on the field, family support and certification of technical skills.

In **Alotenango and San Sebastián, Guatemala**, two education projects are partnered by FUNCAFÉ, a private civil society organization founded by Guatemalan coffee producers and EFICO Central America, providing project follow-up. The project is funded by a Dutch coffee roasting company.

In these two projects, education is seen as alternative for the prevention of child labor during the coffee harvest season and for a better development:

knowledge is progress.

At the Kindergarden at Capetillo's Coffee Farm in Alotenango, intensive pre-primary educational services are provided to 30 students.

At Buena Vista's Coffee Farm in San Sebastián, the primary education is strengthened through the implementation of the Active Rural School methodology and technology to increase the permanency of children.

IMPROVED LIVING CONDITIONS

In **San Marcos, Guatemala**, a new project was set up at El Platanillo, focusing on improving the health of 25 adults and 35 children living there. The level of education will also be increased. The project is funded by a Belgian coffee roaster and follow-up is carried out by EFICO Central America.

By installing a vegetables production garden and wood efficient stoves, the quality of nutrition increases and at the same time less resources are used to cook. There will be a reduced consumption in kg of wood per family, which is good for the environment too.

Increasing the level of education of the children will give them better opportunities.



Primary education
Buena Vista School, Guatemala

In July 2014 however, a strong earthquake hit Guatemala's Western region.

The area of San Marcos, San Rafael Pie de la Cuesta and Finca El Platanillo, were badly affected.

At Finca El Platanillo, no lives were lost, but there was some significant damage at the school (the classes had to be suspended because the building had been declared unsafe), and at some workers' houses.

Due to the special history of the EFICO FOUNDATION, EFICO and Finca El Platanillo - since 2003 forces were already joined to build up a school for the children of the local coffee community, including a computer class and a sports playground - the EFICO Team decided to do an individual donation to build up anew the school.

A Dutch coffee roaster also decided to donate. At the end of 2014, the damage was rebuilt and the students could attend back classes in their familiar environment.

IMPROVING WASTE WATER MANAGEMENT

During the second phase of the collaboration between Fero Cooperative, Sidamo Union,

a Dutch coffee roaster and the EFICO FOUNDATION in Ethiopia, the focus is on upgrading the coffee processing plant in Fero's main coffee washing station.

A significant reduction in water use, a reduction of environmental pollution of waste waters originating from coffee processing will become a fact. Health of the local communities will hereby be improved. Processing of a large amount of coffee cherries will be facilitated by alleviating the shortage of a soak tank during the peak harvest season.

Directly more than 2,000 members of Fero Cooperative benefit from this project. Indirectly, the neighboring communities, living close to the river will also feel the positive effects.

ALTERNATIVE ENERGY, PROVIDING EMPOWERMENT AND ACCESS TO ELECTRICITY

In Guatemala (in 8 different regions), solar panels and solar lamps are provided to 157 families that do not have access to electricity.

The families who will benefit from the project are those who work in or around coffee farms. The access to green energy will improve the quality of their lives

and will create future development possibilities.

240 Sun King Pro devices (1 light bulb per lamp) and 47 Barefoot Connect devices (4 light bulbs per solar panel) will be distributed.

This project will reach about 2,000 people. Besides 157 families, four schools, a church, a health clinic, a community laboratory and an adult school/ child care facility will benefit from having access to electricity.

The children who go to school will no longer have to strain their eyes to do their homework.

Families will also financially benefit since they no longer have to purchase kerosene oil or extra wood for nighttime light.

They will also feel safer in their household since sufficient light is provided. Health clinics will also be able to be open later due to lighting.

The use of this renewable energy will not only have a positive impact on the daily lives of the community but also on the environment.

SUSTAINABLE DEVELOPMENT GOALS

By supporting these projects, the EFICO FOUNDATION and its partners aim to contribute to the Millennium Development Goals, which will soon be transformed into the post-2015 Sustainable Development Goals.

These new goals give an overview on how to tackle the world's most pressing problems, including poverty, inequality and environmental destruction.

If the UN Member States agree on the proposed 17 goals at the UN Summit in September 2015, the new framework will come into effect from January 2016:

Goal 1 - End poverty in all its forms everywhere

Goal 2 - End hunger, achieve food security and improved nutrition and promote sustainable agriculture



El Platanillo, Guatemala

Goal 3 - Ensure healthy lives and promote well-being for all at all ages

Goal 4 - Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Goal 5 - Achieve gender equality and empower all women and girls

Goal 6 - Ensure availability and sustainable management of water and sanitation for all

Goal 7 - Ensure access to affordable, reliable, sustainable and modern energy for all

Goal 8 - Promote sustained, inclusive and sustainable economic

growth, full and productive employment and decent work

Goal 9 - Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Goal 10 - Reduce inequality within and among countries

Goal 11 - Make cities and human settlements inclusive, safe, resilient and sustainable

Goal 12 - Ensure sustainable consumption and production patterns

Goal 13 - Take urgent action to combat climate change and its impacts

Goal 14 - Conserve and sustainably use the oceans, seas and marine resources for sustainable development

Goal 15 - Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

Goal 16 - Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Goal 17 - Strengthen the means of implementation and revitalize the global partnership for sustainable development

INTO THE FUTURE

2014 was a year of decisions, ensuring the Group's future. Quality, responsible entrepreneurship, a proactive approach and a people focus remain key for a fruitful business.

It is through our corporate vision and values that the imprint of our commitment towards sustainable development and our corporate responsibility takes form.

At EFICO, we understand the necessity of balancing economic, ecological and social objectives.

Protection of the environment (Planet) and social equilibrium (People) are the foundations of long-term economic success.

Only economically viable companies (Profit) are able to contribute efficiently to the protection of the environment and social progress.

Our corporate social responsibility means that we have set a sustainable objective of economic growth, that we act responsibly in the conduct of our activities and that we anticipate the legitimate interests of our stakeholders while assuming our social and environmental responsibility.

We believe that having a successful sustainable strategy means being aware that sustainable development is an international challenge and cannot be met unless every one of us contributes.

The issue of EFICO's social responsibility takes on great importance because we operate in a global market, in which we are a small player but one that strives to contribute and assume its responsibilities.

For 2015, we continue to manage our commercial activities in a responsible way, so we can further

contribute to make our world a better place to live in, today and tomorrow.

At EFICO, we also look forward to the new Sustainable Development Goals. These are necessary to being able to tackle the world's most pressing problems, including poverty, inequality and environmental destruction.

We are convinced that only through a long-term focus and partnerships of everyone involved in the supply chain, progress will be assured.

“At EFICO, we are determined to go that extra mile to preserve our environment, our people and our coffee.”

Find us on:





This EFICO report is also available on the United Nations Global Compact Website and on www.efico.com/un-global-compact.