



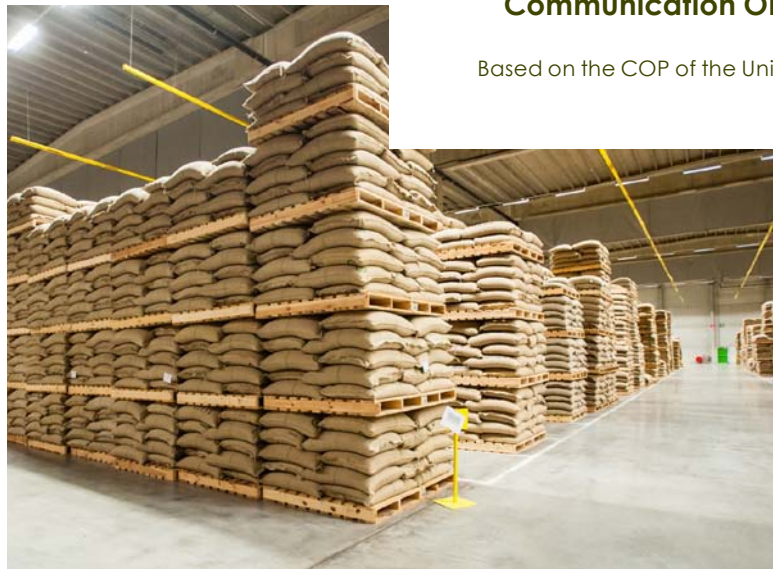
EFICO
GREEN COFFEE

MAY 2016



EFICO Group
Communication On Progress Year 2015

Based on the COP of the United Nations Global Compact



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 of this EFICO Group's May 2016 edition is based on the Communication On Progress (COP) requests of the United Nations Global Compact (UNGC). It reflects our corporate engagement with regard to the ten principles and our implemented activities and progress made in 2015.

As Global Compact signatory since 2003, EFICO is committed to publicly communicate annually about its progress made in implementing the ten principles.

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

Being a coffee 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 operate in an international context.

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.

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

Since we adhere a lot of importance to exchanging ideas with people within the same or other sectors, we also actively participate to the events of the local UNGC Network Belgium and other sustainability events, both locally and globally.

Thanks to this cross-pollination of thoughts, we can continue learning and improving our dynamic sustainable journey.

At EFICO, we embed sustainability within our supply chain approach and create hereby extra tools for clients and suppliers to promote responsible business practices in the coffee sector.

The UNGC provides the basis for EFICO's corporate citizenship model. We developed tools to implement best practices in our company, also with our suppliers and clients. This strategic multi-stakeholder approach improves sustainable entrepreneurship.

This new EFICO COP report focuses on the **main implemented sustainable activities** achieved by the EFICO Group in 2015, but also highlights **EFICO's ambitions** with regard to the **Sustainable Development Goals**, recently launched by the United Nations.

EFICO aims to be an ambassador, inspirer and catalysator for other people within the business and beyond.

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



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Coffee picking

Huehuetenango, Guatemala

Statement of continued support 2015

Dear Partner,
Dear Stakeholder,

EFICO - founded back in 1926 in Antwerp, Belgium - is a group of companies with main activities in green coffee trading and logistics. We aim to differentiate in our business through innovation, taking on challenges, optimizing and sharing our knowledge and passion.

The long-term approach combined with expertise within the coffee growing communities, trading activities and logistic services, leads to the development of EFICO's sustainable Green Coffee Supply Chain concept.

Within the supply chain, EFICO provides tailor-made solutions "*with a personal touch*" through innovation and partnerships based on synergies and mutual trust.

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

As mentioned earlier in the Foreword of this report, The United Nations Global Compact Principles are the cornerstones of EFICO's sustainable entrepreneurship and ethical behavior.

Besides the UNGC Principles, the Millenium Development Goals were translated into 17 Sustainable Development Goals (SDGs) in September 2015.

At EFICO, we see both the UNGC principles and the SDGs as essential drivers towards sustainable development and a better world to live in.

Being a natural product, coffee is very sensitive and its quality is subject to both 'terroir' and pre- and post-harvest practices. One of today's biggest challenges is climate change. Extreme weather situations - for example droughts and floods - already have an impact on the coffee harvest. In combination with the yearly increasing demand for coffee, time is to act now. By investing in combating climate change, we will not only halt global warming but also protect our natural resources, secure supply and drive sustainable development.

Besides being proactive within the coffee supply chain, the institutional level also has to be addressed.

Together with 75 other Belgian entrepreneurs and organisations, EFICO signed a Letter Of Engagement in September 2015 to urge our Belgian Government to take action and promote an ambitious climate deal during the United Nations Climate Change Conference of the Parties 21 - COP21 - held in Paris in December 2015.

This initiative was set up by The Shift, in alliance with the UNGC Network Belgium.

This EFICO Group Communication-On-Progress report reflects our actions taken in 2015 and our ambitions for the future. The continuation of our sustainable journey is mapped out here.

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

Michel Germanès
Managing Director

Philip Van gestel
Executive Chairman

EFICO GROUP'S AMBITION AND COMMITMENT

OUR AMBITION

Efico is a green coffee trading company, established in 1926 and ranked among the top-ten European coffee trading houses. With headquarters in Antwerp, Belgium, and offices in Germany, Switzerland, Brazil, Ethiopia and Guatemala, we aim to provide tailor-made services to our clients *'with a personal touch'*.

The Efico Group has a longstanding family history and differentiates itself by offering a complete concept throughout the Green Coffee Supply Chain, From Flower to Cup. Tradition and technology go hand in hand. Quality, Food Safety, Traceability and Sustainability are Efico's cornerstones.

The Efico team strongly believes in the United Nations Global Compact (UNGC) Principles, to which we were the first to sign up to in the coffee sector in 2003. Responsible entrepreneurship is part of our 'Coffee Genes'.

Our ambition towards a sustainable coffee supply chain is reflected in the investment in Seabridge, a state-of-the-art sustainable warehouse and distribution center for green coffee in the port of Zeebrugge, where green and high-qualitative logistics prevail.

With the Efico Foundation we make a difference by supporting sustainable multi-stakeholder projects in coffee producing countries with the aim to improve hereby the livelihoods of many.



Efico Headquarters, Antwerp



Red, Ripe coffee cherries

OUR COMMITMENT

As a business with strong family values, and a passion for coffee, Efico strives for excellence in providing correct and safe products, that are traceable at all times, and a personalized service with consideration for all players in the sector.

We are active in a socially, economically and environmentally responsible manner, in line with the ten principles of the United Nations Global Compact.

Efico is aware of its impact on the environment and is proactively looking for solutions in-house and on behalf of its customers with regard to waste management, logistics and reducing and compensating CO₂-emission levels.

Efico remains faithful to its roots and has continued this tradition for a long time, demonstrating how mutual respect and a personalized service are the basis for long-term, sustainable business relations within the supply chain.

Because...After all, as already mentioned in our previous COP reports, sustainable development is an international challenge and cannot be met unless everyone of us contributes.

EFICO GROUP'S CORPORATE VALUES

INTERNAL CODE OF CONDUCT

Efico's corporate values describe what we strive for and shape the ethical personality of our Group.

They guide and determine the way we trade, the services, the products and the support we provide to all our stakeholders.

They are inspired by the United Nations Global Compact framework.

"IMPROVE" is the compilation of letters that reflect the 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 (NTEGRITY)



M (TAILOR-MADE)



P (ASSION)



R (ESPECT)



O (PEN-MINDED)

V
A
L
U
E
S



V E (NSURE QUALITY)

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.

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.

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.

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.

Adjust 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.

Our VALUES are the basis to support each EFICO team member, appreciate and motivate their further development

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.

THE 10 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



THE 17 SUSTAINABLE DEVELOPMENT GOALS (SDGs)



The **Millennium Development Goals**, were transformed into the **post-2015 Sustainable Development Goals**.

The UN Member States agreed on the proposed 17 goals at the UN Summit in September 2015, the new framework came into effect as from January 2016:

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

Goal 1 - End poverty in all its forms everywhere

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

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



ACTIONS & AMBITIONS EFICO GROUP

IMPLEMENTATION UNGC PRINCIPLES AND SDGS THROUGHOUT EFICO GROUP'S SUPPLY CHAIN



As Antwerp based company with family tradition, Efico shares and promotes its global strategy locally. By communicating to our internal and external stakeholders about the progress we make, and actively contributing to local and international sustainability fora, sharing our lessons learned, we inspire and engage stakeholders and networks both locally and globally.

Efico's sustainability strategy focuses on **5 SDGs**:

- SDG 12: Responsible Consumption & Production
- SDG 8: Decent Work & Economic Growth
- SDG 4: Quality Education
- SDG 7: Affordable & Clean Energy
- SDG 17: Global Partnership for Sustainable Development

SDG 12 - RESPONSIBLE CONSUMPTION & PRODUCTION // UNGC HUMAN RIGHTS, LABOUR & ENVIRONMENT

Sourcing our raw material responsibly is key to Efico.

Efico's family tradition of being a medium-sized company empowers us to establish long-term strategies and partnerships based on mutual trust and respect.

The selection of our business partners has always been a special focus.

By implementing a **sustainable sourcing policy**, we aim to support the long-term supply of quality coffee, whilst preserving ecosystem services for future generations.

Today the sector is challenged to distinguish various certification schemes, in addition to company's private product requirements and verification systems.

We actively promote the commercialization of sustainable coffees, and verify our major suppliers through an independent audit to measure their compliance with the UNGC principles.

At present, more than 30% of Efico's volume is verified or certified against sustainability standards. **Our ambition is to increase this volume up to 40% by 2020 and 50% latest by 2025.**



Efico continues to share its know-how on coffee and sustainability with its stakeholders. We are convinced that quality will generate the ultimate consumer satisfaction for a cup of coffee.

Through a close dialogue we support our clients in the selection of the right products and services, and create added value in the supply chain.



SDG 8 - DECENT WORK AND ECONOMIC GROWTH // UNGC HUMAN RIGHTS, LABOUR & ANTI-CORRUPTION

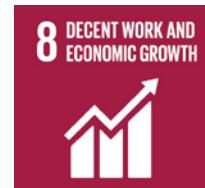
At Efico sustainability and economic growth go hand in hand.

By using safe, environment-friendly products and sound technologies, **we aim to decouple economic growth from environmental degradation.**

Efico's internal Code of Conduct and corporate values are inspired by the UNGC framework. They guide and determine the way we trade, the services, the products and the support we provide to all our stakeholders.

By taking ownership of these values and by implementing an ambitious sustainable approach, Efico supports the UN vision towards a more sustainable and inclusive global economy.

Efico's ambition is to continue investing in solid and long-term business relations and **create win-win partnerships within the supply chain.**



SDG 4 - QUALITY EDUCATION // UNGC HUMAN RIGHTS & LABOUR

At Efico, we believe that access to education provides the basis for a sustainable future: knowledge is progress.

Via our **Efico Foundation**, several projects focus on training and education. Herein gender equity is key.

By continuing to **reinforce empowerment** of coffee producing communities, we **contribute to sharing of knowledge and responsibilities**, democratic

decision making, investment in learning processes, and development of confidence in own capacities.

The Efico group does not discriminate according to gender or other characteristics.

By continuing to invest in both internal and external training, we can further improve our knowledge and personal growth.



SDG 7 - AFFORDABLE AND CLEAN ENERGY // UNGC ENVIRONMENT

Efico's commitment towards affordable and clean energy fits within a broader concept, launched in 2008:

CO₂ reduction and compensation within the green coffee supply chain.

We are convinced that action should be taken at the place where emissions occur.

Leading by example, the **Efico Group uses 100% green energy**; Today, more than 50% of the green energy is produced on-site by solar panels at Seabridge.

We intend to further expand our own production of green energy by 2020 to compensate the total energy use of the Efico Group.



Additionally, we focus on **energy efficiency, recycling of minimum 95% of all waste streams** according to the Cradle-to-Cradle principles, green logistics by **transport optimization** and barge & train transport between the Belgian Ports.



Via our Efico Foundation we **promote renewable energy in remote areas** in coffee countries and **climate adaptation and mitigation** strategies.

In 2009, a Pilot Project was initiated by Efico, Rainforest Alliance and Anacafé : "**Climate-Friendly Practices** at Finca El Platanillo, Guatemala".

This pioneer project was the basis for establishing a standard for Climate Friendly Products within the Sustainable Agriculture Network (SAN).

Thanks to this project:

- El Platanillo Farm saves 15,080,173 liters of water per year, equivalent to the water consumption of 20,660 persons;
- The farm emits 1,360 kilograms of CO₂ less;
- and saves up to 38,327 liters of fuel annually in comparison with a traditional coffee processing station.

Efico's ambition is to further extend these efforts and realizing a positive impact on both daily lives and the environment.



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

Efico therefore fully supports the SDG Framework.

On an ongoing basis we attend and actively participate in many discussions that influence local and global CSR agendas.

Being an active member of sustainability initiatives, **it is Efico's ambition to be an inspirer within the coffee industry and beyond, by thinking globally and acting locally.**

To achieve this transition, a multi-stakeholder approach is needed.

We stimulate our stakeholders by exchanging knowledge and passion, aiming to create added value.

The future will only be assured for those who embrace this philosophy.

With our Efico Foundation, we federate and stimulate public-private partnerships.

It is known as an open initiative, unique vector and flexible tool to achieving multi-stakeholder participation in our projects.



“Together, you can achieve more”.

Quote Ban Ki-moon: “One of the main lessons learned as UN Secretary-General is that broad partnerships are the key to solve broad challenges.”

Efico has been trading green coffee since 1926. In that year, the company was established under the name 'Wuyts & Installé', in the maritime heart of Antwerp.

Over time, the Installé family controlled the company. Love for coffee and knowledge of the business was passed on from one generation to the next.

Strengthened by the inspiration and experience of four generations, Efico has developed into a valued partner in the coffee world. Today, Philip Van gestel and Michel Germanès lead a company that belongs to the European top ten in its sector. **Permanent attention to quality** and **respect for a given word** are hereby key.



A PERSONAL APPROACH

Efico sources coffee from about 40 coffee producing countries and **shares its know-how** with its partners, stakeholders and approximately 450 European coffee roasting companies.

Efico delivers coffee to both traditional coffee roasters and multinationals. The minimum delivery is one bag of green coffee (+/- 60 kg).

Our clients often have very specific requirements and swear by carefully selected coffee.

Efico can deliver coffee directly from our stock or by special order. Our clients determine how the coffee is delivered. Bags, big bags, or bulk delivery - everything is possible.

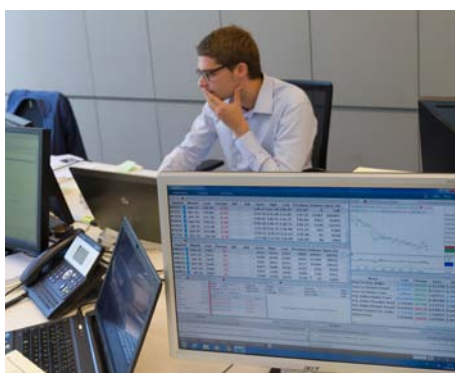
And **every order is completed with the same attention to detail**. The coffee roaster that orders two bags receives the same service as the company that needs one hundred tonnes.

TRADING ROOM AS EFICO'S NERVE CENTRE

Today, Efico is still a company where **tradition and technology go hand in hand**.

If the cupping room is Efico's heart, then the trading room is the nerve centre. Here, the coffee is traded, traced, and tracked from order up to delivery.

Efico's multilingual traders are not only excellent negotiators who thoroughly understand the market. They also know a lot about coffee. Every day, they taste the purchased coffee. **Passion for coffee** is the soul of their profession.



SPECIAL FOCUS ON BUSINESS PARTNERS

Efico's trading team has daily contact with both supplier and client side.

A special focus has always been the selection of Efico's business partners. Sustainable relations are embedded in Efico's 'roots'.

To highlight the importance of our choice of business partners, Efico implements a **Responsible Business Conduct Policy**.

When the Efico Group acquires raw materials, the choice of our partner relationships is based upon:

- **Quality, food safety and traceability** in a free competitive market
- **Willingness to improve** responsible agriculture practices
- **Well-managed and reliable partners** operating **ethically** and following the local and international **legislation** and the standard European Coffee Contract of the European Coffee Federation (ECF)

- **Business integrity and transparency**, that can be used by all our customers
- **Openness** to welcome all our requests and those of our partners

SECURING A RELIABLE SUPPLY CHAIN

Efico can count on several tools, willingly shared with its partners:

1. **Business integrity**
2. **Long-term** partnerships with **reliable** green coffee suppliers, customers and partners
3. **Special Procedure** for new green coffee suppliers
4. **Offices** in producing countries
5. Trading of **certified sustainable** products: Our offices in the producing countries are **actively involved in creating new sustainable supply chains in partnership** with our suppliers, through workshops, training sessions and on-field audits.
6. **UN Global Compact supplier audit**, initiated and created by Efico in partnership with Mayacert
7. **Risk Assessment of Suppliers**
8. Quality, Sustainability and International Relations
9. Rewarding of **SEABRIDGE ethical and responsible practices** (see page 16)
10. Sustainable projects of the **EFICO FOUNDATION**, providing empowerment to local producing communities (see page 18)

OFFICES IN ORIGIN

Thanks to **Efico's strategic offices in Central America, Brazil and Ethiopia**, coffee suppliers and exporters from these regions can be followed and screened in an efficient and effective way.

This presence in origin allows us to make **quick reactions** possible with regard to the market needs. We receive thorough reporting and detailed information of the market situation, production levels, weather conditions, stocks and so on. In this way, the Efico trading team can provide its clients **relevant market and coffee information**.

Our **offices in origin** visit the cooperatives, farmer organizations or private exports to continuously improve product performance and proactively work on alignment of service requirements.

They play an **essential role** in selecting the desired coffee flavor and also organize visits of our team, customers or partners willing to gain some field experience.

Our offices in origin also follow-up several sustainability projects, amongst which Efico

Foundation projects, special projects following our client's sustainable programs, UNGC supplier audits and so on.

UNGC SUPPLIER AUDIT

To **promote the principles** of the UNGC, Efico has created, together with Mayacert, its **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 2015, green coffee exporting company Cooperativa Cuzcachapa was audited in El Salvador and successfully passed this audit.

CONTINUOUS IMPROVEMENT

Efico's coffee suppliers are monitored and evaluated on their **global performance**. When necessary, preventive and corrective actions for improvement are taken. This process strengthens our product performance and reinsures Efico's customers.

Efico focuses on **systematic analyses of gathered data** concerning claims and complaints - from both customer side towards supplier side.

A thorough **root-cause analysis** allows the Efico Group to optimize claims management, monitor KPIs and improve customer satisfaction.

On frequent basis, our Trading Team 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 also disposes of a Risk Manager. **Sustainable business relations are the key to growth**.



THE CUPPING LABORATORY, EFICO'S HEART

Coffee quality is the basis for Efico's buying and selling activities. We **control** this quality **systematically**, from harvest up to delivery.

Efico has **two cupping laboratories** for these controls - one in Antwerp and one at SEABRIDGE in Zeebrugge, see page 17 - where coffee samples from around the world are checked and tasted.

These cupping and sample rooms are **unique in Europe**. Here, samples of all coffee varieties that Efico can deliver are stored. Also samples from previous deliveries are gathered in this coffee library. This library has evolved into a treasure box for the coffee connoisseur.

WHEN COFFEE IS A PASSION, TASTING BECOMES AN ART

The **sensorial appreciation** that a consumer experiences is very **personal**. Efico has more than 300 coffee varieties and blends from different origins to offer to our clients.

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

Efico also offers **certified or verified sustainable coffee**. Throughout the past years, we report a substantial **increase of demand** in these coffees, also in blends.

Efico has close contacts with 4C, Rainforest Alliance, Organic, UTZ, Fair Trade and so on - and can provide all. Through the EFICO FOUNDATION, we also support certification and verification programs.

As you can read on page 6, Efico has set up an **ambition to increase this sustainable coffee volume even more**.

A STRONG SENSE OF PERCEPTION EQUALS ADVICE YOU CAN TRUST

All Efico's 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 - altogether - about 90 years in-house coffee experience. This can count.

Our Green Coffee Quality Expert Team is also very qualified. Amongst them is Bart Van Sanden - *See photo middle* - who became Belgian Champion Cup tasting 2015 and

became once Vice-World Champion Cup tasting, in 2009.



Ivan Lamilla Muñoz - *See photo above* - is Agronomist Engineer and Q-Grader from the Coffee Quality Institute. Recently, he became third in the Belgian Championship Cup tasting.

TRAINING

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

Cuppings according to the SCAA standards or in-house cupping sessions with our **clients** around different themes and origins are organized to analyze and evaluate cup profiles, develop roasting profiles, blends, and so on.



Cupping laboratory, EFICO Antwerp



INTEGRATED MANAGEMENT SYSTEMS

FOLLOWING THE HIGHEST STANDARDS

Quality and Food Safety are two of Efico's cornerstones.

Since 2003, Efico is ISO 9001 certified for its management systems (Quality).

The Efico Group wants to provide its clients with solutions and answers towards a more demanding consumer and legislation.

SEABRIDGE, the logistics services provider within the Group, also disposes of an ISO 9001 certificate, an ISO 22000 certificate (Food Safety), including HACCP Team, an AEO certificate and succeeded for an Ethical Audit based on ISO 26000 (SMETA).

Safety and Security are also very important. Therefore the Efico Group is working to obtain an OHSAS or ISO 45001 certificate on occupational health and safety for SEABRIDGE.

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.

End September 2015, both Efico and Seabridge succeeded for its ISO renewal audits.

Also Chain of Custody audits such as Rainforest Alliance, UTZ, BIO and FairTrade resulted positively.

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

HUMAN RESOURCES SUPPORT

People Management, also known as Human Resources Management (HRM), is a very important factor when it comes to getting the most out of your Team and eventually your company's success.

Motivation, enthusiasm and satisfaction are the main drivers to problem solving and efficiency.

Efico is well aware that its Team's performance and attitude can result in the success or failure of its business.

Efico's Human Resources Department is therefore a supportive factor in this process.

Yearly, an employee evaluation is carried out. This evaluation process allows Efico's Management to obtain a clear view on the efforts and results made throughout the year.

The Efico Group's values IMPROVE, definition see page 3, are evaluated with all employees and other topics as Performance evaluation, defining future growth and training needs are discussed.



In fact, this yearly evaluation also allows to measure employee satisfaction.

During the past years, the Efico Group's internal training program has also been re-developed and 'Teambuilding' activities integrated.

These tools help to stimulate a healthy cooperation and understanding of the tasks and problems colleagues face when carrying out their jobs.

After all, "Together Everyone Achieves More". When one realizes he is needed so other colleagues can carry out their tasks,

a job is done easier.

Encouragement, People Empowerment or Coaching are all part of Human Resources. Employees have to be treated and involved as "Partners in the Business".

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

Efico shares this vision and adopts the same approach, one of openness and mutual exchange.

EFICO GROUP COMMUNICATION

Communication between all departments within the Efico Group is key to provide good external communication and a good service towards our multi-stakeholders.

A yearly **Communication Plan** is set-up to monitor and adjust communication where necessary.

Efico also disposes of a **Sharepoint platform** to share information internally. This ShareIT! tool enhances besides good internal communication also cross-pollination of ideas.

Externally, Efico disposes of many different communication tools.

First of all, our experienced Trading Team keeps up minute by minute with the London and New York commodity futures and world currency markets, offering clients the best price at the right time.

To keep our clients informed, Efico sends a '**Daily Market News**' report. This can be downloaded on our website: www.efico.com/market-news.

Efico also disposes of a '**Coffee Quality Information & Origins Library**': Grading sheets, sensorial and organoleptic information, farm info and so on can be discovered.

Aside from high-qualitative coffees, information, commodity market analysis and hedging assistance, we have solid backgrounds in **sustainability programs**.

We guide our partners through the process of becoming a sustainable actor in the coffee sector. Efico gives **advice** on Certification and Verification Programs, EFICO FOUNDATION projects, Climate Change and other topics.

Also Green Coffee Supply Chain training and visits both in producing countries and in Europe are possible. At Efico, we **share our know-how and coffee passion** with our stakeholders.

Tailor-made **PowerPoint presentations** are provided upon request. Additionally, **brochures** including this COP report are given to explain our vision and

strategy. Via our **website** and Social Media Channels **Youtube**, **Facebook** and **LinkedIn**, everyone can follow our activities.

Efico also frequently appears in coffee related **magazines** and stays in contact with both national and international press. Also **blogs** are becoming more and more popular. In 2015, Efico was visited by the Belgian blog 'Les Carnets de Normann', who wrote about **Efico** and **Seabridge**.

Efico is member of numerous international, European and local organizations and was also in 2015 present at **different coffee related events**, working on coffee and sustainability related topics.

A few examples are the ICO (International Coffee Organization), the ECF (European Coffee Federation), SCAA (Specialty Coffee Association of America), SCAE (Specialty Coffee Association of Europe), The Global Coffee Platform, UNGC Network Belgium and the Shift.

EFICO FACTS



- Trading green coffee since 1926
- Sourcing from about 40 countries
- Offering more than 300 coffee varieties and blends - of which almost 40% verified/certified coffee - to about 450 European coffee roasters
- Product and market knowledge, ensuring quality at competitive prices
- Sustainability is in our 'Coffee Genes':
 - * Stable and long-term partnerships
 - * Vision and advice on Supply Chain Management
- Following the highest standards
Conform ISO 9001 / 22 000 / HACCP

Quality, Food Safety, Traceability and Sustainability are Efico's **cornerstones**. We believe it is our **duty** to deliver a high-qualitative product, whilst limiting our impact on the environment and on society.

The Efico Group's **ambition** towards a sustainable coffee supply chain is amongst others reflected in the investment in **Seabridge**, a state-of-the-art sustainable warehouse and distribution center for green coffee in the port of Zeebrugge, where **green and high-qualitative logistics** prevail.

Efico today is still proud of its unique center of excellence, established in 2008.



STATE-OF-THE-ART STORAGE FACILITY

Green coffee is a natural product and very sensitive to different factors that can influence the deviation of high quality standards: Temperature & Relative Humidity, Odor & Air Quality, Light, Pests & Diseases, Contamination and so on.

Seabridge is **fully and solely dedicated to green coffee** and offers added value and solutions to the earlier mentioned problems that can occur.

The **20,000 m²** warehouse is a solid construction with state-of-the-art machinery and high-qualitative laboratory equipment - See *photo page 17*.

SUSTAINABILITY FOCUS

At Seabridge, we use **energy efficient** building materials.

Green energy is produced by the **4,600 solar panels** on the roof.

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

In 2015, this resulted in a CO₂ reduction of 1,307 tonnes or the energy use of about 390 families.

Seabridge received a Green-Building Certificate and Award from the European Commission for all these measures.

A further **focus on waste management** resulted in the recycling of 95% of all waste streams.



The **global CO₂ footprint** has been further **reduced** by the use of barges for incoming containers and train instead of truck transport for outgoing cargo.

QUALITY ASSURANCE

Product quality, food hygiene and security are being assured through a conditioned warehouse with **temperature and humidity management** system. This system is combined with a unique air-filtering system which neutralizes and eliminates bacteria and moulds to prevent contamination between the coffee lots while they are being handled and stored.

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

Seabridge employs **trained personnel** to identify, control and rework contaminated or infested coffee if necessary. This is key to avoid further contamination.

HIGH-QUALITATIVE LOGISTICS

Green coffee beans travel a long way before arriving in Europe. Efico Group's Logistics Department supervises the **entire trajectory** and makes sure the coffee is loaded and transported **correctly**.

At Efico's request, the coffee bags are marked with the **EFICO label** in the country of origin. This allows an additional control.

The coffee that Efico purchases usually arrives in the port of Antwerp. Efico unloads the coffee both at Seabridge in Zeebrugge and at Noordkaai in Antwerp.

Next to its main activities in the port of Zeebrugge, Seabridge started to operate a second warehouse in 2013 named 'Noordkaai' for coffee storage in the port of Antwerp. This allows Seabridge to offer clients more flexibility, with the same qualitative logistic services while increasing efficiency.

A **stronger emphasis on safety awareness** resulted in less incidents. In 2015, Seabridge noted a reduction of 20% compared to 2014.

For 2016, Seabridge will analyze the psycho-technical effects on work relations and stress in cooperation with Cewez VZW.

TRACEABILITY

Besides the EFICO label marked on the coffee bags, and the ICO number, Efico/Seabridge disposes of additional devices to allow traceability.

In-house developed software and database management assure an **integrated track-and-trace system**, which can be linked to our client's IT infrastructure via an interface if they would wish so.



QUALITY LABORATORY

Seabridge harbours a **state-of-the-art laboratory** offering a customized analysis of green coffee samples on physical and sensorial aspects. - See photos

All green coffee samples are controlled daily following **standardized procedures**.

Automatic sampling is made on bag per bag basis and homogenized to get a representative sample.

Trainings are organized internally to keep the other Green Coffee Quality and Trade colleagues up-to-date in the knowledge on different topics.

Our Green Coffee Quality Expert Team keeps track of the traceability of all stock-linked samples.

Every sample has been **barcoded** and part of the laboratory inventory.

Samples are **stored under the same temperature and relative humidity** as in the storage zone, for two years. This allows our customers to recall samples at any time to eventually control their conformity.



SEABRIDGE FACTS



- Unique green coffee center of excellence, sharing EFICO's values
- Conditioned warehouse; temperature and humidity controlled, clean air
- Creating added value throughout the supply chain
- 20,000 m² - 4,600 solar panels on roof
- 100% green energy used = 1,307 tonnes CO₂ reduction
- Recycling of 95% of all waste streams
- Following the highest standards
ISO 9001 / ISO 22 000 / HACCP / AEO
ISO 26 000 / ISO 45001 progress

EFICO FOUNDATION

COFFEE FOR PEOPLE, PEOPLE FOR COFFEE

With the **Efico Foundation** we make a difference by supporting sustainable multi-stakeholder development projects in coffee producing countries with the aim to improve hereby the livelihoods of many.

Established in 2003 as a **private foundation**, the Efico Foundation is an open initiative, independent, apolitical, philosophically and ideologically neutral.

Today, **almost 60 projects** are supported in 16 producing countries. **60 coffee roasters** spread over 7 countries joined, **4 governments** participate financially or through their development agencies, together with about **70 different organizations**.



MULTI-STAKEHOLDER PROJECTS

We work together with various organizations, including NGOs, research institutes, universities, national coffee associations, local partners, cooperatives or producing countries.

The Efico Foundation is the only one in Europe to focus on coffee 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.

Our Foundation is not a certification body, but works in partnership with certification organizations, NGOs, public organizations and so on.

There is **no commercial obligation** between the beneficiary of a project and Efico.

TRANSPARENCY

In 2005, the **Efico Fund** was established within the King Baudouin Foundation. This fund 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.

MAIN ACHIEVEMENTS 2015

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 the KURU Team in Ethiopia.

We can say with pride that 2015 was anew a year with successful project realizations.

IMPROVING WASTE WATER MANAGEMENT

In 4 coffee communities in **Huehuetenango, Guatemala**, the construction of a coffee wet mill module considers the right technology for small coffee producers, which reduces the water consumption with 60%.

Waste water is processed in an evaporation pool and is later on used for organic fertilizer. Thanks to the standardization of coffee processing, improved coffee quality is obtained.

Thanks to reduced water use and clean water, the communities directly see and feel the benefits in their daily life: cleaner water in the river and less water use. On the long run this leads to an improved health situation.

Training also focuses on preventive health and optimization of coffee knowledge.

The knowledge on reworking of solid coffee waste to coffee fertilizers also creates a mind shift amongst the farmers because they are able to produce efficient fertilizers from the by-products of coffee waste.

The partners in this project are ANACAFÉ, FUNCAFÉ and Cruz Grande Integral Agriculture Cooperative. EFICO Central America provides project follow-up and a Danish coffee roasting company is the funding partner.

The photo below indicates the beginning of the establishment of the wet mill.

During the second phase of the collaboration between Fero Cooperative, Sidamo Union, a Dutch coffee roaster and the EFICO FOUNDATION in Ethiopia, the focus was 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 became a fact. Health of the local communities improved. Processing of a large amount of coffee cherries is 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 also feel the positive effects.

TRAINING ON SUSTAINABLE AGRICULTURE

In Djimmah, Ethiopia, a partnership between the Catholic University of Leuven, Jimma University, Ma'ar (NGO), Maison Josy Juckem – 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.

Bee-hives and bee-keeping training are provided for coffee farmers to increase food security and improve ecosystem functioning of the coffee forest. The improved bee-keeping in the forest diversifies and increases farmer family income by delivering honey and derived products and by increasing coffee yield through enhanced cross-pollination.

ALTERNATIVE ENERGY, PROVIDING EMPOWERMENT AND ACCESS TO ELECTRICITY

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

The families benefiting from the project are those who work in or around coffee farms. The access to green energy improves the quality of their lives and creates future development possibilities.

This project reaches about 2,000 people. Besides the 157 families, four schools, a church, a health clinic, a community laboratory and an adult school/ child care facility benefit.

The children who go to school do not longer have to strain their eyes to do their homework. Families also financially benefit since they no longer have to purchase kerosene oil or extra wood for nighttime light.

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

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

The project is funded by a Dutch coffee roasting company.



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 - See photo above - 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.

EDUCATION FOR A SUSTAINABLE FUTURE

In **Coromoro, Colombia**, a cooperation between the Colibri 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 is implemented that integrates the use of IT technologies, practical training on the field, family support and certification of technical skills. - See photo middle

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.

EFICO FOUNDATION FACTS



- Private Foundation, initiated in 2003
- Improving the environment and livelihoods of many coffee families
- Today, almost 60 multi-stakeholder development projects in producing countries
- 60 coffee roasters spread over 7 countries joined to support
- Efico Fund within King Baudouin Foundation, initiated in 2005:
 - * Management financial means
 - * Jury of experts
- 100% of funds go directly to projects

INTO THE FUTURE

At EFICO, we see both the UNGC principles and the SDGs as essential drivers towards sustainable development and a better world to live in. It is an international challenge and cannot be met unless every one of us contributes. Efico therefore fully supports the UNGC & SDG Framework.

Being an active member of sustainability initiatives, it is Efico's ambition to be an ambassador, inspirer and catalysator within the coffee industry and beyond, by thinking globally and acting locally.

As mentioned earlier, one of today's biggest challenges is climate change.

Extreme weather situations - for example droughts and floods - already have an impact on the coffee harvest. In combination with the yearly increasing demand for coffee, time is to act now.

By investing in combating climate change, we will not only halt global warming but also protect our natural resources, secure supply and drive sustainable development.

At Efico, we actively inform our business partners about this challenge, the measures to take, and we promote sustainable sourcing.

To achieve a transition in 2016, a multi-stakeholder approach is needed. **Together Everyone Achieves More.**

By exchanging knowledge and passion, we aim to create added value.

The future will only be assured for those who embrace this philosophy.

As Ban Ki-Moon states: "One of the main lessons learned as UN Secretary-General is that broad partnerships are the key to solve broad challenges."



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