



EFICO
GREEN COFFEE

SEPTEMBER 2019

EFICO Group
Communication On Progress Year 2018

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

This annual report, September 2019 edition, is based on the Communication On Progress (COP) required by members of the United Nations Global Compact (UNGC).

As a global compact signatory since 2003, EFICO is committed to transparently report its progress and challenges, and share this with its partners.

This report reflects our commitment towards the ten principles of the UNGC and reports our progress made in 2018.

We are proud to again be one step further in our sustainability journey and also report our progress towards the Sustainable Development Goals for which EFICO formulated its ambition towards 2030.

This report contains our statement of continued support, and our progress towards sustainable sourcing, the impact on farmers' livelihoods and prosperity and our environmental impact.

Combining these three angles, we aim to positively drive systemic

solutions towards a sustainable coffee supply chain.

As always, we welcome feedback and ideas to continue learning and improving our dynamic sustainability journey.

We report according to the GC ACTIVE LEVEL.

Just like the previous reports, this COP report is published on www.unglobalcompact.org and on www.efico.com/un-global-compact.





Empowerment through quality education

Dale Woreda, Ethiopia

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**KURU's Abdurahman Mahdi,
checking the quality of wet processed Guji coffee**

Bule Hora, Guji, Southern Oromia region, Ethiopia

Statement of continued support 2018

Dear Partner,
Dear Stakeholder,
Dear Member,

In 2018, we celebrated two major milestones : **15 years of membership and implementation** of the ten **UNGC** principles and **15 years of EFICO Foundation**. These special events ask for a moment of thorough reflection.

15 years of EFICO Foundation resulted in about 70 projects in 17 producing countries, an investment of over 2 million euros, directly impacting 31,300 coffee farmers, women, youngsters and children, and indirectly generating a positive impact on the lives of 92,500 coffee families.

128 partners were directly involved and 81 partnered indirectly with us. Over 60 coffee roasters joined us on our journey to improve livelihoods for coffee farmers, and committed themselves together with us to **make a difference**.

Also in the Global Compact, EFICO has seen a network in which partners play an essential role over the past 15 years: through **collective action**, the Global Compact aims to strengthen the sense of responsibility and welfare of businesses and invites them to comply with universal values in order to create a **more open and sustainable global economy**. The Sustainable Development Goals, towards which we formulated our ambitions for 5 out of the 17 in early 2016, reinforce this philosophy:



At EFICO, we **integrated the ten principles of the UNGC into our strategies, regulatory framework and actions**: Sustainable sourcing, positively impacting farmers' livelihoods and prosperity and reducing our environmental impact remain key: In 2018, 53% of the coffee we sourced received premium prices for quality and sustainability. About 85% is sourced from local actors, boosting local development. We share knowledge and information with our partners to connect our customers with the coffee farmers, and invest in a sustainable coffee chain.

Partnerships and teamplay are crucial to move forward, not only within the scope of our EFICO Foundation and our UNGC Membership. That is why SDG 17 - Partnerships for the Goals - is so crucial to **tackle the global challenges the coffee sector** is facing at present.

When we look back and evaluate our efforts to build sustainable value chains, we are proud of our progress, but realize as well that much more is needed. In our previous Communication-On-Progress report, we already addressed the difficulty farmers are facing today to be profitable and improve their livelihoods, given the low coffee prices.

When you add to this the impact of climate change, resulting in unpredictable harvests with unreliable supply and farmer income as a consequence and the next generation searching for better alternatives, abandoning coffee plantations, you can conclude **only structural solutions will change things for the better**.

As a medium-sized company with strong family values and a passion for coffee since 1926, we take our responsibility in this difficult environment and are convinced that only long-term collaboration with different actors in the coffee sector will allow a sustainable coffee future. If you want to go far, you must go together.

This EFICO Group Communication On Progress Report reflects our actions taken in 2018 and our ambitions for the future. We kindly invite you to evaluate our progress and welcome your feedback.

Michel Germanès
Managing Director

Philip Van gestel
Executive Chairman

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 **Millenium 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

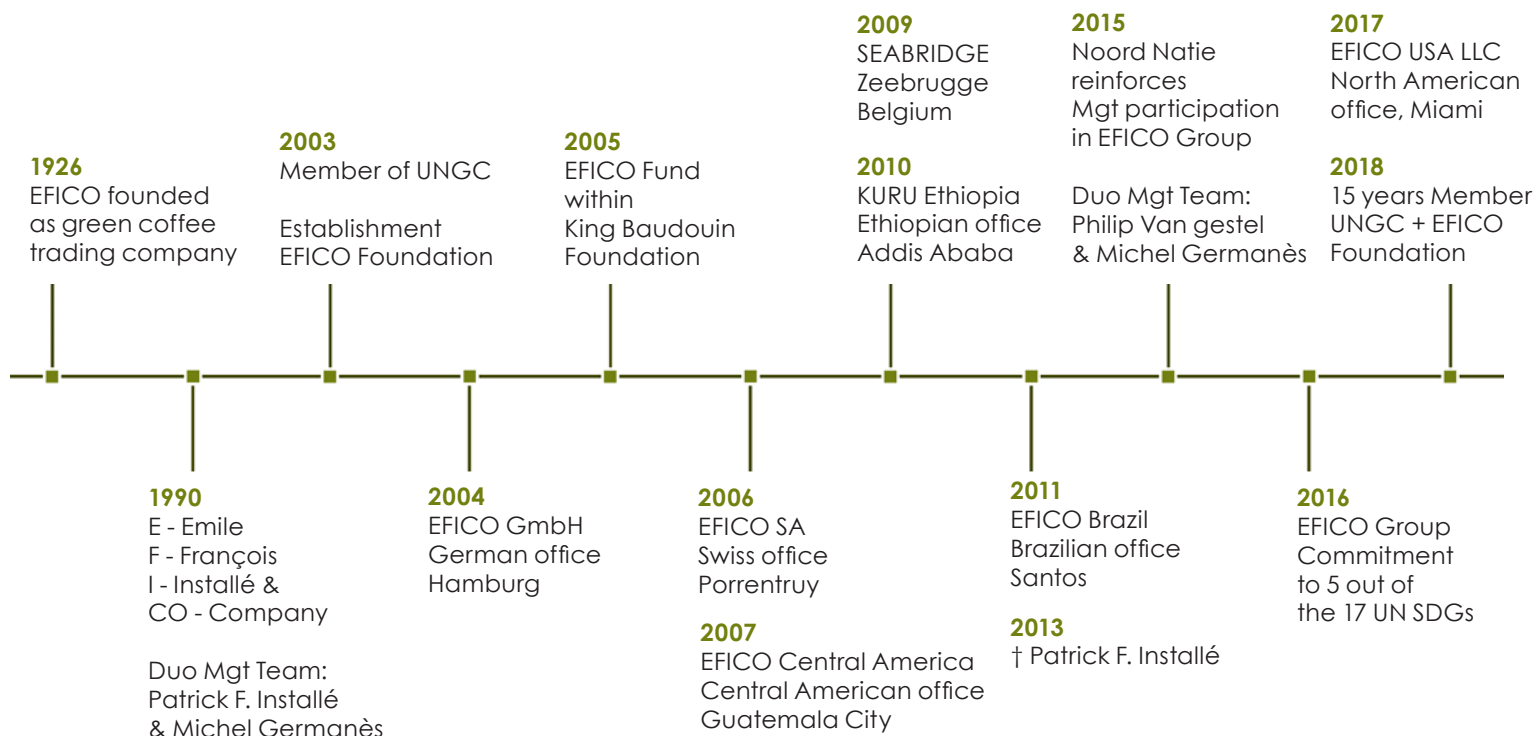




SUSTAINABLE SOURCING IMPACT

OUR HISTORY

EFICO is a green coffee trading company, established in 1926, with headquarters in Belgium, sourcing offices in Brazil, Ethiopia and Guatemala and sales offices in Switzerland, Germany and the USA.



OUR SUSTAINABLE SOURCING COMMITMENT

As a family company, sustainability is in our coffee genes.

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

This commitment connects with the following SDGs and UNGC principles for impact measurement:



- **SDG 12 : Responsible Consumption & Production** - UNGC Human Rights and Labour
- **SDG 8: Decent Work and Economic Growth** - UNGC Human Rights, Labour and Anti-Corruption
- **SDG 17: Global Partnership for Sustainable Development** - UNGC Human Rights, Labour, Environment and Anti-Corruption

OUR COMMITMENT TO DELIVER A SAFE, SUSTAINABLE AND QUALITATIVE GREEN COFFEE

Coffee Quality is the **basis** for EFICO's purchasing and sales activities.

We assess quality systematically from harvest up to delivery, at several moments in the supply chain.

The detailed evaluation by our **Green Coffee Quality Experts** and **Trade Team** includes physical, sensorial, and microbiological analysis.

We strive for excellence in providing correct and safe products and a personalized service with consideration of **all actors** in the **supply chain**, meeting our customers' expectations.



Coffee drying

Sidamo, Ethiopia



Ambition: 40% sustainable sourcing by 2020 and 50% latest by 2025

In 2018, **53%** of our coffee sourced was verified or certified according to various sustainability standards.

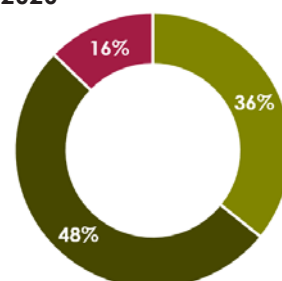
Over the last 10 years, this volume quadrupled from 13% to 53%.



Ambition: more than 80% sourcing from cooperatives or local exporters by 2020

At EFICO, personal relations with our suppliers are key. In 2018, we sourced about **85%** directly from cooperatives, unions or local exporters, boosting local development and economic growth.

■ COOPERATIVE
■ LOCAL EXPORTER
■ INTERNATIONAL



Ambition: think global, act local

We stimulate our suppliers and our clients towards a more sustainable coffee future. By actively listening to the needs of our partners, we build partnerships amongst private, public and civil society actors and join efforts to **drive change & impact**.

ABOUT EFICO GROUP

- Trading green coffee** since 1926, sourcing from **over 40 countries** and serving **over 400 clients** worldwide
- Offices** in Belgium, Switzerland, Germany, USA, Brazil, Ethiopia and Guatemala
- Quality & Sustainability** are in our '**Coffee Genes**': e.g. **EFICO Foundation** since 2003 & **SEABRIDGE** since 2008
- First coffee trader** to sign up to **10 United Nations Global Compact principles** in 2003, commitment towards 5 out of the 17 Sustainable Development Goals since early 2016
- Following the highest standards** in Quality, Safety, Health and Environment; compliant with ISO 9001 / ISO 22000 / ISO 26000 / AEO // IFS in progress



POSITIVELY IMPACTING FARMERS' LIVELIHOODS & PROSPERITY

In 2003, we launched the EFICO Foundation as a **commitment** of the EFICO Group to sustainable development and promote it among coffee roasters.

We can look back on a **positive impact** of **70 projects in 17 producing countries** on the daily lives of the coffee families over the **past 15 years**. With the current low coffee prices, it now is more than ever important to support coffee farmers in the many challenges they face.

Established as a private foundation, the EFICO Foundation's goal is to positively impact coffee farmers' **livelihoods**, **prosperity** and **environment**. The multi-stakeholder approach adopted is unique and is a dynamic tool to foster partnerships and innovation in the coffee supply chain, multiplying **impact**.

The EFICO Foundation is about **people** - from coffee farmers, their families and local communities to coffee consumers purchasing a sustainable product.



This commitment connects with the following SDGs and UNGC principles for impact measurement:

- **SDG 4 : Quality Education** - UNGC Human Rights and Labour
- **SDG 17: Global Partnership for Sustainable Development** - UNGC Human Rights, Labour, Environment and Anti-Corruption

Through our 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.

OVERVIEW IMPACT 2018 :



Ambition: quality education, knowledge transfer, climate change & sustainable income increase

In 2018:

- **14** projects supported in Africa, Central & South America
- **3,818 direct** beneficiaries with improved possibilities, empowerment and prosperity
- **Indirectly** generating a positive impact on the lives of over **5,572** coffee families

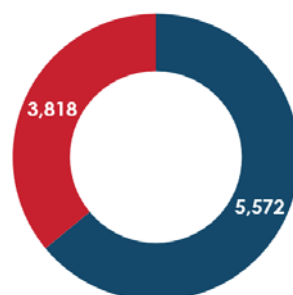


Ambition: foster partnership building

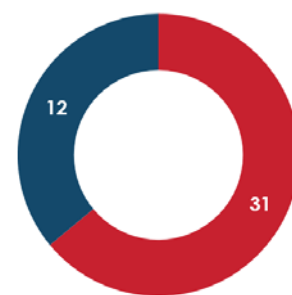
In 2018:

- **31** partners directly involved
- **12** indirect partners

PROJECT BENEFICIARIES



PARTNERSHIPS



■ DIRECT ■ INDIRECT

EFICO FOUNDATION NEW PROJECTS 2018

THE FUTURE OF COFFEE - WORLD COFFEE RESEARCH GLOBAL COFFEE MONITORING PROGRAM

GUATEMALA & HONDURAS

Today, the most pressing challenges of the coffee sector are climate change and price volatility, leading to unreliable farmer income. Partners as **World Coffee Research (WCR)** are essential in the support towards **finding solutions**: by carrying out fundamental research and developing coffee varieties that are rust resistant, WCR is working upon tackling not only climate change and low yields, but also diseases and pests & barriers to quality.

Knowledge transfer of new coffee varieties resilient to climate change is key to lift coffee farmers' profitability.

13 On-Farm Technology Trials (OFTTs) are being established in Honduras and Guatemala to allow farmers to experience the impact of investing in new technologies: adoption of new, high quality, high yielding and disease resistant varieties and climate-smart agronomic practices.



SARCHIMOR

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OFTT Global Coffee Monitoring Program

Nuevo Sendero farm, Guatemala

This project directly targets 73 beneficiaries, increasing their knowledge of technologies and practices to sustain and grow coffee volumes: 13 farmers managing the OFTTs, and 60 farmers trained during the **Farmer Field Days**. Indirectly 365 people will benefit.

The project is a 5-year partnership of WCR, EFICO, Fedecocagua and Honducafé. Special thanks to our EFICO Central America Team for the project coordination, supervision and monitoring.

This project contributes to SDG 4 (Quality Education), SDG 8 (Decent Work and Economic Growth), SDG 12 (Responsible Consumption & Production), SDG 13 (Climate Action) and SDG 17 (Partnerships for the Goals).

Sharing our learnings: *The nature of the project is to conduct applied research and to build knowledge on coffee varieties and climate smart agricultural practices. Information generated through the network of trials is open to the coffee industry globally and is intended to reach coffee farmers globally. In order to enhance their programs with the latest knowledge on coffee farming, WCR will share knowledge generated from our trials with national extension systems and with programs that provide training to farmers.*



WCR's Greg Meenahan explaining about the Global Coffee Monitoring Program to EFICO's clients

June 2018, SEABRIDGE, Belgium

THRIVING FARMERS' PROSPERITY THROUGH ACCESS TO QUALITY AND SUSTAINABLE MARKETS

BURUNDI

Through a partnership of DGD (Belgian Development Cooperation), KBF (King Baudouin Foundation), Kampani, Broederlijk Delen and EFICO, **access to profitable and fair markets for differentiated coffee** is facilitated for the COCOCA coffee community. This project is a continuation of the Kampani prefinancing of the HORAMAMA dry mill and previous projects supported by KBF, Broederlijk Delen and various partners to empower the cooperative.

The project focuses on the implementation of **Good Agricultural Practices** and **certification standards, good governance and management**, empowering the coffee farmer members of COCOCA through their primary cooperatives that are autonomous, financially independent, environmentally conscious and business-oriented. The cooperatives are clustered in 4 regions to strengthen their regional identity and improve the quality and sustainability of services towards their farmer members.

End 2019, **2 action learning centers** will be developed demonstrating **organic fertilizer use**; **20 washing stations** will have **adopted organic fertilizer use** (there are 40 washing stations in total); the 4 coffee regions will have a **clear regional identity**, resulting in at least **18 containers with increased differentials**; At least 28 COCOCA cooperatives will have obtained one certification, and 20 cooperatives a double certification; 64 youngsters will have **improved coffee knowledge** and are **engaged in coffee culture and marketing**.

Directly, the project will positively impact smallholder coffee farmers from 16 coops of the central and southern regions: 11,500 households & 64 youngsters (4 from each coop) and indirectly the remaining cooperatives will benefit. In total, COCOCA comprises 39 coops or 27,517 coffee families.

This project contributes to SDG 1 (No Poverty), SDG 12 (Responsible Consumption & Production), SDG 8 (Decent Work and Economic Growth), SDG 4 (Quality Education) & SDG 17 (Partnerships for the Goals).

Sharing our learnings: Access to quality and sustainable markets is a key factor to thriving farmers' prosperity. A consortium of partners with broad expertise like this one reinforces project implementation: the combination of organizational & commercial support together with pre-financing leads to structural improvement.

EMPOWERMENT OF SMALLHOLDER COFFEE FARMERS

DR CONGO, ITURI & SOUTH KIVU PROVINCE

In eastern Congo, a project implemented by Rikolto and co-funded by EFICO, aims to **bring back the benefits of DRC coffee** to the smallholder coffee growers and the Congolese State, while **ensuring a viable income** to the former and providing them **economic power** to claim substantial improvements to the coffee business climate from the latter.

Co-investing in seven additional micro-washing stations (MWS) of cooperatives Kawa Maber and CPNCK will help them to increase their volume of top quality coffees beyond five export lots per year, which is their break-even point. The benefit generated will allow them to **cover all costs** and to **end dependence on external subsidies**, whilst **building sustainable commercial links** with gourmet coffee buyers.

All MWS will be equipped with a simple solar energy kit, enough to provide light for late night work at the peak of the season, and for recharging cell phone batteries, essential for communication with the technical team of their cooperative. The coffee produced in the MWS is **organic by default**. Certification will be obtained in 2018 for both cooperatives, for both FairTrade & Organic. (cost covered by other partners)

After project completion, the two cooperatives Kawa Maber and CPNCK will have increased the number of MWS with 7 units, and the number of members with up to 700 new smallholder coffee growers. In time, the volume of coffee produced in the seven additional stations will contribute significantly to the capacity of both cooperatives to reach the export of at least 5 containers (Kawa Maber has exported less than a container in 2017 and CPNCK 1.2 containers); the 7 MWS will add on 14 tonnes of coffee parchment in their first year, and after 5 years, with increasing experience, these 7 stations are expected to produce at least 70 additional tonnes of parchment coffee.



Cooperatives Kawa Maber and CPNCK can ensure the future of an expected 7,000 members. The contribution of this project will be to **facilitate the inclusion of 10%** of that overall membership, which is **700 members**. These 700 additional members will triple their income in a relatively brief period; **Impact is monitored at farmers' level** through baseline data collection in 2017 and impact measurement a few years later.

This project contributes to SDG 7 (Affordable and Clean Energy), SDG 8 (Decent Work and Economic Growth), SDG 12 (Responsible Consumption & Production) & SDG 17 (Partnerships for the Goals).

Sharing our learnings: Reaching true empowerment means becoming independent of external subsidies. Only when a coffee farmer has a viable income, and their cooperatives are successful, self-sustaining cooperative enterprises with a good governance structure, this goal can be reached. Partnering with knowledgeable organizations such as Rikolto, being very actively present on-field and fully understanding the challenges encountered, ensures concrete progress is made.



Inspecting coffee seedlings

Santander, Colombia

COFFEE AS ENGINE FOR PEACEBUILDING BY RURAL YOUTH

COLOMBIA, SANTANDER

In Santander, Colombia, a continued **cooperation** between the Collibri Foundation, the National Coffee Growers Federation of Colombia, the Colombian Technical Education Platform (SENA), the local government and EFICO was initiated in 2018.

This 3-year project aims to provide **better perspectives for the young coffee growers community**. Productive and leadership potential of 150 young coffee growers is promoted. The youngsters will become regional and national models of rural entrepreneurship.

150 coffee plantations will stand out for their profitability and sustainability and will be known as '**model coffee farms**'. Through this project, the **students will be empowered** and will see their coffee business grow whilst implementing good and sustainable agricultural practices. The youngsters will have their **own enterprise, avoiding migration to the cities**.

The 150 students are trained in leadership, entrepreneurship, environmental-friendly technology, certification, quality, coexistence, post-conflict and associativity. The students are supported to establish coffee plantations with 3 different ages in production cycles. **High yielding** coffee varieties **resistant to climate change** are planted. At the end of the project, 50 farms will be Rainforest Alliance certified.

10 out of these 150 youngsters are victims of the armed conflict and will support 30 farms concerning Good Agricultural Practices. These 10 young **coffee promoters** support the processes in the coffee farms by actively promoting community integration and cooperation, **enhancing a sustainable peacebuilding process**. In this way, the social fabric of the community is strengthened.

Indirectly, **6,600 community members will benefit** from this project. Fifty percent of them are victims of the armed conflict. These community members will be able to partake in the '**Sustainable Coffee Farming of Santander**' programs, and be motivated to renew their old coffee plantations and expand the coffee areas in their farms.

This project contributes to SDG 4 (Quality Education), SDG 8 (Decent Work and Economic Growth), SDG 12 (Responsible Consumption & Production), SDG 16 (Peace) & SDG 17 (Partnerships for the Goals).

Sharing our learnings: In this project, rural entrepreneurship is promoted in several ways. One of the key drivers is the importance of social fabric. The youngsters are seen as the 'glue' of their community. By empowering youth with personal strengthened capacities, both individual and group dynamics enhance.

EDUCATION FOR A SUSTAINABLE FUTURE

ETHIOPIA, DALE WOREDA

This 5-year project for structurally supporting 4 primary schools in quality education, is a **continued collaboration** between Fero Cooperative, a Dutch coffee roaster, Action For Self Reliance (AFSR) and EFICO/KURU.

Over 2,200 students, 108 teachers and 20 local leaders are supported, positively impacting over 3,500 community members, 1 farmer union, 5 coffee cooperatives and 8 government institutions.

In Sidamo, a region with high school drop-out rates and limited access to knowledge and technology, four model primary schools will be structurally improved and innovative ways of teaching and learning are introduced.

A specific focus goes to vulnerable students, awareness creation of the importance of quality education amongst local communities, and teaching children techniques of sustainable and qualitative coffee production via demonstrative units in the school.

The barriers of quality education for these four primary schools of coffee producing communities are fully addressed:

- Four model primary schools show quality education
- Awareness level of coffee farmers on child education will have improved by 85 %
- Awareness level of students on Coffee Management will have improved by 50 %

This project contributes to SDG 4 (Quality Education), SDG 5 (Gender Equality) and SDG 12 (Responsible Consumption & Production).

Sharing our learnings: Education and knowledge is the most powerful tool to bring about change. However, the challenges in Ethiopia remain huge. Therefore this continued partnership with committed stakeholders and the fact of being locally present with our representative office KURU strengthens bringing about direct results.



GUATEMALA, SAN MARCOS

In 2018, a new 3-year project was set up with Finca El Platanillo/Panorama/Grupo Cotesco, Nuevo Platanillo Association and EFICO, as a follow-up on previous successful projects since 2004. After completion, it can be replicated.

The overarching goal of this project is to build empowered women coffee producers and youth for future development via training, knowledge transfer and access to quality education. Training & transfer will be on topics as sustainability, adaptation to and mitigation of climate change (reduce emissions and sequester CO₂ in agroforestry systems), efficient production practices and health.

4 high potential bachelor students will receive scholarships to enroll in the "Coffee Bachelor High School program". This program won the 2017 SCA Sustainability Award. Overall minimum 100 people will have improved skills by 2020, 55 new youngsters will finish their degree in the "Coffee Bachelor High School program", the functional computer class and elementary school in Nuevo Platanillo will benefit 160 students, and the 4 high potential bachelor students will become change agents for their community.

This project contributes to SDG 4 (Quality Education), SDG 5 (Gender Equality) and SDG 12 (Responsible Consumption & Production).

Sharing our learnings: At 'El Platanillo', local development opportunities are leveraged by supporting local villages and communities through knowledge transfer and capacity building. Emphasis is hereby put on women and youngsters. Education is the basis of sustainable economic growth of every community. When young adults are trained on learning new technologies and efficient ways to use fertilizers, weeds, coffee varieties and nutritional requirements, they will be able to have a more sustainable income. Or they will have the potential to seek for other coffee related job opportunities such as technical assistance, office auxiliary, etc.

GUATEMALA, SANTA ROSA

This 2-year project - funded by a Dutch coffee roaster and partnering with Funcafé, Anacafé and EFICO Central America - seeks to **build a bridge** between the **demand for competencies** (technical coffee knowledge, attitudes and skills) and **technical knowledge** = Higher productivity with ecological awareness.

Four students receive a scholarship to take part in two school cycles: in 4th Grade in 2018 and in 5th Grade in 2019. After that, they will graduate with a "**Coffee High School Diploma**". This program won the 2017 SCA Sustainability Award. The youngsters will be able to follow-up their parents' coffee production (50 Hectares in total). A **curriculum** was designed to respond to the needs of the coffee sector in the country, which **increases the employability of young people** who graduate from this program. These actions will allow the return of trained human capital to the areas of intervention.

The young graduates of this program have **three important possibilities of success to join the coffee value chain**:

1. Return to their communities & self-employment with entrepreneurship projects within the framework of family farming;
2. Employment in a company within the coffee sector, linked to the coffee chain;
3. Continue their education and increase their skills at university level.

This project contributes to SDG 4 (Quality Education), SDG 8 (Decent Work and Economic Growth) and SDG 12 (Responsible Consumption & Production).

Sharing our learnings: Through training, young people are sensitized to value good agricultural practices. The four students will be an example for their communities and will create impact on their behalf. A knowledge transfer - snowball effect will be encountered.

IMPROVED LIVING CONDITIONS

GUATEMALA, HUEHUETENANGO & SAN MARCOS

In 2018, two Healthy Home Kits projects were initiated:

In Huehuetenango, 47 "**Healthy Home Kits**" improve the daily lives of 47 coffee producing families and in San Marcos 45 families benefit from 45 kits. Both projects are carried out by Habitat for Humanity Guatemala and are supported by Dutch coffee roasters and EFICO.

A Healthy Home Kit consists of a water filter, a wood efficient stove and a sanitary latrine. The beneficiary families help building the stoves and latrines. Training is also given about health and nutrition, financial responsibility and savings and appropriate use of the Healthy Home Kits.

This project contributes to SDG 7 (Affordable and Clean Energy) and SDG 12 (Responsible Consumption & Production).

Sharing our learnings: The long-term financial success and well-being of any family begins with a decent home, health and wellbeing for the entire family. By providing Healthy Home Kits, a chance for success for each of the partner family is offered in the long-term. It is very easy to see the strong correlation between a healthy farmer and their ability to sustain themselves a living.



SPECIAL PROJECT - EMERGENCY VOLCANO

GUATEMALA, VALLE DE LAS FLORES, PALIN, ESQUINTLA

On June 3rd 2018, the **Fuego Volcano** erupted in Guatemala, mainly affecting coffee regions.

As a response to this volcano eruption and its consequences, we initiated a special **emergency Volcano project** together with Habitat for Humanity Guatemala (HFHG) to provide structural support for the families that needed to be re-allocated by contributing in the **construction of their homes**, bringing them **hope for the future**.

After the general fundraising action for EFICO customers to make this happen, donations ensure three safe homes and three plots of land for three families. A special thank you to Nespresso, Whittard/Lincoln & York, Viva Sara & Blanche Dael! Thanks to this project, the restoration of stability and tranquility anew becomes a fact for the affected families. *For link to the film, click [here](#).*

The **target population** of the project are the families whose homes were destroyed in the Fuego Volcano disaster or were deemed no longer inhabitable due to risk of future eruptions. Many of the families lost spouses, parents, or other relatives in the event. The families are **low-income**, and in most cases, they lost all of their belongings and their employment as a result of the disaster, further **straining their economic situation**. The final beneficiaries of the project will be the **youth of the community**, who will have a safe place to grow up, allowing them to work towards their goals and continue to improve the quality of life for future generations.

This project contributes to SDG 1 (No Poverty), SDG 3 (Good Health and Wellbeing) and SDG 10 (Reduced Inequalities).

Sharing our learnings: *Safe and adequate housing is key to beginning a virtuous cycle of growth and progress. In case of disaster support like this, direct action is necessary to ensure direct impact. For that reason this is another type of project than the known EFICO Foundation projects.*



ABOUT EFICO FOUNDATION

-  **Private foundation**, established in 2003
-  Co-designs and supports projects that create a **positive impact** on coffee farmers' livelihoods, prosperity and environment
-  Projects are selected by an independent **jury of experts**
-  A flexible tool to build a sustainable supply chain : support by sourcing coffee with EFICO contributing 0.25 EUR/kg or direct transfer to the EFICO Fund: **www.eficofoundation.org/donate**
-  **100%** of the contribution goes **directly to the projects**, EFICO covers operational expenses, funds are managed independently and **transparently** by the King Baudouin Foundation
-  **Working together:** a multi-stakeholder approach, fostering partnerships

REDUCING OUR ENVIRONMENTAL IMPACT

SEABRIDGE is a state-of-the-art warehouse, combining excellence in quality, sustainability and traceability. It is one of the major achievements during the last decade that allow EFICO to position itself as **innovator in the development of sustainable supply chain solutions**, to meet our stakeholders' concerns and setting a standard for the future.

In 2018, 10 years passed by since the launch of SEABRIDGE's concept in 2008 and EFICO's Management having received a nice recognition: the Innovation & Design Award from the Specialty Coffee Association.

With SEABRIDGE, the EFICO group actively contributes to its ambition to use **100% green energy** and recycle **95%** of the waste streams.



This commitment connects with the following SDGs and UNGC principles for impact measurement:

- **SDG 7 : Affordable & Clean Energy** - UNGC Environment



Ambition: 100% green energy use within the EFICO Group and recycling of 95% of all waste streams

In 2018, we report a **95% green energy use** at our offices & SEABRIDGE warehouse.

At SEABRIDGE:

- 4,600 solar panels produce **97%** of the total energy need, a CO₂ reduction of 1,209 MT
- **86%** of all waste is up/recycled,
- **11%** has energy recuperation
- **98%** of our inbound volume is handled via intermodal transport



SEABRIDGE

Q Grading seminar, SEABRIDGE SCA Premier Training Campus

Zeebrugge, Belgium



TAKING CARE OF YOUR COFFEE

COFFEE STORAGE IN THE BEST CONDITIONS

The SEABRIDGE warehouse is dedicated and designed to store coffee in the **best conditions**.

Coffee is a **hygroscopic product**. It can absorb and desorb water from its environment. The structure of the green beans changes, resulting in microbiological and enzymatic reactions. At **SEABRIDGE**, green coffee reaches its equilibrium when no absorption or desorption occurs. To reach these conditions, temperature, relative humidity, air ventilation and filtration are continuously regulated and monitored. At this point, **shelf life** will be at its **longest**.

A team of **experts** in coffee handling takes care of reworking, screening, drying, blending and repackaging of coffee in boxes, bags, big bags, according to our customers' requirements.

A unique track-and-trace system allows **real-time stock visibility**. All batches are barcoded and scanned, allowing instant traceability. Interfacing is possible.

FIRST BELGIAN SCA CERTIFIED PREMIER TRAINING CAMPUS

Our quality team works in a **dedicated laboratory** for physical, sensorial and microbiological analysis of coffee samples. Each **sample** is taken **automatically** on bag-per-bag basis during unloading of the containers. They are barcoded, analyzed and stored for minimum 14 months.

The laboratory is not only used for daily control of samples but also offers a customized service towards our clients for **quality training sessions** by our **Q graders**, in partnership with the **CQI**. In 2018, SEABRIDGE became the first **Belgian SCA Certified Premier Training Campus**.



OCCUPATIONAL HEALTH AND SAFETY (OH&S)

We take care of our **people**, and **safety** is one of the **key pillars** at SEABRIDGE.

In 2018 there was a specific focus on **machine safety** and **LOTOTO**

(= Lock Out Tag Out Try Out; procedure for machine switch on/off after maintenance)

*Ivan Lamilla Muñoz,
Green Coffee Quality Specialist &
Q grader since 2004*



ABOUT SEABRIDGE

-  Established in **2008**, part of the EFICO Group of companies
-  20,000 m² warehouse solely dedicated to **green coffee** - customs warehouse EU
-  **Strategic location** in Belgium, in the center of Europe:
Direct UK connection / 1 hour from Calais Tunnel / 1 hour from port of Antwerp
-  Following the **highest standards** in Quality, Safety, Health and Environment;
compliant with ISO 9001 / ISO 22000 / ISO 26000 and AEO
-  Developing **long-term** business partnerships, sharing the **same vision**

WHAT IS NEXT ?

With the celebration of 15 years of EFICO Foundation and United Nations Global Compact membership in 2018, reflecting on our achievements and challenges, we feel even more motivated to take up our responsibility in tackling the current challenges the global coffee sector is facing.

The good practices of the UNGC and SDGs are founded on communication, transparency, dialogue, partnership and voluntary commitment. At EFICO we highly value these pillars and act accordingly.

We are convinced that collective action and partnerships are the key in providing structural solutions to the current challenges. As a member of the UNGC, Global Coffee Platform, Sustainable Coffee Challenge and World Coffee Research, EFICO continues to foster partnerships and spark concrete impact.

By actively listening to the needs of our partners, we build partnerships amongst private, public and civil society actors and join efforts to drive change and impact.

With the EFICO Foundation we continue making a difference by supporting multi-stakeholder projects in coffee producing countries. For 2018 - 2020 our focus areas are knowledge transfer, sustainable income increase for farmers and adaptation and mitigation to climate change. Particular attention goes to motivating young coffee farmers to continue in the coffee sector by integrating knowledge and technology. In 2018, 10 new projects started up. We look forward to the first results and learnings to be shared.



At EFICO, we keep stimulating our suppliers and our clients towards a more sustainable coffee future:

Via our offices in origin we continue to invest in our partners suppliers for more resilient coffee varieties, access to financing, quality differentiation, improved post-harvesting etc. In our sourcing policy we continue to emphasize sourcing directly from local actors. This favors long-term supply of quality coffee whilst boosting local development and economic growth. We also continue an open dialogue with our customers and suppliers on a sustainable coffee price and how to create win-win partnerships for all actors that last for the future, putting the farmer at the forefront. Connecting throughout the coffee supply chain creates mutual understanding, loyalty and more sustainable business relations. Bringing together our origin partners and clients is always the cherry on the cake.

At EFICO, we aim to deliver qualitative services and products that are safe for consumption, compliant and traceable. As for our QSHE standards, an upgrade took place in 2018 for the new ISO 9001. Both EFICO and SEABRIDGE succeeded in their respective external audits. Up next for 2019 is a further upgrade of our quality standards to the IFS standard, including food defense and food fraud.

In 2019, SEABRIDGE will be operational for 10 years, a milestone since its concept. And EFICO's German office, EFICO GmbH, will exist for 15 years. Two special events to follow upon.



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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.



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