



DURABILIS

PARTNER IN SUSTAINABLE DEVELOPMENT



How to read this Report?

For its Global Activity Report, the Durabilis Foundation decided to give it several angles of lecture in order to dialogue with every single stakeholder.

The Global Activity approach

The main sections of this report refer to the Activity Reports of the Foundation's Business Units and are completed with the Financial Report.

The GRI approach

The Global Reporting Initiative (GRI) is the world's most widely used sustainability reporting framework. This framework sets out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. For the first time this year, Durabilis attempted a partial report that sets the basis for the next years.

The Brochure approach

A third and wider approach has been included for those wanting to share the stories behind the Foundation's activities through stakeholder profiles, managerial reports, activities and other features.

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The reservoir at Fundo Aurelia, Piura (Peru)

From the Chair

Personal Introduction from the Chairman

Ladies and Gentlemen,

The Durabilis Foundation is happy to present its 2007/2008 Global Activity Report.

After three years of operation, the Foundation is now concentrating on its 5 key projects in Burkina Fasso, Senegal, Congo, Guatemala and Peru.

“Drinking Water” and “Fruits and Vegetables” are still our two main activities.

Our 3P principles (People, Planet, Profit) are at the very heart of our vision and mission.

We need to save and preserve our Planet’s natural resources, we put our People on top of our priorities by providing quality training and education, and in the present turbulent financial environment we spare no efforts to obtain a sound level of Profitability.

Sustainable Development is a long term goal. The enthusiasm of our staff is essential to the achievement of our objectives. The Board wants to thank all the stakeholders for their efforts and commitments.

We hope you will enjoy the reading of our report and thank you for your support.



Marc Saverys
Founder and Chairman



I Management Statement

This report summarizes briefly the evolution of the activities of the Foundation since its origins in 2003 until the summer 2008 in order to provide an updated global understanding. Operations and decisions in the first quarter of 2008 had incidences on the future evolution of the Foundation; they are integrated in this report.

Today, Durabilis finances and manages five Small and Medium size Enterprises (SME), three in West Africa and Central Africa, producing and distributing natural drinking water (Barajii*), two others in Central America and South America evolving in the agrifood sector (Fair-Fruit*).

Durabilis operates according to following Vision and Mission:

Vision:

“Our current world economy is often based on an exploitative logic that endangers the future existence of mankind. The consequences of such irresponsible practices are felt more everyday, as the gap between poor and rich broadens, while ecosystems lose their balance. In this scenario, sustainable economy is a crucial means towards a sustainable development of the world and the achievement of the Millennium Goals”.

Mission:

“Durabilis operates as a partner in sustainable economy by providing financial, human and technical resources and knowledge to entrepreneurs in the third world. By embracing an economic model based on the triple bottom line philosophy, i.e. generating profit with respect for people and planet, Durabilis aims at contributing to a sustainable development of the world. Moreover, the profit generated is strategically reinvested so that critical people and planet issues can be addressed.

Durabilis’ activities are actually focused on agriculture and natural drinking water supply in metropolis”.

The Foundation operates through a 99.9% owned Limited Company with Social Purpose**, which at its level takes participations in the local entities. The Global Activity Report includes specific reporting on the projects, financial

data and a first sustainability report according to the GRI*** guidelines (level C).

Background

The activities of the Foundation originate from two specific field experiences in developing countries.

On the one side, a group of university students started in 2003 to support a loquat-fruit cooperative in Guatemala in order to help it in selling its products. This was the birth of “Fair-Fruit” activity.

On the other side, at the same time, a Belgian company Xagic LTD developed with a local African partner a factory for the production of natural drinking water in sachets for the city of Ouagadougou in Burkina Faso. Xagic was looking for financing its expansion in Burkina Faso and other African cities.

In 2005, both projects were taken over by Durabilis. The Foundation bought 99.9% of the shares of Xagic NV in 2006 and Xagic was changed into a LTD with Social Purpose. In 2008, the name “Xagic” was replaced by “Durabilis LTD with Social Purpose” in order to clarify the unity of the non-profit structure.

Meanwhile, the Foundation set up a “Sustainability Working Group” aiming at analyzing the global aspects of sustainable development, from the Millenium Development Goals to the strategies of the U.N., the World Bank, NGO’s, etc... This working group assisted the “Fair-Fruit” and “Water” businesses in their evolution. It also elaborated a unique sustainability reporting system based on the GRI and other sustainability indicators****.

Evolution of the projects

The aim of the setting up of these five full scale economic trial or pilot projects in developing countries was to analyze and to understand new ways of sustainable entrepreneurship

* Barajii and Fair-Fruit are registered brand names of the Foundation.

** Xagic NVSO/SAFS/LTD with Social Purpose. The name Xagic was changed in Durabilis LTD with Social Purpose on July 15th, 2008.

*** GRI: Global Reporting Initiative <http://www.globalreporting.org> . GRI is an independent, global organization that is a collaborating centre of UNEP (United Nations Environment Programme).

**** Out of hundreds of sustainability indicators, the working group selected key indicators in order to measure the relevance of its “Vision and mission”, its impact on the MDG and 10 specific “People - Planet - Profit” indicators in order to follow and improve its businesses.

in developing countries, according to the fast changing challenges these countries face: access to finances, management expertise, IT and technical expertise, local added value, commercial and export know-how.

The combination of field work and the achievement of sustainable performances isn't a sinecure, certainly considering the particularities of the countries and the markets the Foundation operates in.

The Barajii water units focus on assuring professional local management and the improvement of their distribution systems, while working on the optimal 3P-balance (People-Planet-Profit).

The participation in the Kenyan project (2006) was stopped, the project in Burkina Faso is performing outstandingly, being 100% locally managed and generating benefits; the new Senegalese unit is producing as planned but is confronted with the traffic congestion problems in Dakar for the expansion of its distribution network.

Fair-Fruit which was originally confronted with small sales volumes from local cooperatives decided to build out its export capacities. In 2006 it took the initiative to build a packing hall in Guatemala and, in parallel, to source and export large volumes of fruit and vegetables available in Peru to the European and American markets.

In Guatemala, the construction of the packing hall was completed in autumn 2007, allowing testing export sales. Lack of available volumes for export in combination with complex import regulations of the US market led in the first quarter of 2008 to the set up of a new business approach: cropping, packing and exporting becoming now part of one inclusive supply chain*, whereby the different segments of the chain are managed by different partners. The Foundation is actually focusing on the inclusion of the small farmers and the packing, including adding value to the products through local processing. The supply chain is increasing its volumes progressively by now.

In Peru an alliance was made with a medium-sized landowner and in 2006 participation was taken in his activities. Due to a combination and an accumulation of problems, such as bad

product quality, transport problems, market problems and partnership problems, a reorientation of the activities took place in autumn 2007, whereby the Foundation would mainly concentrate its activities on a fully owned 120ha mango plantation.

The experiences in Peru highlighted the fact that the Foundation could not realize its objectives through "organic growth". Immediate change of strategic course was therefore required for which the fundamentals have been defined during the course of the first semester of 2008:

- New alliances throughout the food chain should be made with full professional and experienced actors in each segment of the chain, allowing inclusion of small farmers.
- The involvement of the Foundation in the actual projects would focus in 2008/2009 on the "management" and the 3P "monitoring" of a few "template" field projects in order to include them in the food chain.
- Further analysis, partner investigation and search for external financing will be activated in order to bring the activities progressively at a significant sustainable economic level.
- Voluntary sustainability monitoring, management and reporting are an integrated part of the functioning.

These fundamental concerns and orientations are also applicable to the water projects. They will guide the teams in the coming months, whereby one will focus on the project performances, another on the monitoring, and a third on equity and partner search.

The Foundation believes that the investments made, the work accomplished and the experience gained during these very first 5 years should allow benefiting and incorporating larger scale integrated sustainable projects.



Sebastiaan Saverys
CEO



* Chain-Wide Learning for Inclusive Agrifood Market Development (Pre-final draft November 2007).

The Origins

“To make the world a better place”, was the response Sebastiaan and Evert gave when they were asked in January 2003 why they decided to dedicate all their time to help a local cooperative in Guatemala.

The two young friends from Ghent, just graduated from university, had a dream, a very ambitious one, realizing that this would change their lives and the lives of hundreds, thousands of other people. After being reinforced by their two best friends Kristoff and Carl (Evert’s brother), the four young entrepreneurs started to execute their dream: striving for sustainable development through economic activities.

“Fair-Fruit” provides small farmers with accurate market prices and expertise on quality standards, traceability demands and legislation



Evert Wulfrank, Carl Wulfrank, Sebastiaan Saverys and Kristoff Van Rattinche

The young team (two engineers, an economist and a lawyer) started to train a group of farmers in San Juan Del Obispo in Guatemala, with the purpose of grouping them in a professional agricultural cooperative.

The origin of the Foundation’s involvement in agriculture projects dates back to this young friends’ dream. Their field work and involvement in understanding the potential evolution of these cooperatives led to an in-depth analysis of the fresh fruit and vegetables export market for developing countries.

In what later became the Durabilis Foundation (after incorporating the Fair-Fruit activities and the Barajii water unit already active in Burkina Faso) it was decided to become involved in all aspects of the chain, collaborating with local producers, from small to medium producers and to enhance all aspects of the businesses from cropping to marketing towards the huge international importers all over the world.

This allows the Foundation to share the risks and the profits, while increasing sales volumes thanks to more efficient and more transparent links within the chain. “Fair-Fruit” provides small farmers with accurate market prices and expertise on quality standards, traceability demands and legislation. Moreover, “Fair-Fruit” guarantees accuracy in the control of goods on arrival.

The Foundation believes this will involve a lot of small and medium-sized players in the countries it is working in.

The four young entrepreneurs started to execute their dream: striving for sustainable development through economical activities.

Sustainability Working Group (SWG) 2

Introduction

Durabilis aims at developing sustainable activities that are well balanced with respect to People, Planet and Profit criteria (the “3P’s”). Sustainable development is an eclectic concept and is the subject of multiple debates as to its precise definition. The UN Commission on Sustainable Development (CSD), adopted the following definition of sustainable development:

“Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

Durabilis created an internal multi-disciplinary team (specialized in Hydrology, Agriculture, Sustainable Energy, Anthropology, Sustainable Development and Economy) to develop an operational framework within which the staff of Durabilis and stakeholders can make effective and timely decisions with respect to the sustainability of the projects.

The experts from the Sustainability Working Group interact with the managers from the Business Units and travel to the local projects for short and long-term missions.

How is our model set up?

Various international indicators and reporting standards are integrated to define a custom-made Sustainability Model for the Foundation and its activities, based on the following worldwide accepted documents amongst others:

- Global Reporting Initiative (GRI), United Nations*
- Indicators for Monitoring the Millennium Development Goals, Definitions, Rationale, Content and Sources’, United Nations**
- Project Cycle Management Guidelines, European Union***

The aim is to have a practical working tool adapted to the specific needs of the Business Units and therefore the Foundation designed its own Key Performance Indicators (KPI). Moreover, specific Vision and Mission Indicators (VMI) have been integrated. Four main indicators were deducted directly from the Vision and Mission of Durabilis and correspond with specific sub-indicators for each Business Unit. Ultimately, the Foundation also set up a comparison scheme with the Millennium Development Goals (MDG).

* <http://www.globalreporting.org/ReportingFramework/G3Guidelines/>

** http://devdata.worldbank.org/gmis/mdg/UNDG%20document_final.pdf

*** http://ec.europa.eu/europeaid/reports/pcm_guidelines_2004_en.pdf



Irrigation system on the Durabilis experimental parcel in the community of Gaé (Northern Senegal)

Key Performance Indicators (KPI)

"People"		"Profit "		"Planet"	
KPI 1	Gender	KPI 1	Turnover	KPI 1	Greenhouse gas emission
KPI 2	Compensation	KPI 2	Margins	KPI 2	Use of renewable energy resources
KPI 3	Compliance with Human Rights	KPI 3	Indirect expenses budget versus real	KPI 3	Water withdrawal
KPI 4	Overtime hours	KPI 4	Return on equity	KPI 4	Waste
KPI 5	Employment security	KPI 5	Inventory and receivables	KPI 5	Recycled material
KPI 6	Employment stability	KPI 6	Liquidity ratio	KPI 6	Ozone-depleting substances emission
KPI 7	Trainings	KPI 7	Liabilities	KPI 7	Effluent quality
KPI 8	Health & safety	KPI 8	P&L evolution	KPI 8	Protection/Damage to Habitat
KPI 9	Staff Satisfaction	KPI 9	Evolution of amounts receivable	KPI 9	Chemicals
KPI 10	Community integration	KPI 10	Evolution of amounts payable	KPI 10	Recycling

Vision and Mission Indicators (VMI)

VMI1	Contributing to a sustainable development of the world
VMI2	Develop an economic model based on the triple bottom line philosophy
VMI3	Providing financial, human and technical resources and knowledge to entrepreneurs in the third world
VMI4	The profit generated is strategically reinvested so that critical people and planet issues can be addressed.

Millennium Development Goals (MDG)

MDG 1	Eradicate extreme poverty and hunger
MDG 2	Achieve universal primary education
MDG 3	Promote gender equality and empower women
MDG 4	Reduce child mortality
MDG 5	Improve maternal health
MDG 6	Combat HIV/AIDS, malaria, and other diseases
MDG 7	Ensure environmental sustainability
MDG 8	Develop a global partnership for development

The cycle of operations for managing the sustainability of projects has 3 phases: planning, implementation and evaluation.

This cycle takes into account essential issues and framework conditions in designing and implementing projects. Every project within Durabilis is being aligned to this way of operating.

How is our sustainability evaluated ?

The Evaluation Phase of the model measures and monitors the proximity to sustainability of the projects on 3 levels, Key Performance Indicators (KPI), Vision and Mission Indicators(VMI)and MillenniumDevelopmentGoals(MDG):

1. KPI

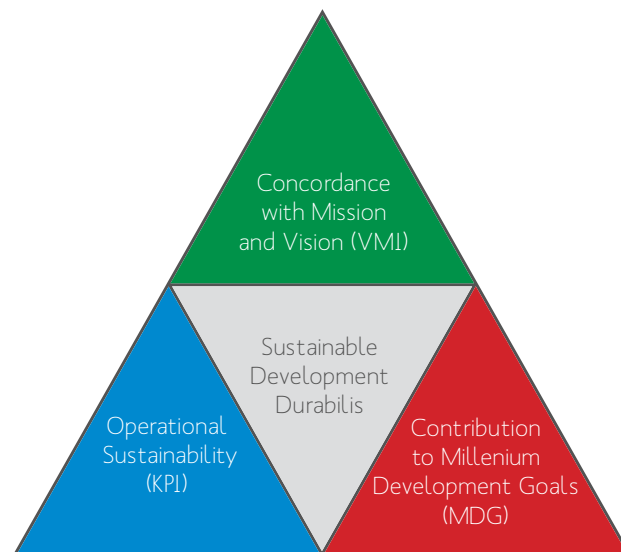
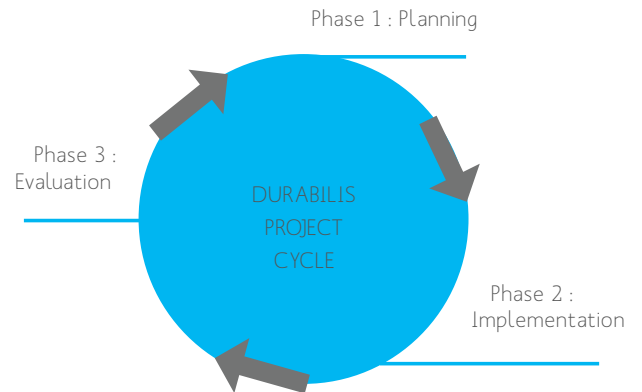
The sustainability of the operations is assessed through a series of 120 quantitative indicators, mainly extracted from GRI guidelines and summarized to 30 Key Performance Indicators. Every indicator refers to a specific aspect of sustainability: People, Planet or Profit. The measurement of those indicators gives a global vision of the balance reached in each activity and enables the definition of targets and objectives for the next year.

2. VMI

The concordance of the operations with the Mission and the Vision of the Business Units is assessed through the VMIs. These are linked to references such as ethical trade or private sector development and evaluated through discussions with key informants.

3. MDG

The contribution to the Millennium Development Goals is assessed through a set of values defined by the United Nations. Those values are qualitatively evaluated.



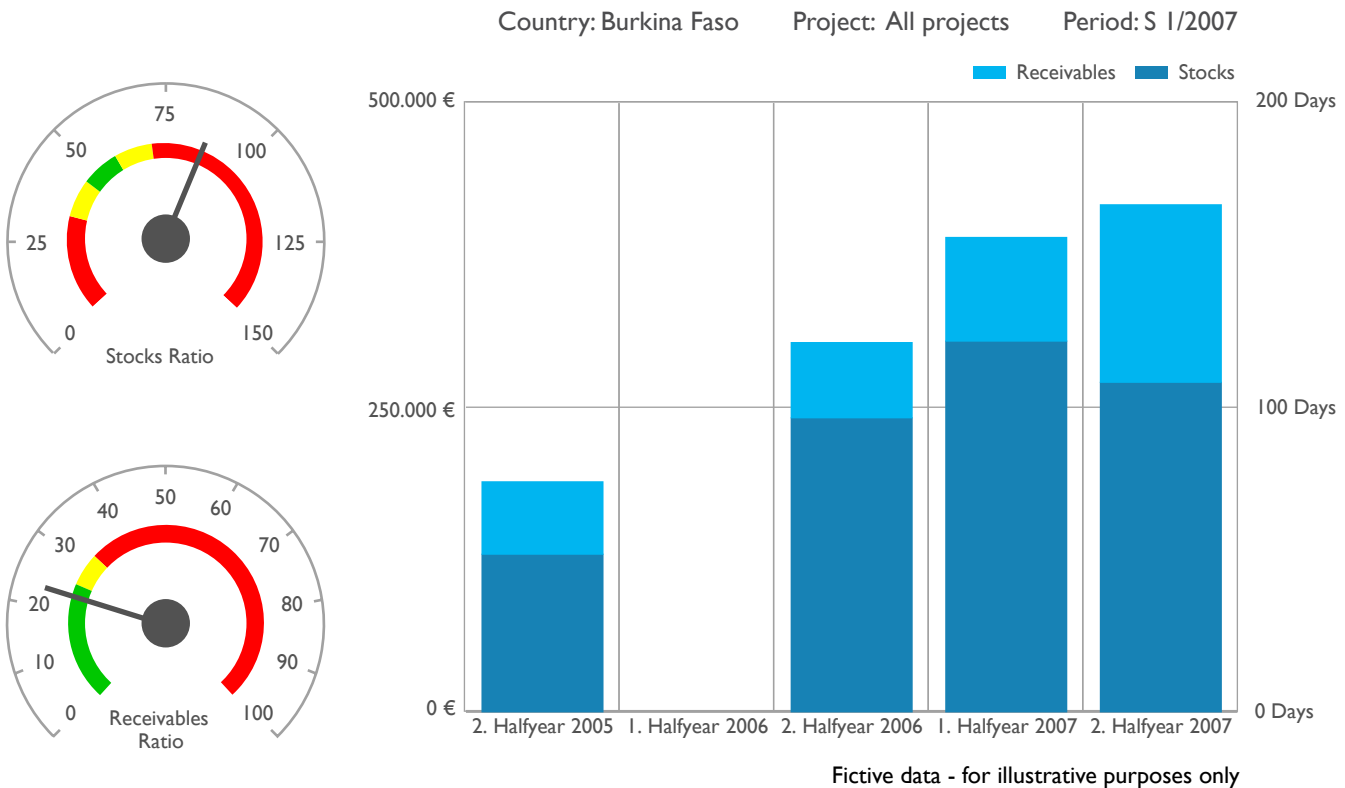
How do we manage, monitor and communicate about sustainability?

All units of the Foundation report periodically to the Head Office throughout an operational framework. This working method guarantees that all performance parameters are closely monitored for the diverse portfolio of activities.

The performance parameters of the Foundation are implemented through a web-based Management Steering Tool to visualize the performance status of all activities. The functionality of this tool is twofold:

1) Decision tool: The indicators of all activities are visualized using standardized performance gauges, graphs and traffic lights. This visualisation allows to compare projects, indicate priorities and finally to support strategic decisions. The tool also allows consolidation and trend analysis to reflect the projects' evolution.

2) Communication tool: Transparent communication is a core value in the development of sustainable activities. Based on the decision tool, communication reports can be easily published for the different target groups of the Foundation.



List of recent publications

The Sustainability Working Group has issued several working papers in order to integrate sustainability into existing management practices and inform the stakeholders of the Foundation.

Overview:

- The strategic positioning of the foundation and its related activities.
- Development of sustainability criteria and related reporting framework for all business units.

- Management of cooperative organization in Guatemala.
- Detailed hydrology and water treatment studies for the water units.
- Internal social and environmental audits on all business units.
- Development of integrated sustainable agriculture model, including chain management.
- Feasibility study on reforestation and carbon sequestration.
- Specific sustainability research support and recommendations.
- Etc.

Sustainability, a definition

The now trendy word “sustainability” leaves room for interpretation and has often been wrongly used.

Sustainability in its embryonic sense was introduced in 1972, in the – mainly ecological – context of the book “The limit to growth” by the Club of Rome. It refers to the number of people on earth and to their paradigm of an irrationally ever-growing economy, characterized by an unlimited and irrational use of natural resources.

The more integrated term “sustainable development” was defined in the Brundtland report (1987) as “to ensure it meets the needs of the present without compromising the ability of future generations to meet their own needs”. This definition added social and financial aspects to the ecological basis.

Especially in the business world, the concept was translated into the 3P philosophy: working towards a world with a sustainable economy, in terms of

- **PEOPLE:** every stakeholder is respected
- **PLANET:** clean technologies and a sustainable use of natural resources
- **PROFIT:** probably a free market, but a healthy one, without any externalities

Business and sustainability

When talking about poverty reduction, a lot of attention goes to foreign investment, businesses and jobs. However, “business for the business” has proven to be an inefficient way to reduce poverty, and definitely not a guaranteed way to sustainable development. But if the will is there to make rational decisions, profit will create the possibility to finance sustainable development.

Social sustainability

Essential ingredients to make a business socially sustainable are: respecting international and national human rights and labour legislation, taking into account local cultures, granting local population independency, responsibility

and the possibility to take part in the created economic value. Dialogue and sensitization of local populations on sustainability issues is also a key task in the contribution to sustainable development.

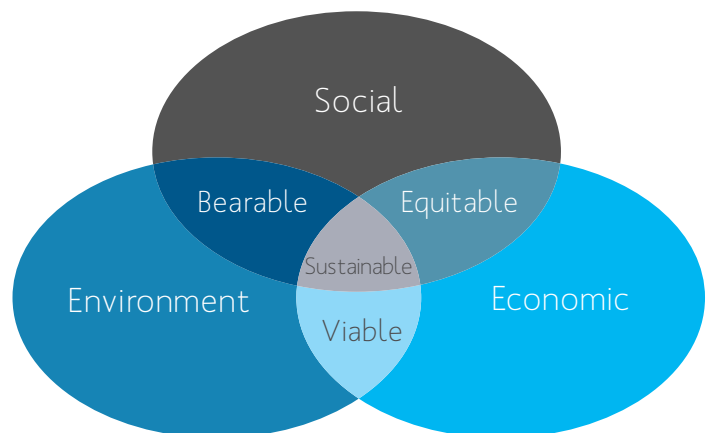
The planet aspect

A good legislation and sensitization system beneficial to the planet avoids that some take and destroy what belongs to many. Recycling and economical production technologies can drastically reduce the material flow. Clean technologies decrease the pressure of hazardous emissions. Only then the estimated ten billion of the next generation will be able to live at acceptable living standards.

Balance of P's.

Sustainable is not sustainable if not all three P's of the bottom lines are fulfilled. The only way to “real” sustainable development is valuing them all, and not compromising any of them. Sustainability, although sometimes difficult to define, is not about “more or less”. It is absolute because it is defined by the carrying capacity of the earth. And it is definitely about less, not more, but a fairly divided less.

The more integrated term “sustainable development” was defined in the Brundtland report (1987) as “to ensure it meets the needs of the present without compromising the ability of future generations to meet their own needs”.



3 .1 Water Activity Report

Strategic positioning

Access to drinking water at a reasonable price will remain a key issue for many more years in the metropolis of developing countries until the majority of the population will have access to reliable tap water.

Vision: To be a company that participates in the sustainable development of the private sector in underprivileged countries by mobilising vital resources for small and medium enterprises, that deliver low cost basic quality goods and services and allocates the benefits to boost local development and access to basic services.

Mission: To set up a sustainable business model for the delivery of low-cost basic quality goods and services based on managerial know-how and best practices and to facilitate the access to technologies, financing and human resources for the private sector.

Vision and Mission Indicators (VMI)

VMW 1.1 =	Develop a sustainable business model (Durabilis VMI1)
VMW 1.2 =	Contribute to the wellbeing of the host countries (Durabilis VMI1)
VMW 2.1 =	Deliver low cost products (Durabilis VMI2)
VMW 2.2 =	Deliver basic quality goods and services (Durabilis VMI2)
VMW 3.1 =	Be active in underprivileged countries (Durabilis VMI3)
VMW 3.2 =	Support and develop small and medium enterprises (Durabilis VMI3)
VMW 3.3 =	Transfer managerial know-how and best practices (Durabilis VMI3)
VMW 3.4 =	Facilitate the access to technologies (Durabilis VMI3)
VMW 4.1 =	Allocate benefits to boost local development and access to basic services (Durabilis VMI4)

Way of operating

Through North - South and South - South partnerships, the Foundation has set up natural drinking water collection and distribution enterprises. The Foundation provides financing, joint management and capacity building programmes targeted towards well-defined reporting, pay back and profit objectives.

Currently, the Foundation, through XAGIC, co-manages three water projects in Africa. One is located in Ouagadougou (Burkina Faso), one in Dakar (Senegal) and one in Kinshasa (Democratic Republic of Congo).

Another unit will become operational in Nouakchott (Mauritania) in the autumn of 2008. In a first phase, the sachets will be exported from Dakar by truck until the volumes necessary to set up a profitable local production unit are achieved. Moreover, similar projects in Mali and Benin (thanks to a loan from BIO) are being explored. The unit in Kenya (Maji Ya Peponi LTD) did not attain the forecasts due to several technical and management issues. At the board meeting of December 14th, 2006, it was decided to stop any further financing of the company. After consultation with the majority shareholders, it was decided to look for a local takeover, which was implemented in February 2007.

The factories pump source water into underground water tables, treat and pack it in water sachets of 400 ml or 500 ml. These sachets are sold at a low price to the population



The sachets ready for transport at SECOSEN in Dakar, Senegal

through a large network of small retailers. Wholesalers ensure distribution in a wider market than the metropolis. Most of these retailers can rely on credit lines from the factory to finance their stocks.

Hygiene and quality controls are essential. The plastic films are produced in Belgium in order to guarantee the best quality available and to be assured of the most up-to-date technical improvements with respect to the strength and the thickness of the sheet. The production process control permits traceability of the produced sachets that are correctly labelled and bear a use-by-date. All factories use the same films and packaging machines, which allows central and coordinated management of spare parts and supplier's advice.

Local technical managers have been trained to install and maintain the machines. They are deeply involved in the implementation of new units where by training the local technical staff, they organise South-South formations.

The Foundation finances the construction of the factory, assures the necessary cash flow during the start-up and the purchase of expensive production material or lorries. It also provides the necessary finances for expansion works. During the start-up period, the loans are interest-free.

The Foundation assists the projects with the help of its own local management and provides the facilities with financial, marketing, technical and IT assistance, both locally and from its operating headquarters in Ghent, Belgium.

The same or maybe even an accelerated pace will be maintained for the coming years as the acquired expertise is imported in turnkey operating manuals guiding through all the necessary steps from the search for the best location to marketing implementation.

Potential Future Impacts

Pure water activities in developing countries can stimulate sustainable development on 2 levels:

1. Improving people's health by delivering basic quality goods at affordable prices. Poor people, living in the cities, are facing the problem of water scarcity and are often forced to drink contaminated water. Pregnant mothers and young children are advised to drink pure water but can usually not afford bottled water. Pure water bags are therefore a good solution in the cities and can have a positive impact on public health. Water bags are sold in the vicinity of schools and hospitals, as well as in popular areas. >>



>> 2. Promoting sustainable entrepreneurship. By offering support and knowledge on sustainability to small and medium enterprises in developing countries, the growth of the private formal sector is stimulated thus creating more decent jobs, increasing income and household expenditures on health, housing and education. This can also lead to a better management of natural resources.

Contribution to the following Millennium Development Goals' indicators is therefore expected:

MDG3 - Promote gender equality and empower women (share of women in wage employment): by employing women in management positions and positive discrimination towards women

MDG8 - Develop a global partnership for development - Help build trade capacity: by acting in a formal and sustainable way in developing markets

- Unemployment of young people aged 15-24 years: by creating employment, and by employing many young people in a sustainable way

Recycling in Africa

Waste, waste management and recycling are major issues in the developing countries. In most of these countries, trying to survive is often more important than the waste problem.

The Foundation analyzed the waste management issues* and the role of the various actors: the government, the city authorities, the local authorities, the population, the companies, ...

It was decided that the best way to contribute to waste recycling projects was to do so according to the "Fost Plus"*** norms by financing local community-based recycling and waste management projects. These recycling units are small enterprises producing plastic pellets used for the production of small electrical equipment, tables, chairs, ...

These small enterprises are often financed by NGO's such as "Engineers without Borders" or by the Belgian Technical Cooperation***.

The increase of the price of the raw material as a derivative of fuel is actually stimulating both the assembly and the recycling activities.

The increase of the price of the raw material as a derivative of fuel is actually stimulating both the assembly and the recycling activities.

* Reference: « Guide pratique sur la gestion des déchets ménagers et des sites d'enfouissement technique dans les pays du sud » from professor Philippe Thonard – Université de Gembloux – IEPF publications 2005

** Reference: FOST Plus was recognized as an accredited body by the Belgian Interregional Packaging Commission for the first time on 18 December 1997. It was set up in March 1994 and now has 54 associate members representing producers and importers of packaging, packaged products or packaging materials, distribution companies and trade federations. FOST Plus is therefore a body that resulted from a voluntary, proactive approach on the part of the private sector in order to bring a global, sustainable solution to household packaging waste management in cooperation with all the players involved in the system (industry, consumers, municipalities, intermunicipal authorities, recyclers, etc.) www.fostplus.be

*** www.btcctb.org



Pollution in Senegal

Project profile

Overall Data

	2006	2007	Diff. '06	Obj. 2008
Production in sachets:	22,000,000	44,000,000	+100%	80,000,000
Turnover in €:	1,148,000.00	2,060,000.00	+79%	3,200,000.00
Gross Profit in €:	568,000.00	935,000.00	+65%	1,500,000.00
Number of packing machines:	13	15	+15%	21
Number of employees:	210	240	+14%	320
Estimated point of sales:	4,000	6,500	+63%	10,000

Funding

	Funding by Durabilis:	Loan BIO:
SEMB	€ 456,000.00	n/a
SECOSEN	€ 1,408,000.00	€ 250,000.00
SECCO	€ 435,000.00	n/a
AQUACONSEIL	€ 24,000.00	n/a
SID	€ 962,000.00	n/a

Profile >

Mansour Dia, Production Responsible at SECOSEN in Rufisque (Senegal)



Mansour (31) and his wife Aminata (31) live in Rufisque, the industrial neighbourhood of Dakar. They are the proud parents of Noubé, a 10-month-old little girl.

Mansour's father is a retired civil servant and his mother still works at the "Centre des Oeuvres Universitaires". He has three brothers and three sisters, some of which live in France.

After studying electricity, Mansour worked at a cement factory for three years. In 2006,

he joined SECOSEN where he is responsible for the technical and qualitative follow-up of the production, from drilling to packaging.

Thanks to his job, he learnt new techniques and managed to gain a secure job with more responsibility. For the future, he hopes to buy a house, to move out of his parent's home and raise three more kids.



Mansour Dia at the SECOSEN factory

Individual data

- SEMB S.A.

(Société des Eaux Minérales du Burkina Faso)
BP 479, Ouagadougou - 01 Burkina Faso
R.C. BF OUA 2003 B14 54

Shareholder Structure:

30% XAGIC - 20% Durabilis - 25% SID - 25% local partner

Brand: Barajji

Sales Price per unit (500 ml): € 0.08/CFA 50

Comments: SEMB (established in 2003) has a 15% stake in the SECOSSEN unit in Dakar, Senegal. ERP (Access data base enterprise resource planning system) has been implemented this year. Three additional lorries will be acquired for the distribution of the products.

- SECOSSEN S.A.

(Société des Eaux de Consommation du Sénégal)
Km 16 Route de Rufisque - BP 20259 Dakar - Thiaroye Sénégal
R.C. SN DKR2006 B 1262

Shareholder Structure:

65% XAGIC - 20% SID - 15% SEMB

Brand: Barajji

Sales Price per unit (400 ml): € 0.08/CFA 50

Comments: SECOSSEN is the first turnkey water project of the Foundation. It started in the spring of 2006 and was fully operational by the end of October 2006. This project required an investment of € 1,100,000.00 and the Foundation managed to secure a loan of € 250,000.00 at an interest rate of 9% from the Belgian Investment Company for Developing Countries, to be reimbursed starting in 2008. In 2007 an ERP management system was implemented and the production capacity was raised following the installation of two new machines. Further investments will be made according to the expansion of the company (additional production equipment and vehicles). This project should be profitable as from end 2008. SECOSSEN was officially inaugurated on March 15th, 2007.

- SECCO S.A.

(Société des Eaux de Consommation du Congo)
Avenue Ucom 2 bis Kingabwa - Kinshasa/Limete RDC
R.C. KM/441/M

Shareholder Structure:

75% XAGIC - 20% SID - 5% SECOSSEN

Brand: Barajji

Sales Price per unit (500 ml): 100 FC

Comments: In may 2007 this project received the go-ahead. In March 2008, the factory was implemented aiming at an effective production as an objective. These are Durabilis' first steps in Central Africa and an opportunity to expand the activities to other domains. Thanks to the experience of the teams, the installation of this unit was made possible in a limited timeframe and in a difficult environment. XAGIC invested approximately 800,000.00 € in this easily expandable small unit.

- AQUACONSEIL S.A.R.L.

Lot 15 quartier Akpakpa PK-6,
01 BP 3516 Cotonou, Bénin
R.C. RB/COT/07 B 855

Shareholder Structure:

49% XAGIC - 51% Local Partner

Brand: Barajji

Sales Price per unit (500 ml): (not defined yet)

Comments: AQUACONSEIL was set up in 2007 to research the establishment of a production unit in Bénin.

- SID S.A. (Société d'Investissement et Développement)

Km 16 Rte de Rufisque BP 20259 Dakar - Thiaroye Sénégal
R.C. SN DKR2005 B 17395

Shareholder Structure: 80% XAGIC - 20% Local Partner

Comments: SID (established in 2006) acts as a holding company and holds minority participations in SEMB, SECOSSEN and SECCO and manages SECCO's real estate. Further development of this holding is planned in 2008.

Profile >

Zalia Sawadogo, repacker at SEMB in Ouagadougou (Burkina Faso)



Zalia (44) has been married for 23 years to Boucari (49), a professional soldier.

They have three daughters, Aissatou (23), Kadijatou (19), Ramatou (13) and one son, Cheick Salif (18). They all live at home and go to school.

After her education, Zalia left her village of Ouahigouya in the North of Burkina Faso where she lived with her father, a farmer, her father's three wives and their 11 other children.

She arrived in Ouagadougou where she met her husband. Back then, she was selling the local Bissap juice to make some money but, eventually, she abandoned this, as her clients did not pay her regularly. She then concen-

trated her attention on her children, until 2004, when she started at the SEMB, first as a daily worker, then, since August 2005, as a full-time employee.

She also had to cope with her husband being sent on missions abroad (France, Senegal, DRC,...), having to take care of the four children all by herself.

Nevertheless, their two salaries combined helped them put their children through school.

At the SEMB factory, Zalia is part of a team of 18 women, responsible for repacking the sachets that have been sent back by the shops. During transport, some of the 22 bulk-packed sachets might break. As the SEMB guarantees the replacement of damaged sachets, Zalia and her co-workers unpack, wipe and repack them.



Zalia Sawadogo at work at the SEMB factory

Working at SEMB has helped Zalia earn a regular income. She also organised savings with her colleagues, so everyone can face big expenses. For the future, she wants to keep a steady job so she can take care of her children's future and thus give them more independence.



Barajii advertising in Burkina Faso

First steps in Congo

The Democratic Republic of Congo is emerging from a cycle of intensive lootings and wars, that have caused more than five million deaths, countless wounded and indescribable suffering between 1998 and 2007. The consequences can still be felt today.

The Congolese state is recovering but public services are still failing. Legal certainty is not yet guaranteed, the health and education systems are still inaccessible for too many people, electricity and water supplies are not safe and the transport infrastructure is still being reconstructed. Subsequently, it is not surprising that the entrepreneurial environment of the DRC has been classified as one of the most difficult in the world.

Faced with this environment, local initiatives such as foreign investment for local production activities are rare, as are formal and stable jobs. Therefore, in contrast to the incredible intrinsic wealth of the Congolese country, the people remain one of the world's poorest, with one of the lowest degrees of development.

In contrast to the incredible intrinsic wealth of the Congolese country, the people remain one of the world's poorest, with one of the lowest degrees of development.

By investing in the DRC, Durabilis has therefore undertaken a huge challenge. Establishing the company, renovating the buildings, logistical aspects of the supply, developing a distribution system,... nothing is obvious in the DRC and the staff at SECCO (Société des Eaux de Consommation du Congo) had to give their best from the very start of the project, in order to secure the best possible chances of success, for the future.

But the efforts will not be in vain! Early 2008, stable and rewarding work will be guaranteed for about one hundred people directly, and several hundred people in an indirect way. Accommodation, sufficient food, medical

coverage, tuition... will be provided by SECCO to many families.

In addition, for many of the eight million inhabitants of Kinshasa, water bags are the only rescue from thirst. The regulated water supply is not really accessible and for those who have a connection, the quality is not guaranteed. It is mostly produced in doubtful hygienic conditions and therefore seen by the public services as an important vector for cholera, typhoid fever,...

With "Barajii", a real alternative will be offered to the people in Kinshasa. Filtered according to international standards, produced under strict hygienic conditions, kept in a safe qualitative packaging and distributed on a large scale, the natural water "Barajii" will quench the thirst of a large portion of the population without health risks.

It is not surprising that the entrepreneurial environment of the DRC has been classified as one of the most difficult in the world.



Packaging for the Barajii sachets in DRC

From the local Management

Nouhoun Barro, General Manager of SEMB (Burkina Faso), on the issue of access to drinking water in Sub-Saharan Africa.

Every year, the issue of access to drinking water crosses Africa, and particularly Sub-Saharan Africa. In Burkina Faso, the political authorities continuously attempt to improve the living and health conditions but the access to drinking water remains critical.

The high quality, availability and accessibility of the product are all properties that distinguish “Barajii” from other competing products.

Through its “Barajii” brand of pure and natural water, the SEMB (Société des Eaux Minérales du Burkina) supports various programmes already undertaken to facilitate the access to drinking water to the populations of the cities and the countryside. From this point of view, and taking into account the mission assigned to SEMB, the adequate human, material and financial resources were made available to gradually gain market shares, estimated to 80% at the end of 2007. Given the importance of

the challenge, the objective to conquer other market shares will continue for 2008 and beyond. The high quality, availability and accessibility of the product are all properties that distinguish “Barajii” from other competing products.

In view of the investments that will be made in 2008, the activity production level will grow by another 25 to 30% compared to the year 2007 where the level of activity already speaks for itself.

Based on all the foregoing, SEMB’s contribution to the access to drinking water undeniably provides a great relief to the populations of the cities and the countryside. There is nothing more satisfying to see how the “Barajii” pure and natural water is helping the population’s hygiene and health. And that is what makes us proud at SEMB: the feeling of being useful and contribute to the human development in Burkina Faso.



Nouhoun Barro

And that is what makes us proud at SEMB: the feeling of being useful and contribute to the human development in Burkina Faso.

The SEMB factory in Ouagadougou, Burkina Faso



3 .2 Fair-Fruit Activity Report

Strategic positioning

Fair-Fruit believes in vertical integration in the FFV (Fresh Fruit and Vegetable) business in order to ensure correct pricing at all levels, without price increase consequences for the consumer.

Vision: To be a company that promotes sustainable economy and development in the fruit and vegetables sector, that includes small farmers in formal markets, that assures a correct pricing at all levels and respects the environment, labour and human rights throughout the whole chain.

Mission: To provide an alternative for unsustainable practices in the fruit and vegetables sector, such as unsustainable production, disproportional concentration of market share and unfair distribution of profits and risks, so that underprivileged groups are able to participate and benefit from the economic development.

Vision and Mission Indicators (VMI)

VMFF 1.1 =	Achieve sustainable economy (Durabilis VMI1)
VMFF 1.2 =	Achieve sustainable development (Durabilis VMI1)
VMFF 2.1 =	Assure correct pricing at all levels (Durabilis VMI2)
VMFF 2.2 =	Provide for an alternative in the FFV sector (Durabilis VMI2)
VMFF 2.3 =	Assure fair distribution of profits and risks (Durabilis VMI2)
VMFF 3.1 =	Include small farmers in formal markets (Durabilis VMI3)
VMFF 3.2 =	Improve economic development of underprivileged groups (Durabilis VMI3)
VMFF 4.1 =	The profit generated is strategically reinvested so that critical “people” and “planet” issues can be addressed. (Durabilis VMI4)

Way Of Operating: From small growers to integrated macro-projects

The Foundation’s involvement in agricultural projects originated in 2003 when a team of young university students teamed up with fruit cooperatives in Guatemala. Their field work lies at the basis of understanding the role of small farmers in the food chain and the difficulty for them to participate in this chain.

In order to understand the role and the difficulties of the small farmers, the team also analyses the research and literature available on the impact of sustainable and fresh produce for developing countries.

Indeed, recently, a public debate has been opened on new topics in the agro industry and particularly in the area of sustainable quality, where supply chain requirements appeared. Debates were initiated on fair trade, ethical trade, sustainable trade...

Furthermore, food security, access to arable land, the right usage of irrigation, the importance of the South-South markets and working with small farmers are items that are now continuously underlined and are considered as new strategic “requirements” for sustainable agriculture worldwide. A very recent survey outlines the importance of including small scale producers in the modern sustainable agro-food business. It also provides answers and a methodology.

Stepping back from the complexity of the day-to-day operations and achievements, one could say that “Fair-Fruit is setting up full-scale trial or pilot projects in order to analyze new ways for sustainable entrepreneurship in the agricultural supply chain in developing countries”.

These projects are implemented in three countries: Guatemala, Peru and Senegal. These countries offer an ideal mix of different levels of development, types of agriculture and market potentials.

The main difficulties Fair-Fruit experienced during the last years are the access to high crop quality, the regular supply in



large volumes and the market volatility. It also appeared to be very difficult to integrate ad hoc exports in existing regular supply chain programmes.

Furthermore, the identification of trustworthy local partners and their agricultural skills requires the full attention of the team and the set-up of appropriate control and consulting mechanisms.

The objective of these tests is to find out if small or medium sized growers can gain access to formal markets without being too dependent on exporting companies or without being protected by trade mechanisms.

The fundamental question is: “Is there a possibility to create partnerships for development based on small-scale sustainable agriculture and access to export markets?”

The Foundation is confident in its step-by-step approach which is contributing to the Millennium Development Goals by creating a global partnership for development.



Bean field in Santa Apolonia, Guatemala



Countries and Products

Summary of Countries



Profile >

Claudia Xol Aguilar, responsible for Good Agricultural Practices and HR administration in San Juan del Obispo (Guatemala)



Claudia is 19 years old. She's an only child and has been living with her aunts and uncle since she was 11 years old. Her aunt Esperanza (49) is a private nurse, her aunt Marta (63) manages a small drugstore, her uncle Asunción (53) is a musician and Karen (20), Esperanza's daughter is a student.

Claudia went to high school and is now studying System Engineering at University, where she has three years left before graduating.

At Fair-Fruit, Claudia takes care of the registers, the calculation of the payments

and various control procedures: entrance and exit of the workers, the cleaning personnel and their registers, hygiene, uniforms, washing hands, plagues,... She is also responsible for the purchases of the processing area.

She started her career in 2004, working at the Loquat jam factory. She then did an internship at Fair-Fruit during the harvest of 2005 and was hired in October 2006.

During the building of the packing hall, she prepared the registers for Good Manufacturing Practices. She also temporarily replaced various workers within the company.

She has learned a lot from her work with Fair-Fruit and has made some "amigos para



Claudia Xol Aguilar at work

la vida". For the future, Claudia hasn't decided yet on how she sees her life once she is graduated but she definitely wants to dedicate herself to good manufacturing practices.

Summary of Produce

FRUIT			JAN	FEB	MAR	APR	MAI	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
AVOCADOS	Guatemala	Hass													
	Peru	Hass													
LOQUATS	Guatemala	Tanaka													
MANGOS	Peru	Haden													
		Tommy Atkins													
	Guatemala	Tommy Atkins													
CITRUS	Peru	Navel Oranges													
		Satsuma Mandarines													
		Fortuna Mandarines													
		Minneola Tangerines													
VEGETABLES			JAN	FEB	MAR	APR	MAI	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
FINE BEANS	Guatemala														
ORIENTAL VEGETABLES	Guatemala														
SUGAR SNAPS/SNOW PEAS	Guatemala														

The Loquat...

...straight from the Cooperative of San Juan del Obispo.

The Loquat originates from the East and arrived in Latin America via the great expeditions. It is characterised by its extremely refreshing and light taste, appreciated by lovers of both sweet and sour. The Loquat contains a lot of water and hardly any calories and thus scores well from a dietary point of view.

The Loquat is also known by the names Nispero, Nèfle, Nespera, Japanese Medlar, Yenidunya. Centuries ago, Traditional Chinese medicine discovered its beneficial effects. Its watery composition and abundant minerals (Calcium, Magnesium, Potassium,...) combined with Beta-Carotene, Pectin, and Tannin make it

good for the digestive system.

It can be eaten as a whole fruit, cut up in cold summer desserts or with numerous dishes. It can be peeled easily by hand, just like a banana. No knife needed.

In 2007, Fair-Fruit exported 18 Tons of Loquat from the Cooperative in San Juan del Obispo to Europe and Canada.

In 2007, Fair-Fruit exported 18 Tons of Loquat from the Cooperative in San Juan del Obispo to Europe and Canada.



Potential Future Impacts

Qualitative analysis confirmed that Fair-Fruit's presence presents an opportunity for disadvantaged groups to improve their quality of life and stimulate sustainable development. Although the current activities have not always been in line with this strategy at this time, there is sufficient proof that the strategy offers a good solution to small farmer's needs and expectations. There is a general agreement on the need for transparency, fair treatment, market information, elimination of intermediaries, technical and entrepreneurial assistance and access to more interesting markets.

Small farmers with limited possibilities are dependent on some exporting companies and are vulnerable to unfair practices. They do not have a clear understanding of the market and its influence on their business. Be it at a very small scale, they are also entrepreneurs that need to manage human and natural resources. They will be able to achieve this with a



Inside the packing hall in San Juan del Obispo, Guatemala

supportive client that does not fear sharing information and expertise. That is why we are confident that we are continuously making contributions to some of the MDG indicators and in doing so creating a global partnership for development (MDG8):

- Help build trade capacity: by helping farmers to commercialize their products and procuring them with information on the market (MDG8)
- Unemployment of young people aged 15-24 years: by creating employment, and by employing many young people (MDG8)
- Proportion of population below \$1 (PPP) per day and population below the national poverty line: by helping small farmers to commercialize their product. Extremely poor people will benefit as they are directly related to the farmers (trickle down effect) (MDG1)
- Poverty gap: by helping small farmers to get a bigger share of the profit (MDG1)
- Share of poorest quintile in national consumption: since farmers are the poorest of the country, and the objective is to allow them to earn a bigger piece of the pie, their share in national consumption is supposed to increase (MDG1)

Project profile

Overall Data

	2006	2007	Diff. '06	Obj. 2008
Production in tons:	904	3.928	+334 %	3.150
Turnover in €:	673.000,00	1.722.000,00	+155 %	1.287.000,00
Gross Profit in €:	35.000,00	-566.000,00	- 1.751 %	296.000,00
Number of employees:	210	240	+ 14 %	320

Funding

	Funding by Durabilis:
FAIR-FRUIT NVSO BELGIUM	€ 195,000.00
CEISWEC	€ 1,751,000.00
EASY & READY SA	n/a (indirect funding)
CORPORACION AGROINDUSTRIAL WAIMANALO FAIR-FRUIT	€ 625,000.00
WAIMANALO FAIR-FRUIT TRADING S.A.C.	€ 763,000.00
FAIR-FRUIT SENEGAL	n/a (2008)

Individual data

- FAIR-FRUIT NVSO BELGIUM

Verlorenbroodstraat 122 b 8 - B-9820 Merelbeke - Belgium
HR Gent 136 852

Shareholder Structure : 99% XAGIC - 1% Durabilis

Comments: Fair-Fruit Belgium acts as a sales representative for the European market of the Fair-Fruit production from Guatemala, Peru and Senegal.

- CEISWEC S.A

(Cooperacion Economica de Interes Social, Sa)
Ruta Nacional 14, Km.77, Lote 1, Aldea San Lorenzo El Cubo, Municipio de Ciudad Vieja, Departamento de Sacatepequez - Guatemala
RC 58534

Shareholder Structure : 99.9% XAGIC

Comments: After the remodelling of the reception hall in San Juan del Obispo and the opening of the packing hall in San Lorenzo el Cubo, CEISWEC was ready to offer packing services to the export company EASY & READY at the end of 2007. CEISWEC also established formal contracts between COOINCOM (the local cooperative acting as a supplier for Loquats) and Fair-Fruit. Crop quality and volumes were improved in 2007, thus offering access to export markets.

- EASY & READY SA

27 Ave. 9-23 Zona 4, Finca El Naranjo, Mixco – Guatemala
RC 67688

Shareholder Structure : 99% XAGIC - 1% Durabilis

Comments: EASY & READY is the export company for Fair-Fruit in Guatemala

- CORPORACION AGROINDUSTRIAL WAIMANALO FAIR-FRUIT

Urbanización Magisterial Mz. A, L-12, Distrito de Chinchá Alta, Provincia de Chinchá, Departamento de Ica - Peru
RUC N° 20494258308

Shareholder Structure : 67% XAGIC – 33% Local Partner

Comments: In 2007, the production company for Fair-Fruit in Peru purchased “Fundo Aurelia”, its own 100ha mango plantation of for sustainable cropping modelling.

- WAIMANALO FAIR-FRUIT TRADING S.A.C.

Urbanización Magisterial Mz. A, L-12, Distrito de Chinchá Alta, Provincia de Chinchá, Departamento de Ica - Peru
RUC N° 20494258481

Shareholder Structure : 67% XAGIC – 33% Local Partner

Comments: In 2007, the export company for Fair-Fruit in Peru successfully achieved medium size exports of mango's and citrus fruits to the American and European markets.

- FAIR-FRUIT SENEGAL

Comments: The export of mango's to Europe was tested in 2007 by setting up the appropriate supply chain. This was achieved with an external partner. Fair-Fruit Senegal will be established in 2008.

Profile >

Domiciano Gomez Díaz, Farmer in San Juan del Obispo (Guatemala)



Domiciano (48) and Oralia (41) got married in 1987 and have 4 children. Samuel (20) is a sportsteacher while his three sisters Monica (17), Barbara (14) and Fatima (9) still go to school.

Monica is about to finish her training as a primary school teacher, just like her father some 20 years ago.

From a very young age, Domiciano worked as a farmer to pay for his studies. He then worked as a teacher in several parts of the country. In 2005 he was able to obtain a wonderful job as a primary school teacher in his hometown San Juan Del Obispo, where he still combines his work with farming, while Oralia takes care of the household. He's an avid theatre player, and is encouraged by his wife to do so.

Most of their income is invested in the education of their children and the improvement of their house. They have been able to

install electricity, water, a phone line, sewage and a water reservoir. They've also built a garage and an additional floor with three bedrooms.

When, in 2007, the Cooperative, supported by Durabilis, bought 5,700 Loquat trees, it gave the family the opportunity to expand their farm from 30 to over 90 Loquat trees. At that time, Domiciano was elected vice-president of the Cooperative for a year. The family also employs three to four seasonal workers during the harvest.

Agronomical engineers financed by Durabilis offered him technical assistance and he's currently being trained on Good Agricultural and Processing Practices by Fundacion Agil in order to obtain a certificate.

Domiciano hopes that the Cooperative will continue to grow to become a more important player on the market. He proudly adds that had never seen before Loquats of such good quality. The new Packing Hall is also a clear improvement for the farmers' competitiveness. He and his family realize



Domiciano Gomez Díaz and his family

that they must take into account that the trees will not give a steady produce every year, but they hope it will fluctuate less in the future so that they can have a stable and recurring income.



The Agua volcano in San Juan del Obispo, Guatemala

From the local Management

Evert Wulfrank, General Manager Fair-Fruit Guatemala, on his activities in the field.

In January 2007, my duty was as clear as crystal: to go to Guatemala with the mission to start up a profitable production in the state-of-the-art facility that was still under construction, and by doing so fulfilling our social mission to promote a local sustainable development.

Guatemala is a country full of opportunities: the fertile soil and the eternal spring make it one of the better agricultural environments, that's certain. Limes, avocado's, mangos, "haricots verts", snow peas ... all of these are more or less known to be commodities in Guatemala. And fortunately we had designed the packing hall to be as flexible as possible.

After some decisive analysis with the help of our Sustainable Working Group, we agreed that the fresh vegetable sector would by far be the most relevant in terms of social development. Guatemala counts hundreds of thousands of small farmers, all used to growing something on one of the very small pieces of land they have at their disposal. Besides that, there was an already existing business of vegetable exporters, and it was clear that this trading could be done in a much more ethical way, meaning sharing the risk of exporting, paying the grower a fair price and empowering the rural communities with technical and organizational assistance. After all, this had become Fair-Fruit's strength after the thorough experience with the Loquat farmers!

Not only did we have to find the proper grower groups to work with, we also had to assist them in their agricultural planning, so that we could meet our clients' demands concerning quality. This may sound very logical and easy, but one should not forget that we are talking about the poorest of the poor in the highlands of Guatemala. These indigenous people, who instinctively know when it will rain and whether the harvest will be good, had never come across any other culture or vision. Although they may be used to growing beans and peas, they don't

understand why people in Belgium would pay 10 times more than they're used to for quality produce. The fruit should taste as fresh as possible and any mechanical damage is enough to be rejected in our packing hall. After some investigation, it was agreed to outsource the communication with the farmers to a Guatemalan foundation specialized in agricultural coordination: Fundacion Agil. With the help of our own agricultural team the growers succeeded in supplying the very first container of fresh Mange-Touts to Europe. And with the help of our commercial team in Belgium, we managed to create a demand in Belgium.

However we could still not speak of any success at all, because the biggest part of our volumes was scheduled for the US market. This US program was supposed to be one of the least difficult ones, because of the near location of the Miami Port and the low risk of quality. But it turned out differently. Indeed, the Guatemalan exporters association didn't sign the export approval for our vegetable products. Due to this delay we faced losses because of quality deterioration.

We concluded that a 100% integrated control and overall process excellence had to be assured. We could not just rely on any party involved in the chain, without thorough assessment of the required competences. >>



Evert Wulfrank

Confidence is a necessary base for long-lasting quality success.



The packing hall in San Juan del Obispo, Guatemala

>> This goes from tight assistance to the farmers in the production and their control on pesticide applications and food safety, to overall logistical management, and moreover the post harvest processing and packing excellence. Sales at fixed prices in contracted programs are a last necessity to success: every produced item has to have a home before planted.

We decided to identify on each level a good and competent partner and closed well defined cooperation contracts with them. For the agricultural control we have an external agricultural team to accompany the Mayan rural

farmers and to spend significant time amongst them. With them we reduced our base of farmers groups to launch again with the most confident farmers groups: the ones that are truly illuminated by the food safety and quality necessity. We don't want to face any more pesticide issues.

For the processing (fresh cutting, washing, drying and bagging) we hired a micro-biological expert with relevant experience in the fresh cut vegetable sector.

Finally we closed an interesting agreement with one of the top clients for the US market. In their search for more

CSR (Corporate Social Responsibility) our sustainability mission convinced them.

It took us a whole year to reach that stage, and our team is proud to prepare a year-round supply of fresh cut "haricots verts", triple-washed, bagged and sealed in a 0.5 kg bag package for the US market. This launch will be a test and will allow us to analyze our position of success.

The Mayan Agriculture proudly presents this high-quality product, grown with the utmost care, to the consumer.

Craft: the end of the road...

Craft has always been part of the traditional fair trade business, but sometimes competition is just unbeatable...



In 2003, the Foundation set up a small-scale craft project in Guatemala as an additional community-based activity to the Fair-Fruit Loquat business (cf. Fair-Fruit Activity Report). The objective was to promote a collection of hand-made - mainly wooden - products in Europe.

In 2007, the Foundation decided to end its activities in the craft segment as it appeared to be too complex to compete with the new markets of "craft-looking" products which are produced on an industrial scale and sold in huge quantities at very low prices in a few specialized home decoration department stores. The majority of the local team working on the craft project was integrated in the Fair-Fruit activities.

It appeared to be too complex to compete with the new markets of "craft-looking" products which are produced on an industrial scale and sold in huge quantities at very low prices

15/08/2007: Earthquake in Peru

A 7.9 magnitude earthquake ravages our workers' homes.



On the evening of 15th of August, an unprecedented earthquake ravaged the Peruvian cities of Cañete, Pisco, Ica and Chincha. This earthquake (with a 7.9 magnitude on the Richter scale) claimed over 600 lives and caused widespread damage. Over 100,000 people lost their homes, which are extremely weak as they are made of adobe (a mix of mud, sand and straw).

Being directly involved in the town of Chincha through its Fair-Fruit operations, the Durabilis Foundation wanted to take immediate action to help both our workers and their community.

It was decided to offer immediate logistic aid (four pick-up trucks and 8 men) on the scene to distribute water, food, clothing, tents and

medicine to the poorest districts in the remote surroundings of Chincha. Supplying these areas was very difficult, as the collapsed prison with 580 escaped detainees increased social disorder.

Over 100,000 people lost their homes.

The Foundation also made a donation of \$ 50,000.00 and the Fair-Fruit Team organised a benefit party on the 6th of December in "De Centrale" (Ghent). This event raised an additional € 7,200.00, thanks to the fundraising aid of various bands (My Alpha Female, Liam Chan, Skatchou Bottos and the Dancing Boots,...) and DJ's (Hermanos Inglesos, Seba Loop, The Rufus and Noé,...).

The proceeds will be used to re-build a town in Chincha called Santa Magdalena, with the local help of The Rotary Club and La Cooperacion Italiana.

More than 40 houses will be built and the families will get technical assistance.

The Durabilis Foundation wanted to take immediate action to help both our workers and their community.



3 .3 Agrofuel Activity Report

Strategic positioning

The Durabilis Foundation adopts a proactive role in the debate on climate change. Research has been performed on reducing the emission of GHG (Greenhouse Gasses), protecting ecological habitats and producing agrofuels. The agrofuel business unit was created as a spin-off of the research activities.

Vision: To demonstrate the technical and economic viability of a sustainable energy model, primarily based on agrofuel production, by developing and transferring adequate scientific, technical and organizational skills to local communities in developing and emerging countries.

Mission: To provide a sustainable energy model with a focus on energy efficiency, energy autonomy and climate change mitigation, adapted to specific local needs in developing and emerging countries, in order to deliver economical, social and environmental improvements.

Vision and Mission Indicators (VMI)

VMA 1.1 =	Develop a sustainable energy model (Durabilis VMI1)
VMA 1.2 =	Deliver economical, social and environmental improvements (Durabilis VMI1)
VMA 2.1 =	Improve energy efficiency (Durabilis VMI2)
VMA 2.2 =	Improve energy autonomy (Durabilis VMI2)
VMA 3.1 =	Provide answers to specific local needs (Durabilis VMI3)
VMA 3.2 =	Be active in developing and emerging countries (Durabilis VMI3)
VMA 3.3 =	Transfer adequate scientific, technical and organizational skills (Durabilis VMI3)
VMA 4.1 =	The profit generated is strategically reinvested so that critical "people" and "planet" issues can be addressed. (Durabilis VMI4)

Way Of Operating

A multi-disciplinary team has established a knowledge database and international network in the following disciplines:

- Agrofuel crops: *Jatropha* (*Jatropha curcas* L.) - algae - castor bean
- Agrofuel processing: harvest - stock - pressing - filtering
- Agrofuel products: generating electricity - transport - cooking
- Other renewable sources: wind energy - solar energy

Together with local partners, the scientific knowledge is transferred, adapted to the regions. Through experiments and trainings, the following support can be provided:

- Operational: *Jatropha* nurseries
- Operational: drip irrigation
- Operational: planting and maintenance of *Jatropha*
- Organizational: framework for agriculture experiments
- Organizational: small farmer cooperation

Core Values:

- Life cycle control: control of the emission (CO₂, SO_x, NO_x) during the complete cycle
- Socially adapted model integration
- Knowledge transfer (technical, scientific and organizational)
- Local market focus
- Food vs. fuel: limit competition and look for complementarities with food crops
- Environmental balance: limit chemicals and unbalanced use of natural resources
- Fairly distributed carbon credit

Project profile

In order to investigate the potential of agrofuel crops, the Durabilis Foundation launched an experiment in the North of Senegal, within the community of Gaé, close to the Senegal River. The selected region is characterized by drought and elevated temperatures which result in limited possibilities for traditional agriculture. However, the proximity of the Senegal River and the existence of the Manantali Dam enable irrigated culture. In September 2007, The Durabilis Foundation started an agricultural experiment with



6 drip-irrigated hectares. The objective is to help the local community to valorise the marginalized areas and to demonstrate the technical challenges related to new crops and techniques.

Initially, the Jatropha plant was selected for its beneficial properties. The 6 hectares are managed by a local team to test different varieties, fertilizations, water supply, soil conditions, intercropping with other crops, etc. In addition, an extended nursery was built to boost the plantation in 2008 which can serve as a large scale nursery for quality Jatropha seedlings. These seedlings are designated for areas where food competition is not stringent or for intercropping with existing plantations.

The Concept

The Durabilis Foundation implements an integrated agriculture model in close cooperation with the local community. Next to the fuel crop (first phase of Jatropha), the integration of food crops and cash crops (export products) is investigated. This means that the Jatropha oil (fuel crop) can be used to satisfy the local energy needs of the community (electricity, transport, cooking, irrigation,...). Thanks to the irrigation, huge marginal areas can grow food crops for local use and eventually export products. Finally, sustainable development will be achieved if this autonomous agriculture model is realized with a mutual respect for the social, ecological and economic environment.

The Durabilis Foundation plays a leading role in the investment and maintenance of the infrastructure, the operational and organizational training and support to the local farmers.

Potential Future Impacts

Worldwide, 2.4 billion people rely on traditional biomass (wood, grass, etc.) for cooking. Inefficient burning of this biomass causes air pollution and associated health problems. This “kitchen killer” has more fatalities than malaria. In addition, the gathering of biomass is labour- and time-intensive and mainly performed by women (the gathering takes up to 5 hours a day in Sub-Saharan Africa). Also, 1.6 billion people still do not have access to any form of electricity. Energy is, however, an essential element in development. Through energy, people have access to water, can improve agriculture, improve industrial productivity, facilitate health care, promote economic activity, education, etc. >>

>> Sustainable energy supply (such as Jatropha) with a focus on a 3P balanced local development contributes to the following Millennium Development Goals:

MDG1 - eradicate extreme poverty: local energy production and access is considered a key element in supporting economic development.

MDG2 - achieve universal primary education: access to local energy will free time for education

MDG3 - promote gender equality and empower women: local energy access will free time for the economic development of women

MDG4,5&6 - reduce child mortality, improve maternal health and reduce diseases: Energy can be used to pump and treat local water resources, thus reducing child mortality and several diseases. Efficient cooking can reduce air pollution. Energy availability can significantly improve health care.

MDG7 - ensure environmental sustainability: Transferring the current deforestation (wood gathering) to production and efficient use of sustainable fuels can significantly reduce the environmental damages.

In collaboration with :



CO₂ emissions

Calculating and compensating

Durabilis takes CO₂ emissions very seriously and keeps track of its emissions for all activities. For 2007, the Durabilis Foundation did offset 110 tons of CO₂ to compensate the travel emissions of the international management. The compensation is realised externally by the means of a CO₂

credits retailer that supports a small scale biomass power project in the North of India. Unused agricultural waste is used to generate energy and to provide an additional economic benefit for the small local farmers.



The Jatropha nursery in Gaé, Senegal

Reforestation

Conserving the Planet

The Earth's climate is increasingly altered by human activity. Scientific evidence strongly indicates that natural influences alone cannot explain the rapid increase in global near-surface temperatures observed during the second half of the 20th century*. Human impact on the climate system includes increasing concentrations of atmospheric greenhouse gases (e.g. carbon dioxide, methane and nitrous oxide), increasing concentrations of airborne particles and land alteration.

Every year, deforestation releases approximately two billion metric tons

of carbon dioxide into the atmosphere, or about 22 percent of the anthropogenic emissions. The Durabilis Foundation faces this challenge by investigating potential reforestation projects in its activity regions. Attention is now focused on agrofuel in combination with food cropping in order to contribute to the protection and preservation of ecological habitats.

* Climate change 2001: The Scientific Basis; English Intergovernmental Panel on Climate Change (IPCC); 2001

The Water Dilemma

Sustainable water use is never a clear-cut undertaking. The Durabilis irrigated project in the North of Senegal is highly dependent on the presence of the Manantali dam on the Senegal River which, just like other great dams, has proved important controversy.

While the dam stimulates the economic development of the region in the neighbourhood of the reservoir through irrigation and electricity, its construction implies the displacement of local villages from the flooded area and has a significant impact on health and the environment. Downstream of the Senegal River, local fishermen face a drastic decrease of their food sources and traditional farmers undergo the erosion of their farmland and decreased soil fertility due to the elimination of regular floods. Water-borne diseases such as malaria, diarrhoea and bilharzias are more widespread than before. The ecosystem has altered and its biological value has decreased drastically in a few years time. The OMVS (Organization for the Development of the Senegal River) has the responsibility to ensure food security and harmony among all riparian users, and tries to reduce the negative effects*.

Irrigation also bears its limits to sustainable water use. It allows drastic land-use changes in fragile desert ecosystems. A lot of water

evaporates through the plants, meaning less water is available for natural fauna and flora and local populations. Excess water returns to the hydrologic system contaminated by chemicals. Water evaporation also implies the risk of soil salinization, especially in hot regions. Water extraction can lower the ground water table. Irrigation requires energy to pump the water from the river to the farm and is thus a possible source of CO₂ emission.

The Durabilis project in the North of Senegal tries to minimize these impacts through the rational use of water. Sufficient water is applied to avoid soil salinization, while drip irrigation systems are highly efficient and minimize the total water use. Only chemicals without toxicity risk are used. And it is planned to source the energy for the pumps from hydropower, thus without CO₂ emission.

* For more information, see e.g. <http://internationalrivers.org/en/africa/case-study-manantali-dam-project-mali-mauritania-senegal>

The Durabilis project in the North of Senegal tries to minimize these impacts through the rational use of water.



The Manantali dam on the Senegal River

The biofuel/agrofuel issue

Fuel, feed & food?

Biofuel is defined as the solid, liquid, or gas consisting of, or derived from biomass (renewable biological resources). The Foundation prefers to use the term “agrofuel” rather than “biofuel”, as the word “bio” creates more an image of being environmentally friendly by definition (which is often not the case with agrofuel).

A major criticism on agrofuels, particularly large-scale fuel production, is that it could divert agricultural production away from food crops, especially in developing countries. This would lead to competition with food crops in

a number of ways (agricultural, rural investment, infrastructure, water, fertilizers, skilled labour etc.) and thus inducing food shortages and price increases. However, this so-called ‘food, feed or fuel’ debate tends to fail to reflect the full complexity of factors that determine food security at any given time and place. The dietary change (3kg of corn needed to produce 1kg of chicken), governmental policies (agricultural and export) and the politics of food availability are factors of far greater importance in the debate.

Every argument should be analyzed against the background of the actual situation of food supply and demand, the use of food as animal feed, the under-utilized agricultural production potential, the increased potential for agricultural productivity, and the advantages and disadvantages of producing agrofuels.

The Foundation counteracts this debate with the “Food, Feed and Fuel” concept. Socially and environmentally sustainable agriculture is implemented by matching the crop to its local environment (non-edible, drought resistant *Jatropha* on areas that are not competing with food), good agriculture management (such as promoting intercropping or crop rotation with food, feed and cash crops), local empowerment through clustering of local small and medium enterprises or cooperatives.

The Foundation counteracts this debate with the “Food, Feed and Fuel” concept. Socially and environmentally sustainable agriculture is implemented by matching the crop to its local environment.



The *Jatropha* nursery

Networking and External Activities 4

The Foundation is building up a network of competences within the framework of its activities.

Access to additional competences serves to ensure the implementation of the activities in the best possible sustainable way.

In 2007, the Foundation signed a collaboration agreement with the Solvay Business School, and more in particular with the Chair Marie & Alain Philippson in Managing for Sustainable Human Development. The Chair has recently developed the Corporate Fellowship Programme to offer students the opportunity to gain field experience in a developing country. The programme aims to raise students' awareness not only about the realities and challenges faced by these nations but also about their possible contribution as future business leaders. The Chair also studies new opportunities for these countries to promote growth-generating employment and poverty reduction, whilst lowering the risk of negative economic, social and environmental effects. This networking also allows the Foundation to be more specific in its role as convenor i.e. enhancing its capacity building and catalyst objectives. Jeremy Knops was the first student and worked from July 18th to September 18th on the aspects of Ethical trade and Fair trade within the framework of the COOINCOM Cooperative with

which the Foundation is working in Guatemala. This fieldwork will allow a more in-depth approach of the subject in his thesis.

Durabilis is also a member of the Belgian Network of Foundations and of Kauri, the Belgian Think Tank on sustainable enterprises.

Key External Activities for 2007

March 2007

Management Capacity building session (Dakar, Senegal)

September 2007

Management Capacity building session (Merelbeke, Belgium)

June 2007

Management Tour (Central & South America)

October 2007

Fair-Trade debate

This networking also allows the Foundation to be more accurate in its role as convenor i.e. enhancing its capacity building and catalyst objectives.



DURABILIS PRIVATE FOUNDATION: BALANCE SHEET DECEMBER 31ST, 2007

ASSETS	per 31/12/2007	per 31/12/2006	per 31/12/2005
FIXED ASSETS	435,562.50 €	720,501.00 €	0.00 €
Financial fixed assets			
Shares Xagic NVSO. (99.97%)	520,501.00 €	520,501.00 €	
Amount written off Xagic NVSO	-285,000.00 €		
Shares SEMB SA (20%)	200,000.00 €	200,000.00 €	
Shares Fair-Fruit NVSO (0.1%)	61.50 €		
CURRENT ASSETS	9,210,098.76 €	3,314,392.90 €	828,555.37 €
Amounts receivable after one year			
Receivable SWEC CVBA	1,512,878.00 €	1 573 230,74 €	500 000,00 €
Amount written off receivable SWEC CVBA	-307,408.89 €	-700,000.00 €	-180,000.00 €
Receivable XAGIC NVSO	7,292,604.18 €	2,399,860.29 €	
Money Placements	605,000.00 €	0.00 €	0.00 €
Cash at bank and in hand	106,238.97 €	40,546.75 €	507,883.70 €
Deferred charges and accrued income	786.50 €	755.12 €	671.67 €
TOTAL ASSETS	9,645,661.26 €	4,034,893.90 €	828,555.37 €

LIABILITIES	per 31/12/2007	per 31/12/2006	per 31/12/2005
CAPITAL AND RESERVES	1,628,769.06 €	1,287,934.53 €	- 171,556.68 €
Endowment and operating funds			
Start up capital	10,000.00 €	10,000.00 €	10,000.00 €
Permanent operating funds	2,000,000.00 €	2,000,000.00 €	
Affected funds			
Loss carried forward	-722,065.47 €	-181,556.68 €	
Result for the financial year	340,834.53 €	-540,508.79 €	-181,556.68 €
CREDITORS	8,016,892.20 €	2,746,959.37 €	1,000,112.05 €
Amounts payable after more than one year			
Interest-free loan	8,000,000.00 €	2,730,000.00 €	1,000,000.00 €
Trade debts	376.60 €	8,626.70 €	0.00 €
Accrued charges and deferred income	16,515.60 €	8,332.67 €	112.05 €
TOTAL LIABILITIES	9,645,661.26 €	4,034,893.90 €	828,555.37 €

ASSETS

FIXED ASSETS

In January 2007, the Foundation acquired a participating interest of 0.1% in Fair-Fruit NVSO (Limited Liability Company with Social Purpose), a newly created company in the fruit division.

At the end of 2007 it was decided to write-off the participating interest in XAGIC NVSO for an amount of € 285,000.00. The take-over of the stake in Maji Ya Peponi LTD (Kenya) by a local partner was implemented in February 2007.

CURRENT ASSETS

At the end of 2006, it was decided to take over the activities of the independent company SWEC cvba through the creation of a new company Fair-Fruit, “Limited Liability Company with Social Purpose”, 99.9% owned by XAGIC NVSO. This take-over implied the liquidation of SWEC. The take-over of SWEC’s liabilities by XAGIC totals € 1,205,469.11. The loan given to SWEC in 2006 amounted to € 1,573,230.74 and a decrease in value of € 700,000.00 was booked at that time.

In 2007, the final write-off of the loan given to SWEC amounts to € 307,408.89, and results in a write-back of € 392,591.11 on the amount written off in 2006.

In 2007 the foundation made a new loan of € 4,892,743.89 available to XAGIC NVSO, its 99.9% owned operating company, to finance the operations and investments from the related companies active in the water and Fair-Fruit businesses.

The available cash of € 711,238.97 is invested in the short term, without any risk.

LIABILITIES

CAPITAL AND RESERVES

At its creation in March 2005, the Foundation’s start-up capital (by means of a donation) amounted to € 10,000.00. In May 2006, the Foundation received a donation of

€ 2,000,000.00 from its Founder with the aim of sustaining its expansion.

The losses of 2005 and 2006 carried forward totalled € 722,065.47.

The financial year 2007 ended with a profit of € 340,834.53. This result is mainly due thanks to the large amount of donations received, the write back of the amount written-off on receivables from SWEC and the write-off on the shares of XAGIC NVSO.

CREDITORS

The interest-free loans increased from € 2,730,000.00 in 2006 to € 8,000,000.00 in 2007. An additional loan of € 1,000,000.00 was received in March 2008.

Trade debts

Trade debts include the invoices booked before December 31st, 2007 and relate to services delivered in 2007.

The Financial Report 2007 includes the balance sheet and income statement of the Durabilis Private Foundation only.

The numbers mentioned in the activity reports relate to the financial reporting of the operating entities. Consolidated numbers will be included in the next Activity Reports.

Donors or interested partners can contact Durabilis via info@durabilis.eu

DURABILIS PRIVATE FOUNDATION: INCOME STATEMENT DECEMBER 31ST, 2007

	per 31/12/2007	per 31/12/2006	per 31/12/2005
Operating Income			
Donations	344,322.76 €	23,832.58 €	0.00 €
Operating charges			
Services and other goods	-5,139.92 €	-25,536.91 €	-2,100.00 €
Other operating charges	-58,582.47 €	-11,402.96 €	-103.75 €
OPERATING RESULT	280,600.37 €	-13,107.29 €	-2,203.75 €
Financial income	30,147.39 €	22,614.40 €	671.67 €
Financial charges	315,086.77 €	-550,015.90 €	-180,024.60 €
RESULT ON ORDINARY ACTIVITIES	625,834.53 €	-540,508.79 €	-181,556.68 €
Extraordinary income			
Extraordinary charges	-285,000.00 €		
RESULT FOR THE YEAR	340,834.53 €	-540,508.79 €	-181,556.68 €

INCOME STATEMENT

OPERATING INCOME

Donations

The amount of € 344,322.76 concerns donations received during the year 2007. Donations do not support any administrative or operating costs but are used to finance local investments and technical or socio-economical support activities.

The set-up of the Jatropha experiment in Senegal and the coordination of the fruit cooperation in Guatemala are currently supported by donations.

OPERATING CHARGES

Services and other goods

This amount concerns mainly normal administrative costs.

Other operating charges

This item concerns taxes on the interests of placements as well as taxes on assets (0.17%).

FINANCIAL INCOME

Income from current assets.

These are the revenues from the placements of the amounts available.

FINANCIAL CHARGES

This amount includes the write-back on the amount written-off on the loan given to SWEC for € 392,591.11 and is based on the liquidation balance sheet from SWEC. The difference of € 77,504.34 is the conversion difference on outstanding receivables in USD and bank charges.

EXTRAORDINARY CHARGES

The extraordinary charges are the amounts written-off on the participating interest (shares) of XAGIC, based on the valuation of the participation in Maji Ya Peponi LTD in Kenya.

6 Complementary Information

Legal Structure

Durabilis is a private foundation under Belgian law and was created on March 17th, 2005. On November 14th, 2006 the statutes were slightly modified in order to clarify its specific objectives.

The Foundation's activities are structured through quite a unique constellation in order to operate as efficiently as possible while guaranteeing that all income and profits remain within the Foundation and are used to reimburse the loans destined to further expand its activities.

Durabilis owns 99% of XAGIC, a "Limited Liability Company with Social Purpose", which is a unique legal structure under Belgian law. XAGIC is the Foundation's "operating company" and "stakeholder" in the projects.

The stakeholdership varies from project to project. The activities of the Foundation are focused on agriculture, agro-forestry and drinkable water supply in the metropolises of developing countries, mainly in West Africa and Central and South America.

The statutes of XAGIC NVSO have been changed by notary act, implying a name change in DURABILIS NVSO and a "statute coordination update". The name change is of immediate application. This is done conform the decision of the General Assembly of July 2008. This name change will be helpful in the transparency and understanding of the activities.

Legal information

The legal enterprise number of Durabilis, Private Foundation is BE 0872 630 311.

Related entities

Through the participating interest of 99% in XAGIC "Limited Liability Company with Social Purpose", Verlorenbroodstraat 122 box 8 9820 Merelbeke (Belgium), BE 0425.038.360, the Foundation holds, directly or indirectly, participating interests in the following companies:

WATER PRODUCTION UNITS:

- SEMB S.A.**, Burkina Faso
(30% Xagic - 20% Durabilis - 50% Local Partner)
- SID S.A.**, Senegal
(80% Xagic - 20% Local Partner)
- SECOSEN S.A.**, Senegal
(65% Xagic - 20% SID - 15% SEMB)
- BENECO S.A.**, Benin - in progress
(51% Xagic - 49% Local Partner).

FAIR-FRUIT BUSINESS:

Fair-Fruit NVSO, "Limited Liability Company with Social Purpose Belgium (99% Xagic - 1% Durabilis), BE 0425.038.360

Cooperación Económica de Interés Social S.A. (CEISWEC), "Limited Liability Company" Guatemala: 99,9%;

Waimanalo Fair-Fruit SAC, "Limited Liability Company, Peru, 51% -49% Local partner

Fair-Fruit Senegal SARL, not yet created

Fiscal agreement

On December 21st, 2006, Durabilis presented a request to the Minister of Finance in order to obtain his agreement on the legal deductions of gifts above € 30.00. In a letter, dated April 11th, 2008, the Ministry of Finance rejected this request arguing that the Foundation only performed "banking activities" while the "developing activities are undertaken by Xagic NVSO", 99% owned by the Foundation.

Donations

The Foundation would hereby like to thank the generous contributors as in 2007, donations to the Foundation amounted to € 344,322.76 (€ 23,832.58 in 2006). The gifts don't contribute to costs but are totally invested in the Experimental Parcel in Northern Senegal. Gifts can be made by transferring to the bank account number of the Foundation 001-4553059-52.

Boards and Committees

DURABILIS, PRIVATE FOUNDATION

The board members are:

Marc Saverys - Founder and Chairman
Francis De Clercq - Vice-President
Ludwig Criel (Independent Board Member) - Treasurer
Paul Jacquet de Haveskercke - Secretary-General
Philippe Vlerick (Independent Board Member)
Sebastian Saverys

In 2007, the board met on the following dates: May 16th and October 8th.

XAGIC, “LIMITED LIABILITY COMPANY WITH SOCIAL PURPOSE”

The board members are:

Marc Saverys - Chairman
Francis De Clercq - CEO
Sebastian Saverys - CEO
Paul Jacquet de Haveskercke

In 2007, the board met on the following dates: May 16th and October 8th.

The General Assembly was held on March 30th.

FAIR-FRUIT, “LIMITED LIABILITY COMPANY WITH SOCIAL PURPOSE”

The board members are:

Sebastian Saverys – CEO
Paul Jacquet de Haveskercke
CVBA SWEC CONSULTANCY represented by Carl Wulfrank

In 2007, the board met on the following dates: July 27th and December 13th.

Remuneration Committee

In December 2006, the Foundation set up a remuneration committee.

The members are:

Marc Saverys
Francis De Clercq
Paul Jacquet de Haveskercke
Sebastian Saverys

Management Structure

Durabilis Board
II
Xagic NVSO Board
II
General Management - Sebastian Saverys

=> Business Unit Managers - Water - Fair-Fruit - Agrofuel
=> Supporting Units: Finances - Communication - IT - HR
=> SWG: 3P controlling and implementation
=> Local Entities' boards and staff
=> Local Management support

7 People, Planet and Profit Report

Key results

Economic

- The Foundation invested a total capital of €10,000,000.00 to develop the activities.
- Fair-Fruit handled 398 tons of fresh fruits and vegetables.
- Barajii produced 44 million bags of drinking water.
- The Foundation did not receive any significant support of the government to support its activities.

Environmental

- Total energy consumed is equal to 21,089 GJ. For reference, the annual electrical consumption of an average Belgian household equals 3500 kWh or 12.6 GJ.
- Approximately 70 % of all energy is related to transport.
- Water is the most important material in all activities (irrigated agriculture, food processing and water packaging) and stands for 99.8 % of all the materials.
- The total water used equals 511,748.5 m³ or 511,748,500 liters, equivalent to 221 Olympic swimming pools.
- The total emission equals 1,544 tons of CO₂, equivalent to 1,197 single flights from Brussels to New York or 780 road trips from Brussels to Beijing in a medium sized diesel car.
- The Foundation actively performs research on risks and opportunities related to climate change by investigating reforestation and agrofuels in our activity regions.

Social

- The Foundation provides direct employment to 451 full-time equivalents.
- 51 % of the total workforce of the Foundation is female.
- 71 % of senior management is sourced from the local community.
- 5 % of the total workforce originates from Europe.

Our reporting philosophy

The Sustainability Working Group (SWG) is continuously active on the field of integrated reporting as transparent information sharing towards all stakeholders is a core value in our philosophy. To report on all international activities, the Foundation developed an operational framework based on international standards and methodologies*, combined with activity-specific indicators (developed in-house). The following actions are undertaken to promote the integration of social and environmental strategy, actions and reporting:

- Development of the operational framework by a pool of competences:
 - Anthropology : Giselle Corradi
 - Economy: Kristoff Van Rattinche & Stefan Jamar
 - Sustainable energy: Kristoff Van Rattinche
 - Hydrology: Laurence Defrise
 - Agronomy: Laurence Defrise & Bert Sercu
- Local implementation through training sessions and reporting structure – capacity transfer
- Nomination (and continuous training, support) of local data managers
- Multiple capacity sessions for the management team (ranging from GRI reporting, KPI, VMI and MDG understanding)
- Web-based communication tool for strategic decision processes (Management Steering Tool)

How to use the report

This external report is mainly based on the GRI methodology and our activity-specific indicators. The reader needs to understand this is only part of the complete integrated reporting structure of the Foundation. Internal indicators such as KPI, VMI and MDG ratings are not yet published externally. This report is therefore a first attempt of the Foundation to introduce the reader as much as possible into the reality of the operations.

The reader is invited to use this first report to gain more insight in specific activities or to quantify the specific impact

* Project cycle management (European Union), Global Reporting Initiative (GRI - United Nations), Indicators for monitoring Millennium Development Goals (United Nations)

throughout all the activities. The Foundation aims to update the data on a yearly basis and thereby providing an evolution monitoring tool. In addition, the Foundation promotes an integrated transparent reporting philosophy to all possible actors in the sector to allow a future benchmarking of obtained results.

- Throughout the report, the following criteria (indicators) numbering is used for the environmental and social reporting:
- GRI: the C level (without external validation) is selected – standard GRI numbering (EC: Economical indicator, EN: Environmental indicator, LA: Labor indicator, HR: Human rights indicator)
 - Activity-specific: a “DU” prefix is used on the indicator, combined with a GRI numbering

The indicators are represented in a descriptive or quantified manner. Often graphical representations are provided as additional support. Please note the scale of the graphical representations when comparing them with each other.

The reporting scope

The scope of the reporting is:

- Fair-Fruit: Guatemala: The packing hall in Guatemala
- Fair-Fruit: Peru: Fundo Aurelie: mango production farm
- Barajii: Burkina Faso: The water production plant in Ouagadougou
- Barajii: Senegal: The water production plant in Dakar
- Agrofuel: Senegal: 6 hectare experimental Jatropha setup in Gaé, Northern Senegal
- Headquarters: Belgium: Operational centre in Merelbeke

Reporting unit	Period of reporting	Previous reporting period	Reporting scope	
			included	not included
Fair-Fruit: Guatemala	September 2007 – December 2007	Not available	Packaging, distribution (local/export)	Production
Fair-Fruit: Peru	January 2007 – July 2007	Not available	Production, distribution (local/export)	Packaging
Barajii: Burkina Faso	January 2007 – December 2007	2006	Sourcing, production, packaging, distribution (local)	
Barajii: Senegal	January 2007 – December 2007	Not available	Sourcing, production, packaging, distribution (local)	
Agrofuel: Senegal	September 2007 – December 2007	Not available	Production, distribution (local)	
Headquarters: Belgium	January 2007 – December 2007	Not available	International management activities	

Economic indicators

INDICATOR	DEFINITION	UNIT	Fair-Fruit		Barajii	Agrofuel	Head office
			Guatemala	Peru	Africa	Senegal	
Economic Performance							
EC1/A	Direct economic value generated and distributed - Turnover	thousand euro	319.0	1,403.0	2,060.0	n/a	2,912.0
EC1/B	Direct economic value generated and distributed - Gross profit	thousand euro	-25.0	-541.0	935.0	n/a	1,038.0

EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change		Descriptive:					
<p>The direct impact of climate change on the activities is difficult to assess, certainly in financial terms. The foundation rather opts to identify the potential risks within existing activities and to define a good strategy to counteract the risks. For the Fair-Fruit unit, logistics (export) and inorganic fertilizers have the greatest impact (and risk) on climate change. Therefore research has been performed on alternative packaging methods (e.g.: loquat and beans by maritime transport instead off air transport), organic labeling of productions (and avoiding inorganic fertilizers), implementation of integrated soil and water management systems, alternative energy sources for packaging sites, etc. For the unit Barajii, specific research is performed on alternative transport and optimized logistics.</p> <p>The foundation is actively concerned by the climate change and therefore launched small research projects such as reforestation and agrofuel (Jatropha) in our activity regions. These projects will capture CO₂ emissions to slow down the climate change. Even more important, these "showcase projects" will facilitate external capital inflow (investments) and local capacity building. They will lower the entrance burden for all stakeholders, ranging from the local farmer to the investor.</p>								

EC4	Significant financial assistance received from government	euro	0,0	0,0	0,0	0,0	0,0	0,0
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INDICATOR	DEFINITION	UNIT	Fair-Fruit		Barajii		Agrofuel	Head office
			Guatemala	Peru	Burkina	Senegal	Senegal	
Market presence								
EC5a	Legal minimum wages (month)	euro	122.7*	135.2**	46.7***	72.6****	62.4*****	1,387.9
EC5b	Minimum daily basic need wages (month)	euro	147.2	172.0	74.4	no records	no records	no records
EC5c	Wage ratio: minimum company wage / legal minimum		1.0	1.0	1.1	1.0	1.0	1.6
EC5d	Wage ratio: minimum company wage / minimum daily basic needs wage		0.8	0.8	0.7	no records	no records	no records
EC5e	Wage ratio: minimum / maximum by category and gender		Table	no records	Table		no records	Table

* 17/07/08: I Quetzal = 0.08569 EUR - legal minimum in 2007

** 17/07/08: I Peruvian Soles = 0.2217 EUR

*** 17/07/08: I CFA Franc = 0.001521 EUR - legal minimum in 2006

****17/07/08: I CFA Franc = 0.001521 EUR - legal minimum in 2004

*****17/07/08: legal minimum in 2008 (at age of 22)

Within our units, the minimum daily basic needs wage is taken into account as a reference objective since the legal minimum wage often does not reflect the reality. The minimum daily basic needs wage takes into account the cost of a basic food basket per person, the percentage of household expenditure spent on food, the average household size, the percentage of the family income brought by the worker and a percent multiplier to provide for some discretionary income (normally 10%).

	Fair-Fruit Guatemala			
	Admin/management	Commercial	Production	Security
minimum wage men / minimum wage women	0.7	1.0	1.0	-
maximum wage / minimum wage	16.1	1.0	12.7	1.9

	Barajii						
	Admin/management		Commercial		Production		Security
	Burkina Faso	Senegal	Burkina Faso	Senegal	Burkina Faso	Senegal	Burkina Faso
minimum wage men / minimum wage women	0.7	0.9	1.0	1.6	1.0	1.0	-
maximum wage / minimum wage	9.2	38.0	8.5	21.5	5.1	15.2	1.0

	Headquarters	
	Admin/management	Commercial
	Belgium	
minimum wage men / minimum wage women	1.2	1.0
maximum wage / minimum wage	2.9	1.0

			Fair-Fruit		Barajii		Agrofuel	
INDICATOR	DEFINITION	UNIT	Guatemala	Peru	Burkina Faso	Senegal	Senegal	Head office
EC7	Proportion of senior management hired from local community	%	67.0	100.0	100.0	50.0	0.0	100.0

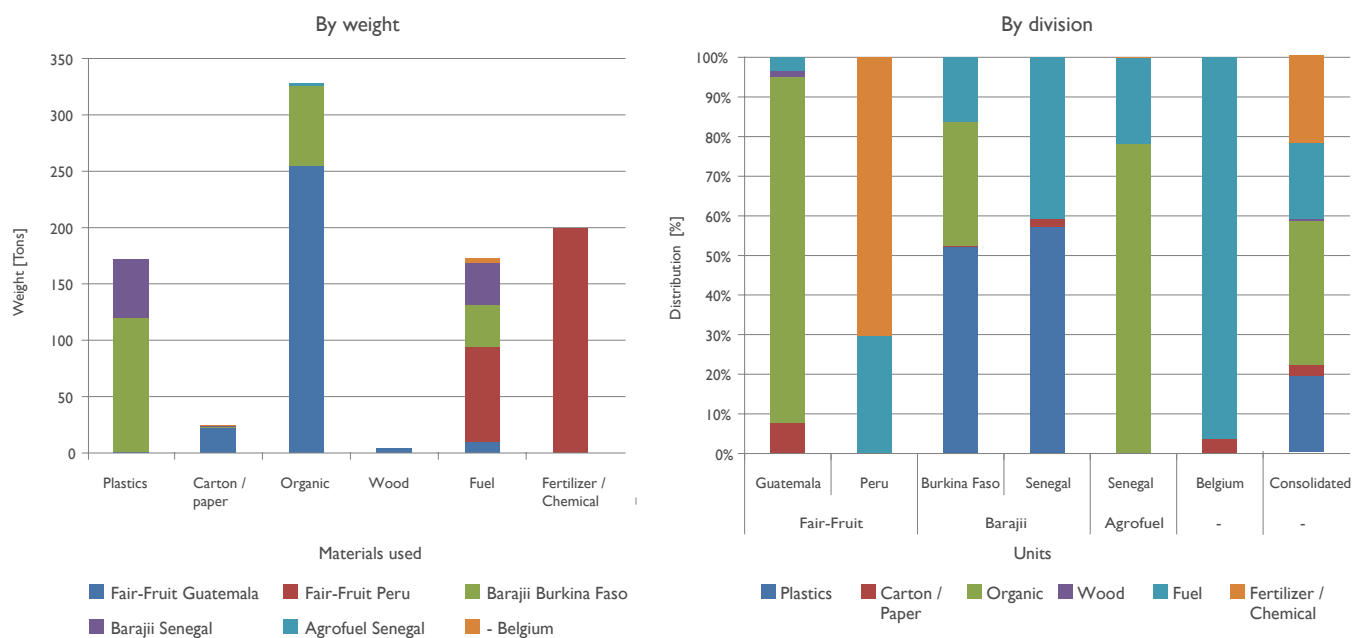
Environmental indicators

INDICATOR	DEFINITION	UNIT	Fair-Fruit		Barajii		Agrofuel	Head office
			Guatemala	Peru	Burkina Faso	Senegal	Senegal	
	Total production during reporting period	tons	179.0	1,600.0	19,680.0	4,790.3	0.0	not applicable
	Habitat protected	ha	0.0	12.0	0.0	0.2	0.0	not applicable
	Habitat damaged*	ha	0.7	112.0	0.4	1.6	6.0	not applicable

The indicator “total production during reporting period” refers to the total amount of product (in tons) that has been produced during the reporting period. For the Fair-Fruit activities, this amount is mainly fresh fruit and vegetables. For Barajii, it refers to the total amount of water bags produced

Materials								
INDICATOR	DEFINITION	UNIT	Fair-Fruit		Barajii		Agrofuel	Head office
			Guatemala	Peru	Burkina Faso	Senegal	Senegal	
EN1	Total materials (exclusive water)	tons	291.5	283.0	228.2	91.7	2.8	3.8
EN8	Total amount of water	tons	685.0	483,096.0	20,829.7	6,013.0	1,050.0	74.8

EN1: Materials used



The indicator EN1 reports on the total weight of materials used in the different units. For the Fair-Fruit project, a clear distinction can be made between production (Peru) and packaging (Guatemala). Agricultural production consumes mainly fertilizers and fuel (to feed and irrigate the soil), while a packing hall mainly uses organic material (fresh fruit and vegetables) and packing materials (carton).

* Once a habitat is no longer in its natural state, it is considered as “damaged”.

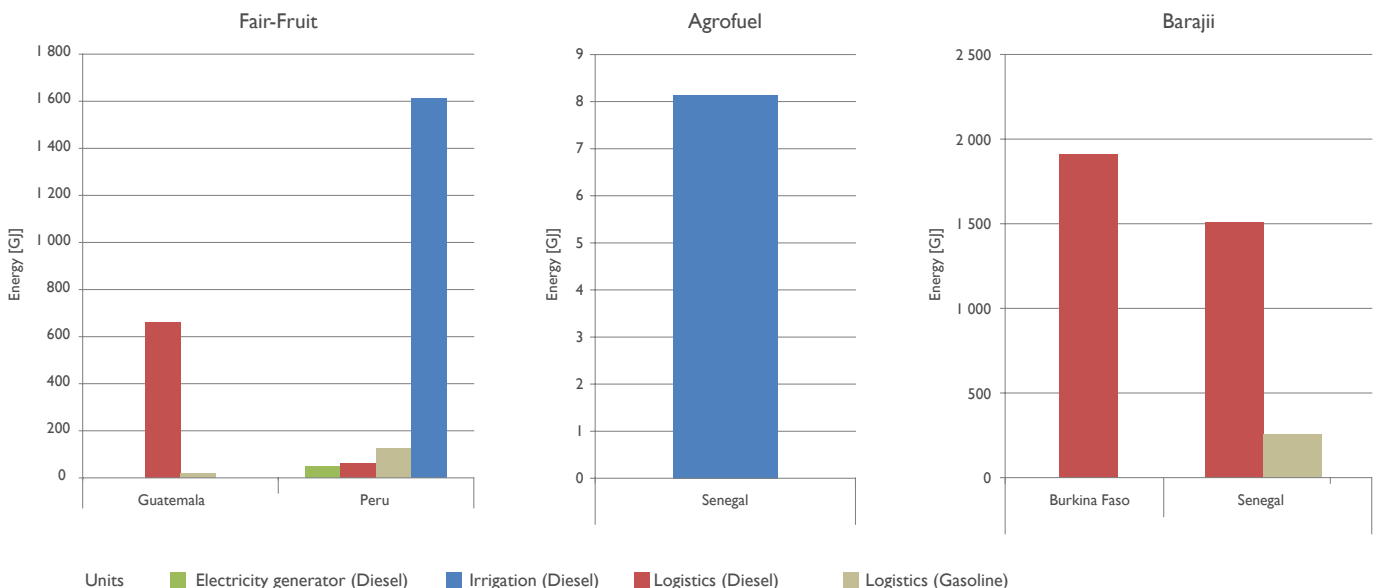
Due to this early reporting experience, Fair-Fruit aims to widen the future reporting scope and to integrate each step of the chain (from farmer to client). External product or service providers will be included in the chain, based on standardized reporting methods. For the units of Barajii, plastic is the main component. In the unit of Burkina Faso, a part of the material is organic, which is the sugar and additives used for the NRJ product. One also notices the higher amount of fuel needed in Senegal due to complex distribution and urban congestion. In addition to the EN1 indicator, the EN8 (use of water) indicator is also published under the section “materials” to provide a reference to the reader. Water is the most important material used in all our activities (irrigated agriculture, food processing and water packaging) and stands for 99.8 % of all the materials.

INDICATOR	DEFINITION	UNIT	Fair-Fruit		Barajii		Agrofuel	Head office
			Guatemala	Peru	Burkina Faso	Senegal	Senegal	
EN2	Percentage of input materials used that are recycled input materials	%	0.1	0.0	0.0	0.0	0.0	3.7
DUEN1	Presence of an integrated crop protection plan and its implementation	no / yes	not applicable	no	not applicable	not applicable	no	not applicable
DUEN2	Presence of a soil fertility and erosion plan and its implementation	no / yes	no	yes	no	no	yes	not applicable

The DUEN1 and DUEN2 indicators refer to the presence and implementation of integrated crop protection, soil fertility and erosion plans. These are required for agricultural production sites to be conform with the Rainforest Alliance and Globalgap guidelines.

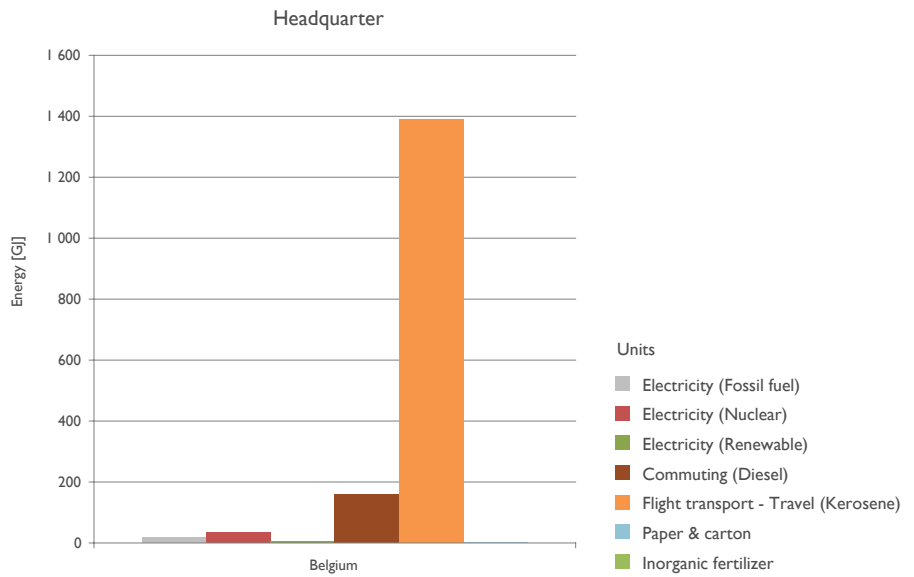
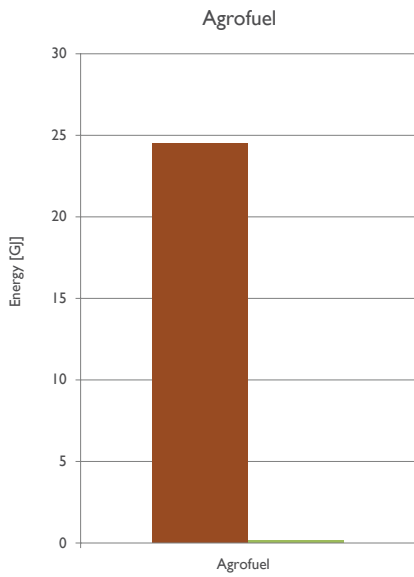
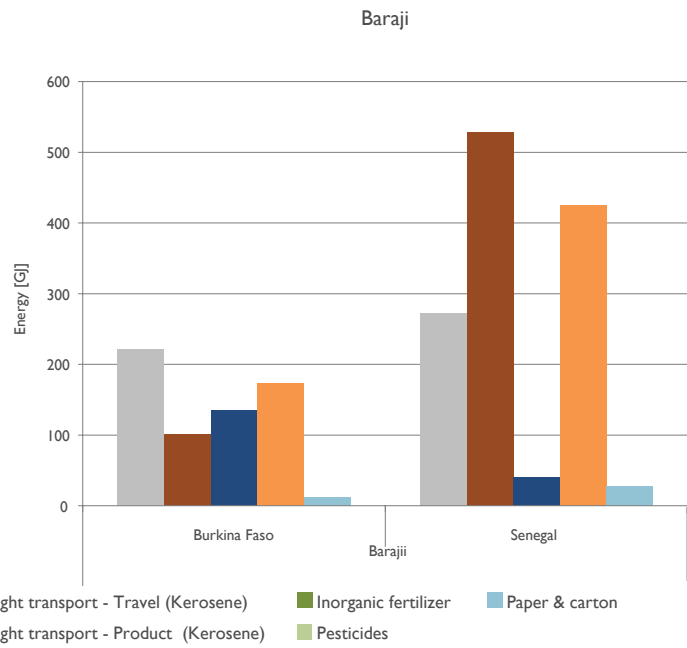
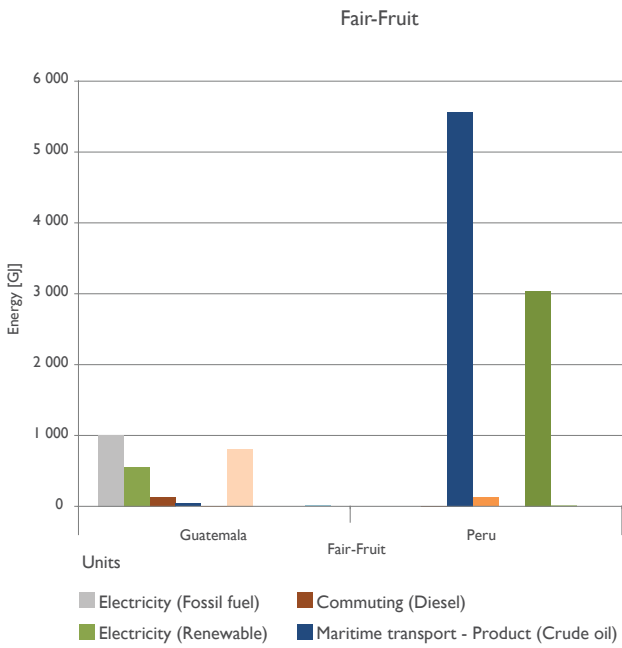
INDICATOR	DEFINITION	UNIT	Fair-Fruit		Barajii		Agrofuel	Head office
			Guatemala	Peru	Burkina Faso	Senegal	Senegal	
Energy *								
EN3	Total direct energy consumption	GJ	683.1	1,845.1	1,910.3	1,766.8	8.1	0.0
EN4	Total indirect energy consumption	GJ	2,558.1	8,746.1	643.7	1,294.7	24.6	1,608.5

EN3: Total direct energy consumption

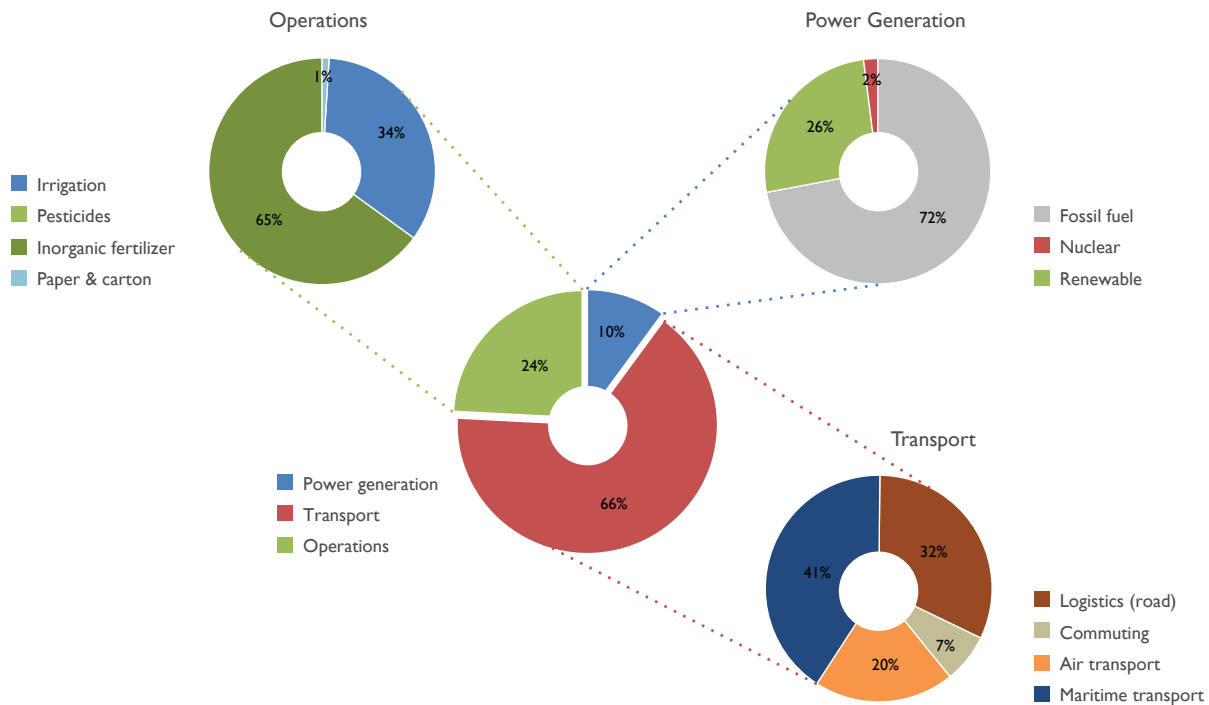


*The Greenhouse Gas Protocol (GHG) initiative – a corporate accounting and reporting standard – is used as reference for conversion.

EN4: Total indirect energy consumption



Graphical representation: distribution of consolidated energy consumption [%]



The direct energy consumption (EN3) refers to the total amount of energy (expressed in Giga Joule) that is directly consumed for the operations. For all units, this is mainly the fuel used for road logistics and the fuel consumed by the irrigation pumps.

The indirect energy consumption (EN4) is the energy consumed due to the operations, but mainly provided externally. For the packing unit in Guatemala, the electricity provided by the national grid is the main contributor (due to refrigeration systems), for Peru it is the energy-intensive fertilizers. Within the Fair-Fruit unit, the maritime and air transport (export) of the fresh fruit and vegetables are the biggest contributors in indirect energy consumption. Within this context, it is important to refer to the next table (source: the greenhouse gas protocol – section transport) which shows the energy consumption to transport 1 metric ton of product for 1 km and the related CO₂ emission.

The transport of 1 metric ton over 1 km requires:	Long haul air transport (kerosene)	International maritime transport (crude oil)
Energy: GJ / tonkm	0.0080599	0.0001293
CO ₂ emission: kg CO ₂ /tonkm	0.57	0.01

Maritime transport requires 60 times less energy (and thus CO₂) for each ton exported compared to air transport. Based on this, Fair-Fruit prefers maritime transport for all its products.

The indirect energy consumption at Barajii is mainly due to electricity, commuting of employees and flight transport of local management. The energy used (and CO₂ emitted) for the production of the plastic bags is not taken into account as the manufacturer is still unable to provide reliable production data. To counteract the impact on the habitat of plastic wastes, Barajii support existing waste reducing initiatives (such as Fost-Plus) or local recycling initiatives.

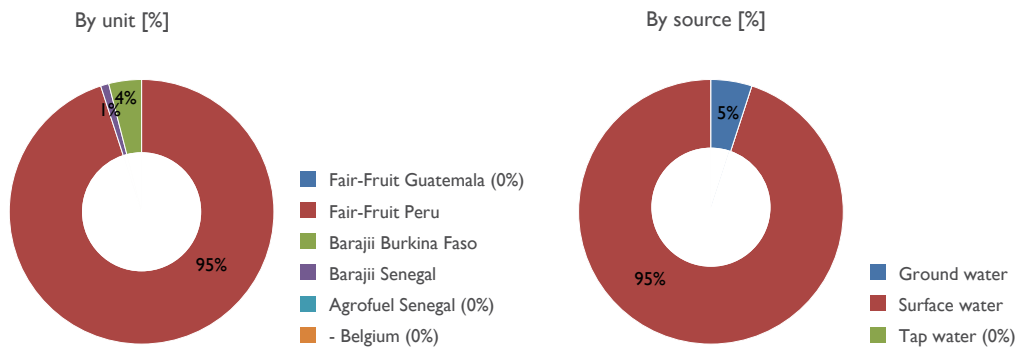
For the international management (headquarters), the flight transport stands for 87 % of the indirect energy consumed. Total energy (direct and indirect) consumed by all activities is equal to 21,089.00 GJ. For reference, the annual electrical consumption of an average Belgium household equals 3500 kWh or 12.6 GJ*.

INDICATOR	DEFINITION	UNIT	Guatemala	Peru	Burkina Faso	Senegal	Senegal	Head office
EN5'	Percentage of total primary energy consumption met by renewable resources	%	17.0	0.0	0.0	0.0	0.0	0.3
EN5	Total energy saved due to conservation and efficiency improvements	GJ	not applicable	not applicable	662,7	not applicable	not applicable	not applicable

The indicator EN5 is currently only applicable for the Barajii unit in Burkina Faso as there are no previous reporting periods for the other units.

Water								
EN8	Total water withdrawal by source	m ³	685.0	483,096.0	20,829.7	6,013.0	1,050.0	74.8

EN8: Total water withdrawal



The greatest water withdrawal (95% of the total) is in Peru to irrigate the production. The total water used by all activities equals 511,748.5 m³ or 511,748,500 liters, equivalent to 221 Olympic swimming pools. For reference, the following list** on water-intensity of production processes:

- 1 sheet of A4 requires 10 liters
- 1 glass of wine requires 120 liters
- 1 newspaper requires 570 liters
- 1 kg of rice requires 2,656 liters
- 1 pair of trousers (jeans) requires 10,850 liters
- 1 kg of vanilla requires 96,649 liters

* Source: VREG - Vlaamse reguleringsinstantie voor de electriciteit- en gasmarkt.

** World Fair 2008 Zaragoza

INDICATOR	DEFINITION	UNIT	Fair-Fruit		Barajii		Agrofuel	Head office
			Guatemala	Peru	Burkina Faso	Senegal	Senegal	
EN9a	Water sources and related habitats significantly affected by withdrawal of water	no / yes	no	yes	no	yes	no	no
EN9b	Short description of water resources and eventual negative effects of activities		Much water available and low use (risk of impermeable surface)	Water table of environment is very sensitive	with-drawal < 5%	with-drawal < 5%	with-drawal < 5%	available
DUEN3	Presence of a water management plan and its implementation	no / yes	no	no	no	no	no	no
DUEN4	Initiatives to reduce water consumption	m ³	no initiatives	drip irrigation	no initiatives	no initiatives	drip irrigation	no initiatives

The indicator EN9, DUEN3 and DUEN4 report on the impact of local water withdrawal, the actual presence of a water management plan and the initiatives to further reduce water consumption. There is a strong focus on the Peru project as the withdrawal not only represents 95 % of the total, but also affects the sensitive water table of the region. The use of a drip irrigation system has been a first step towards a better water management, but much more needs to be investigated.

INDICATOR	DEFINITION	UNIT	Fair-Fruit		Barajii		Agrofuel	Head office
			Guatemala	Peru	Burkina Faso	Senegal	Senegal	
Biodiversity								
EN11	Presence of map: Location and size of land in, or adjacent to, protected areas and areas of high biodiversity value	no / yes	yes	yes	yes	no	yes	no
EN13a	Size of protected / Restored areas	ha	0.0	12.0	0.0	0.2	0.0	0.0
EN13b	Status of protected/ Restored areas		not applicable	good representation	not applicable	not applicable	not applicable	not applicable
EN13c	Approval by external expert	no / yes	no	initiatives	no	no	no	no
EN13d	Partnerships		no	no	no	no	no	no
DUEN6	Fraction of protected or restored area to area in use for operations	%	0.0	10.7	0.0	12.5	0.0	0.0

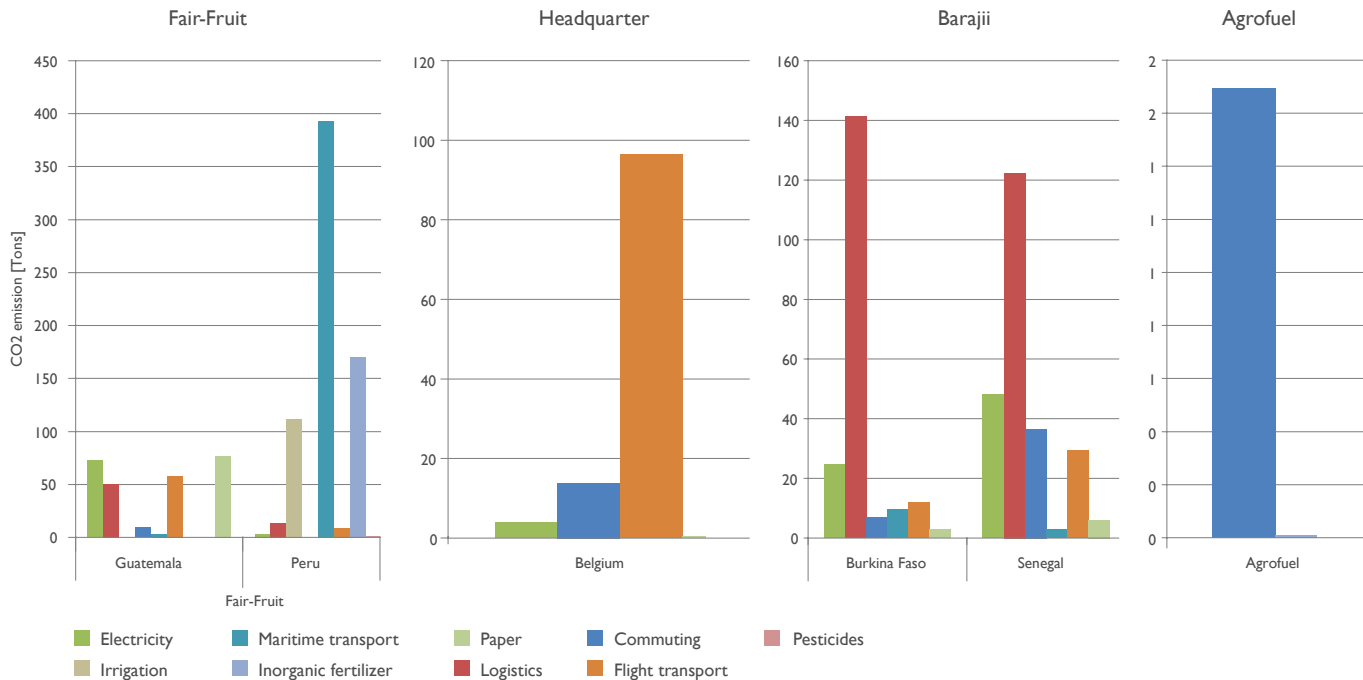
Indicators EN11 and EN13 report on the areas protected or restored (to its natural conditions) to conserve the natural biodiversity. The indicator DUEN6 compares this protected area to the area needed for the operations (and therefore no longer in its natural condition). The Barajii unit in Senegal sets an example by having more than 10% of the area protected; even if it is located in the center of the capital Dakar.

Emissions, Effluents, and Waste								
EN16	Total direct and indirect greenhouse gas emissions by weight	tonnes	269.7	522.1	190.4	198.3	1.7	4.6
EN17	Other relevant indirect greenhouse gas emissions by weight	tonnes	0.6	180.2	19.0	47.1	0.0	110.0

The indicator EN16 and EN17 report on the direct and indirect greenhouse gas emissions related to the operations. The results and conclusions are similar to those of EN3 and EN4 (see p.47). All activities emit a total of 1,544 tons of CO₂, equivalent to 1,197 single flights from Brussels to New York or 780 road trips from Brussels to Beijing in a medium sized diesel car*.

The positive effect on GHG emissions (CO₂ capturing) related to the agricultural projects and the agrofuel experiment are not yet quantified and therefore not taken into account.

EN16/17: Emissions, Effluents, and Waste

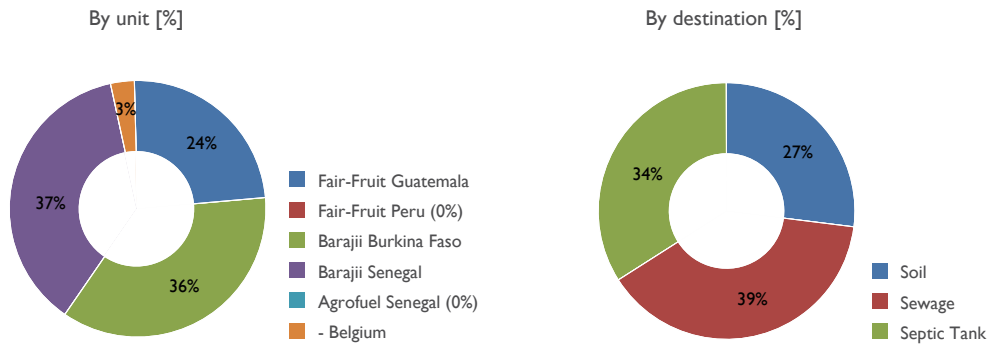


INDICATOR	DEFINITION	UNIT	Fair-Fruit		Barajji		Agrofuel	Head office
			Guatemala	Peru	Burkina Faso	Senegal	Senegal	
EN21	Total water discharge by destination	m ³	685.0	No records	1,060.9	1,152.6	0.0	74.9

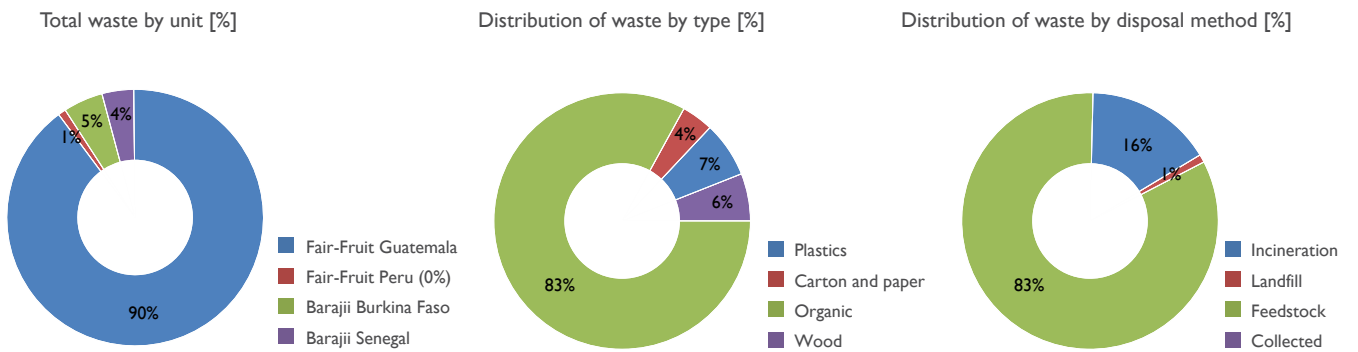
The indicator EN21 reports on the total water discharge by destination. The quality of the water discharge is not yet taken into account as current results are considered as unreliable.

* Equivalency calculation based on Bilan Carbone © ADEME

EN21: Total water discharge



EN22: Waste



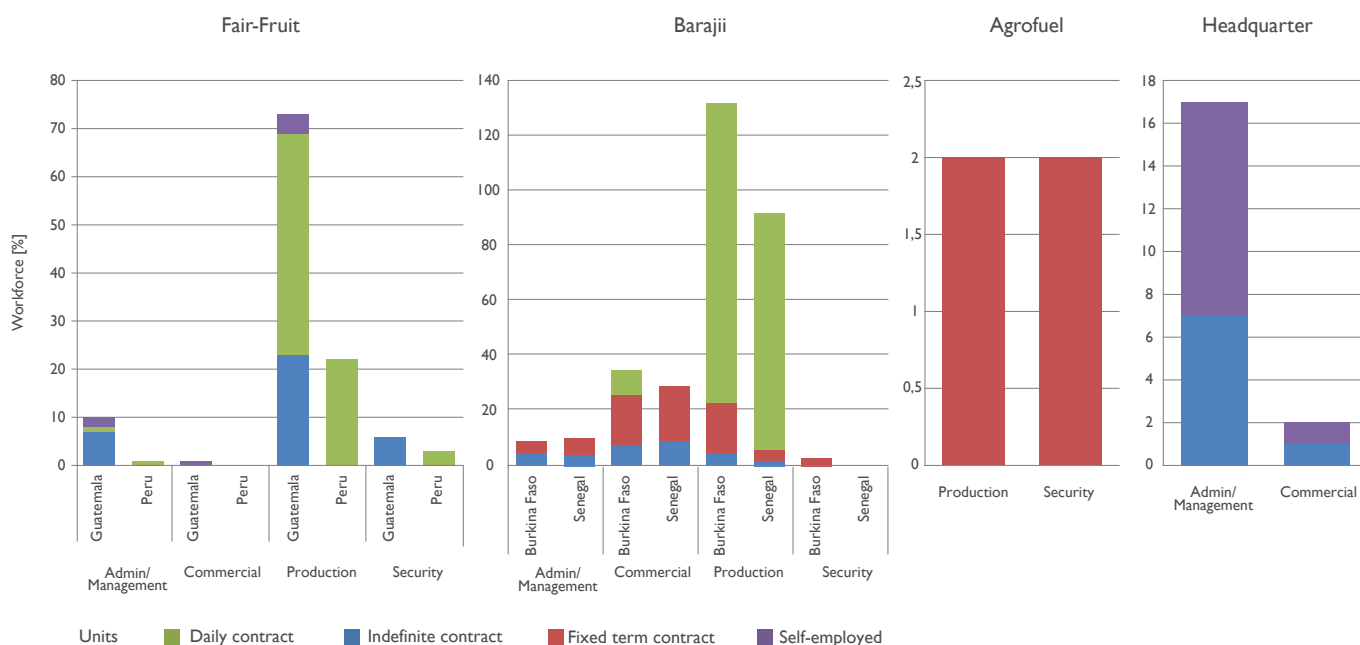
EN22	Total weight of waste by type and disposal method	tonnes	65.7	0.8	3.7	3.0	no records	no records
DUEN7	presence of waste management plan	no / yes	no	no	no	no	no	no

Social indicators

INDICATOR	DEFINITION	UNIT	Fair-Fruit		Barajii		Agrofuel	Head office
			Guatemala	Peru	Burkina Faso	Senegal	Senegal	
LA1 *	Total workforce	# employees	90	26	179	133	4	19

The indicator LA1 represent the total workforce subdivided in categories such as employment type, type of contract, age, gender and region. Over the reported period, the foundation provided directly employment to 451 full-time equivalents. The indirect impact on employment is not yet quantified, but is however assumed as significant due to the nature of the activities (e.g.: water selling, fruit and vegetable production, etc.)

LA1: Total workforce by employment type [%]



INDICATOR	DEFINITION	UNIT	Fair-Fruit		Barajii		Agrofuel	Head office
			Guatemala	Peru	Burkina Faso	Senegal	Senegal	
LA2	Employee turnover rate	%	31.0	No records	5.0 **	20.0 **	0.0	10.0

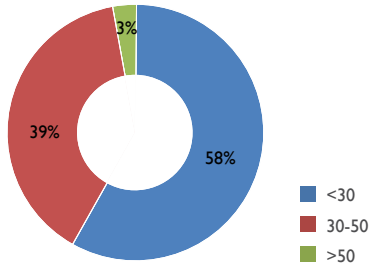
The indicator LA2 reports on the total number and rate of employee turnover. These are the employees leaving the organization voluntarily or due to dismissal, retirement or death in service.

* For the categories by employment contract and age, the daily contracts are not included

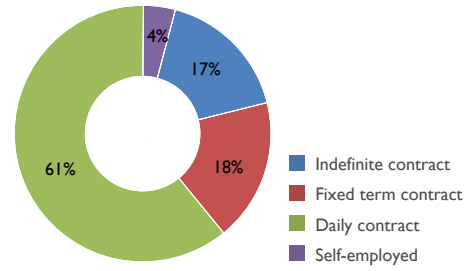
** Daily contracts are not included in the calculation

LAI: Total workforce

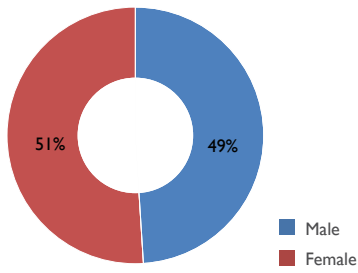
By age [%]



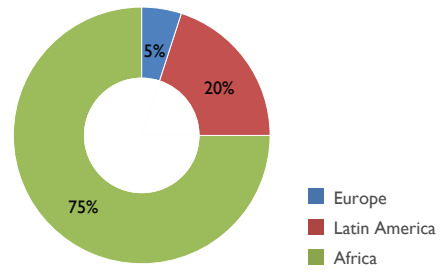
By employment type [%]



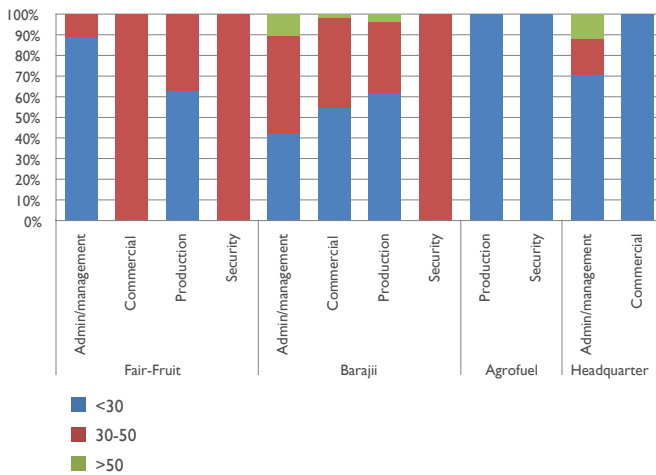
By gender [%]



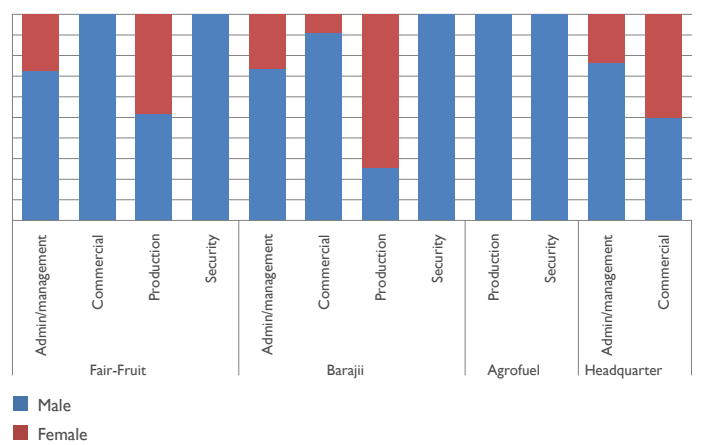
By region [%]



By age [%]

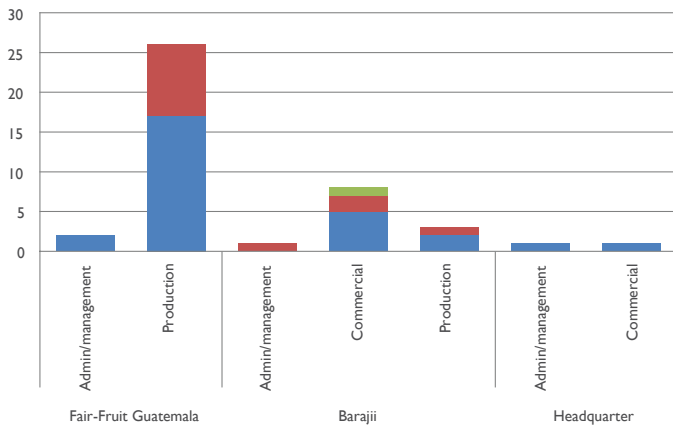


By gender [%]

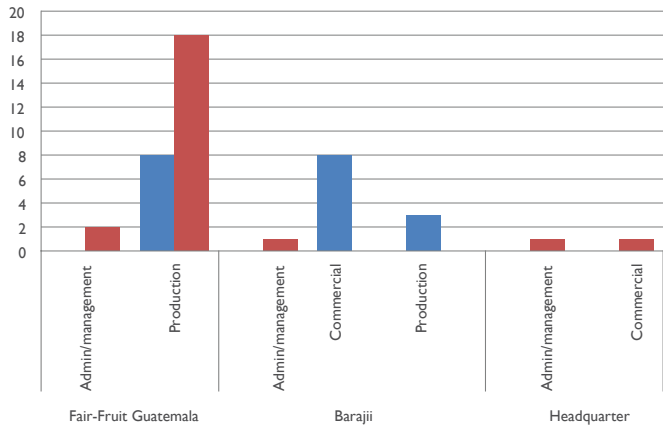


LA2: Employee turnover

By age



By gender

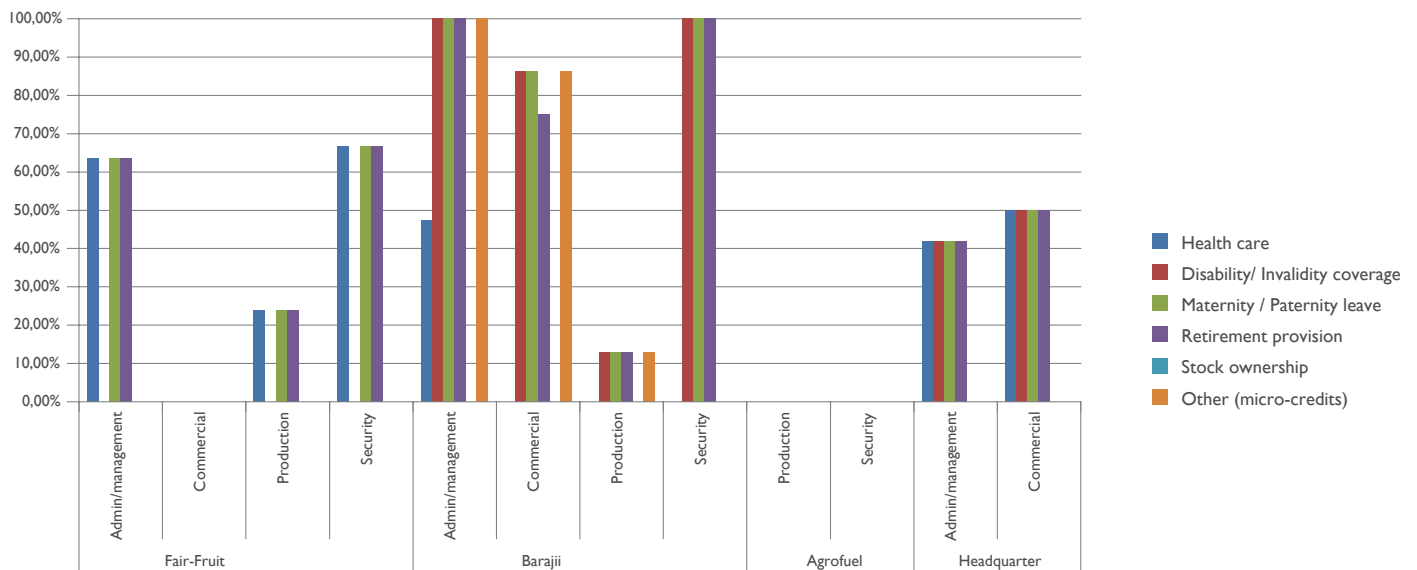


■ <30
■ 30-50
■ >50

■ Male
■ Female

			Fair-Fruit		Barajii		Agrofuel	
INDICATOR	DEFINITION	UNIT	Guatemala	Peru	Burkina Faso	Senegal	Senegal	Head office
LA3 *	Benefits provided to full-time employees	% employees covered	40.0	0.0	33.5	33.8	0.0	42.1

LA3: Benefits provided to employees [%]



* Daily contracts and self-employed workforce are not provided with benefits

INDICATOR	DEFINITION	UNIT	Fair-Fruit		Barajii		Agrofuel	Head office
			Guatemala	Peru	Burkina Faso	Senegal	Senegal	
DULA1a	Ratio number of females that were hired vs. number of men days needed		3.0	No records	1.7	1.3	No records	No records
DULA1b	Ratio number of males that were hired vs. number of men days needed		1.4	No records	1.3	1.2	No records	No records

The indicator DULA1 reports on the employment stability by gender. If the ratio is above 1, more people are hired compared to the men days needed, which means the certainty (and thus stability) of employment is lower compared to indefinite contracts.

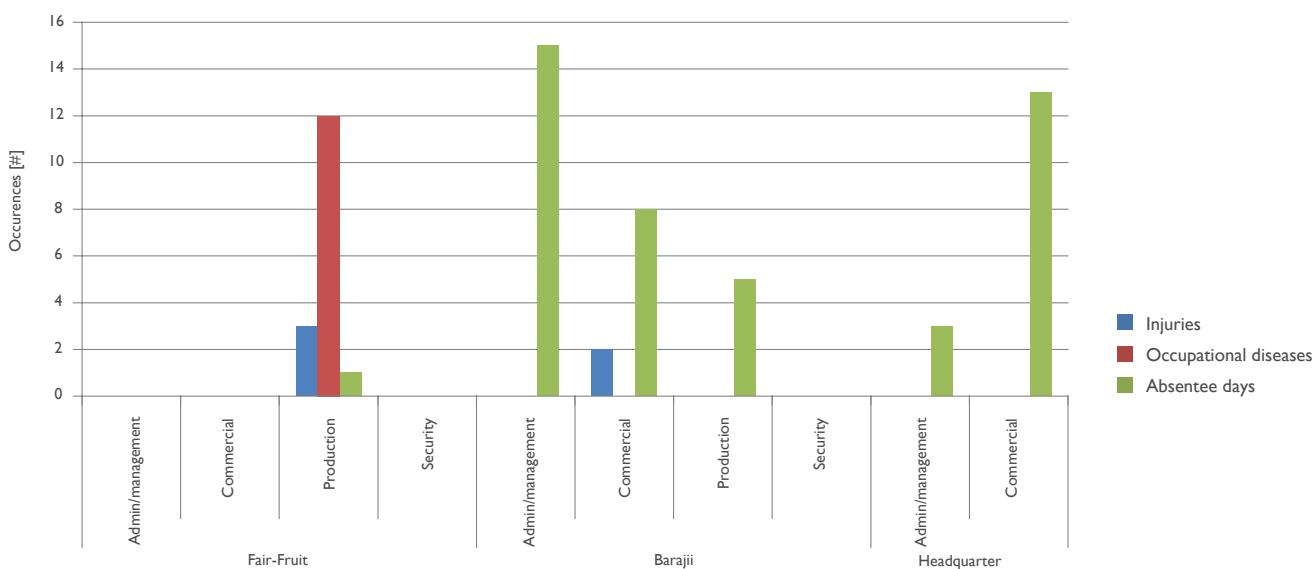
Labour Management Relations								
LA4	Percentage of employees covered by collective bargaining agreements	% employees	0.0	0.0	0.0	0.0	0.0	0.0
DULA2	Staff Satisfaction	score 0 to 10	4.0	5.6	6.0	6.0	No records	No records

The indicator DULA2 represents the staff satisfaction and is based on annual qualitative questionnaires. The issues which are evaluated are contract terms, salaries, extra benefits, working hours, trainings, health and safety issues, infrastructure, communication possibilities, etc.

Occupational Health & Safety								
LA7 *	Rates of injury, occupational disease, lost days and absenteeism, and total number of work-related fatalities by region	# incidents	Graph: LA7	No records	Graph: LA7	No records	No records	Graph: LA7

For the indicator LA7, it is decided not to report on the frequency of occurrences, but on the absolute number of incidences as daily contracts are excluded otherwise.

LA7: Injuries, occupational diseases and absentee days



* Absolute occurrences are reported (instead of frequency) due to limited registration of daily contract work

INDICATOR	DEFINITION	UNIT	Fair-Fruit		Barajii		Agrofuel	Head office
			Guatemala	Peru	Burkina Faso	Senegal	Senegal	
DULA3	Compliance with Health & Safety Issues	score 0 to 10	5.0	6.0	8.5	8.5	No records	No records

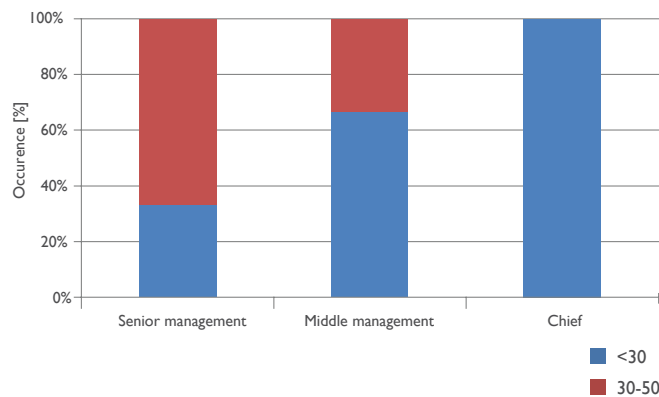
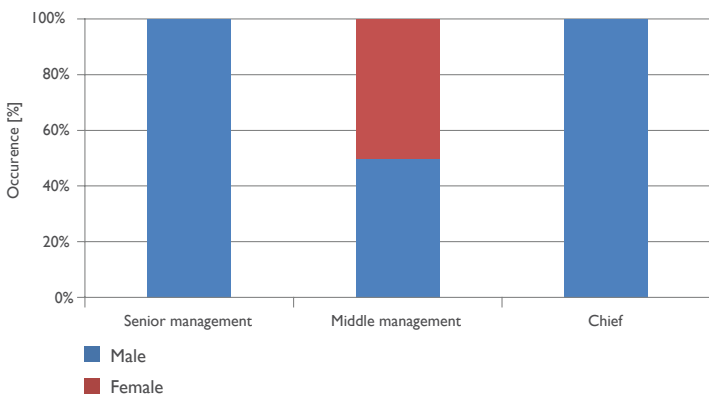
The indicator DULA3 reports on the compliance with health and safety issues and is based on checklists which cover medical assistance, risk evaluation, trainings, working conditions, chemicals, protective equipment, process control, infrastructure, criminality prevention and accidents.

INDICATOR	DEFINITION	UNIT	Fair-Fruit		Barajii		Agrofuel	Head office
			Guatemala	Peru	Burkina Faso	Senegal	Senegal	
Training and Education								
LA10	Average hours of training per year	#hours	7.6	No records	40.0	0.0	0.0	No records
Diversity and Opportunity								
LA13a	Composition of governance bodies and breakdown of employees per category according to gender		Graph: LA13	No records	Graph: LA13			
LA13b	Composition of governance bodies and breakdown of employees per category according to age		Graph: LA13	No records	Graph: LA13	No records	Graph: LA13	

LA13: Fair-Fruit - management composition

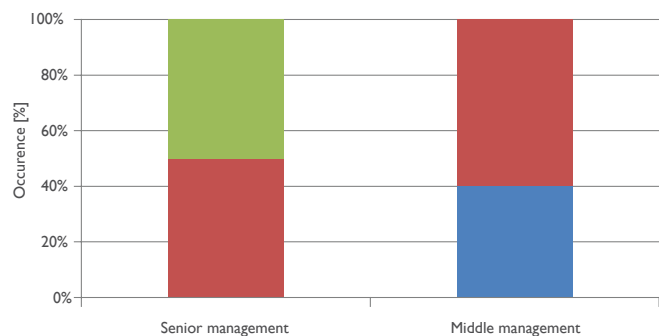
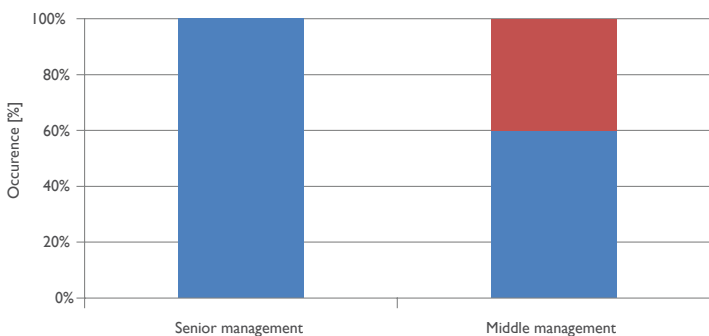
By gender [%]

By age [%]

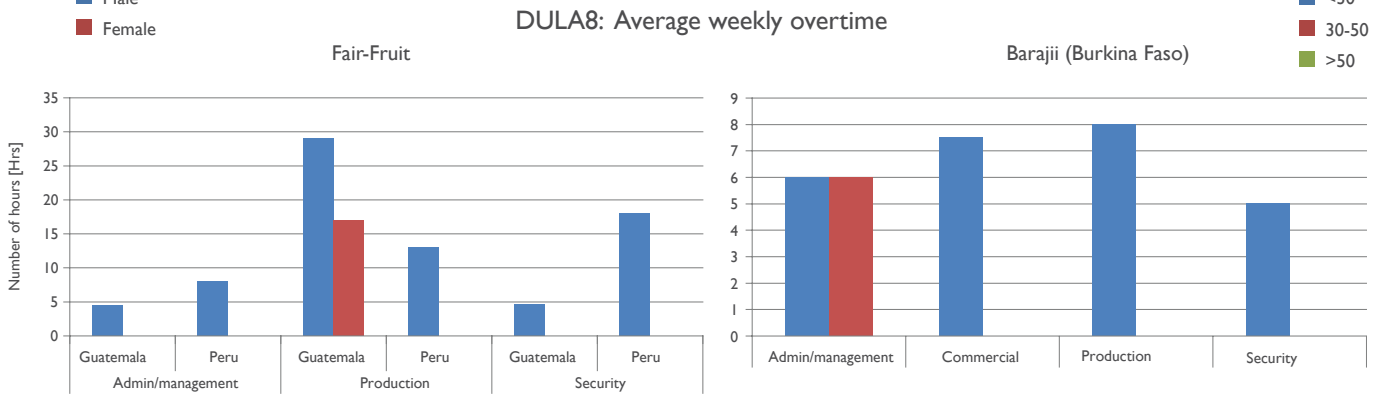
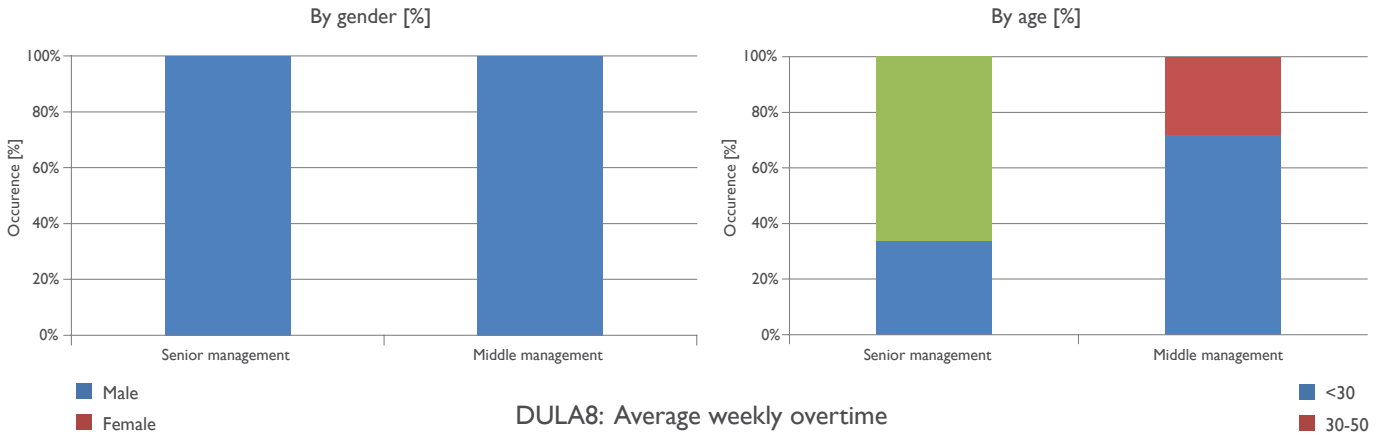


By gender [%]

By age [%]



LAI3: Headquarter - management composition



INDICATOR	DEFINITION	UNIT	Fair-Fruit		Barajii		Agrofuel	Head office
			Guatemala	Peru	Burkina Faso	Senegal	Senegal	
Working Hours								
DULA8	Average weekly overtime hours per employee category and gender	# hours	Graph: DULA8	No records	No records	No records		
INDICATOR	DEFINITION	UNIT	Fair-Fruit		Barajii		Agrofuel	Head office
			Guatemala	Peru	Burkina Faso	Senegal	Senegal	
Human Rights								
Child Labour								
HR6	Operations identified as having significant risk for incidents of child labour	description	Sourcing / Processing	Production	Sourcing	Sourcing	Production	No records
Forced and Compulsory Labour								
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour	description	Sourcing / Processing	Production	Sourcing	Sourcing	Production	No records
Indigenous Rights								
HR9	Total number of incidents of violations involving rights of indigenous people	# incidents	No records: Within the context of the activities, human rights are an essential value in our philosophy. The reporting and communication systems for any violation are under development for all units.					

8 The Durabilis Team

An enthusiasm shared across the globe



Spread across three continents and half a dozen countries, the local Durabilis teams share the Foundation's Vision and Mission through their enthusiasm and professional approach.

SEMB
(Ouagadougou, Burkina Faso)



SECOSEN
(Dakar, Senegal)



SECCO
(Kinshasa, Democratic Republic Congo)

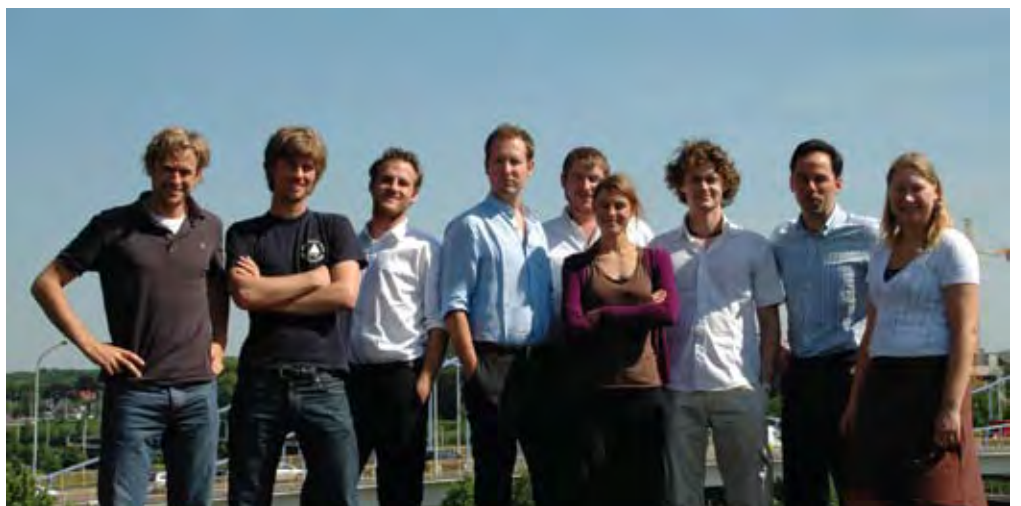
FAIR-FRUIT Guatemala
(San Juan del Obispo,
Guatemala)



FAIR-FRUIT Peru
(Piura, Peru)



Head Offices
(Merelbeke, Belgium)



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Reporting Period

This report covers the period from Januari 1st 2007 to December 31st 2007 and main facts of 2008 up to June 30th. The first 2006 annual report can be downloaded from www.durabilis.eu.

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