



"If we continue business as usual, we will need the equivalent of two planet Earths by 2030 to support our consumption."

-The Living Planet Report, WWF 2010

by the numbers...

3.2

Average cups of coffee consumed per day per person

(National Coffee Association)

23 BILLION

Annual paper coffee cups to landfill

(Environmental Defense Fund)

31%

Garbage to landfill each year that is containers and packaging

(EPA Municipal Solid Waste in the U.S.)

6,000

Weighted average miles traveled by one coffee pound from tree to cup

(Coffee Bean International carbon tracking)

<\$1,000

Annual income of a coffee farmer in Nicaragua

(Global Exchange)





In 2010, Coffee Bean International developed Project S.E.E.D., an employee-led initiative organized to create leadership in coffee sustainability, both at coffee's origins and here at home. The team is comprised of members from every department in the 170-employee organization.

We pledge to develop strategies that link people, process, product, place, and profits, meeting the needs of the present without compromising the welfare of future generations. Through this mission, we commit to reduce waste, reduce greenhouse gas emissions, pursue renewable energy options, educate our employees and our community, unify stakeholders, affect positive social change, and foster creativity.

A Defining Moment

Thank you for your attention to our sustainability report. This document is our first crack at communicating (to anyone who cares) our quantitative and qualitative performance in sustainability throughout the supply chain. Our hope is that you learn something about us and, more importantly, that you learn something about how we can all re-think our approach to business so that our collective impact on the environment is less, and our collective social responsibility is more.

As we've gone about our business of carbon footprint measurement and reporting, and building programs to improve social conditions at origin countries, we've learned that there are no reporting standards, and that in this industry, like all industries, "greenwashing" is the norm. So without any reporting rules in place, we aim for total transparency so you can understand what we measured, and what we didn't measure. And, we try to lay out our results in a way that holds us accountable to our hard-to-achieve goals.

In this document, which reflects fiscal year 2009 and 2010 (July to June), you can dive deep into specific initiatives grouped into two categories: Social and Environmental/Economic. Or, review our performance at a glance in our Sustainability Scorecard.

As of the time of this publication, we are very pleased with our results. Going forward, however, we know there is a lot of work to do. We invite you to provide us with any constructive feedback by emailing sbeaubien@coffeebeanintl.com.

Thank you,

Project S.E.E.D.

about

Company moved to Portland

to focus on developing a

wholesale business.

1976

Partnered with Mercy Corps to benefit coffee farmers in Central America.

2003

Launched Public Domain coffee bar in downtown Portland.

Finalist for BEST Sustainability Award.

2010

Initiated partnership with Coffee Kids.

1990

Founding member of Northwest Shade Coffee Campaign.

1996

1972

Founded in Eugene, OR, as one of the country's first specialty roaster-retailers.

1982

Founding member of the Specialty Coffee Association of America.

First specialty roaster in the U.S. to be certified organic by OCIA.

1991

Won the Portland Cup for the best cup of coffee in town. 2000

One of the first Fair Trade coffee roasters in the U.S. 2008

Designed and built first LEED® Silver certified roasting facility in the Pacific Northwest.







social

Coffee Bean International® encourages respect for humanity throughout the entire value chain. We promote fair, safe, and healthful environments within the company, within our local community, and beyond. Through our business practices we aspire to unify stakeholders (employees, customers, suppliers, peers, and shareholders) to affect positive social change and foster creativity. We believe our biggest impact will be a large-scale effort to improve coffee quality globally, which will improve the social equity of millions of coffee growers and increase the attention paid to critical elements of high-quality coffee, such as green canopy, natural fertilizer, water quality, and organic composting. (See page 8 for our Sustainability Scorecard.)





Internal

In 2009, we created a sustainability steering committee called Project S.E.E.D. (social, environmental, economic development). S.E.E.D. created sustainability objectives and a vision statement. S.E.E.D. works closely with Project VOICE (volunteers offering ideas and change for employees), which is literally the democratic voice of the employees. VOICE strives to build a strong corporate culture through on-site and off-site events. In parallel with the progress of S.E.E.D., we began the transition to become a World Class Manufacturing (WCM) site. The three principles of WCM directly support our sustainability efforts: elimination of waste, culture of intolerance to defects, and preventative maintenance to keep machinery running at optimal efficiency.



Local Community

As a company, we democratically chose the Raphael House as our "non-profit of choice." Raphael House is a domestic violence agency dedicated to ending intimate partner violence. We support the Raphael House through quarterly donations and fund-raising events. Additionally, we donate coffee to several other non-profits, including *street roots*, a non-profit newspaper that helps people that are experiencing homelessness. Our company grants employees one day off per to year to volunteer at a non-profit organization.



Broader Community

We have expanded our selection of sustainably grown coffees (such as organic, direct trade, and Fair Trade Certified™). Additionally, we are co-founders of the Global Coffee Quality Research Initiative, which strives to improve coffee quality on a global scale. We hope to increase consumer willingness to pay more for coffee to improve the quality of life for coffee growers. We are committed to improving coffee quality en masse and driving real, long-term improvements in how coffee is procured from origin countries. This year, we also funded the SCAA Sustainability Tracking and Reporting Tool (START), which will collect sustainability data for the entire coffee industry.

environmental & economic

Coffee Bean International® moved in September 2008 to a new facility, which is a repurposed warehouse that was customized around our core competency: artisan batch coffee roasting at scale. We are the first coffee roaster in the Northwest and second nationally to achieve LEED® certification for a roastery. In addition to the efficiencies of our LEED-certified building, we are proud of the massive reduction of pounds delivered into the waste stream and a reduction in our greenhouse gas emissions per pound of roasted coffee. Thanks to the guidance of the City of Portland Bureau of Planning and Sustainability and Climate Smart, we are moving in the right direction to lessen our impact. (See page 8 for our Sustainability Scorecard.)

We track our impact in three key areas:



Energy Reduction

We measured our carbon emissions in three scopes and have committed to take action to reduce them: 1) Direct on-site emissions; 2) Indirect emissions from our facility's activity; and 3) Indirect emissions from commuting and suppliers. Our priority is to reduce energy usage. Toward this end, we installed two regenerative thermal oxidizers, which dramatically reduce natural gas usage and offer superior heat recovery characteristics. Additionally, we've changed light auto-on timing, rewritten plant shut-down procedures, and enforced company-wide power management settings to save electricity. Where we cannot reduce electricity, we have purchased Renewable Energy Credits (RECs) from the Bonneville Environmental Foundation.



Waste Reduction

One of our largest ecological challenges is the amount of waste generated by our activities. In the past two years, we have dramatically changed our waste ratio by shifting the tons away from the landfill to a recycling center or an industrial composting site. We recycle all of our recyclable material (cardboard, glass, metal, plastic, paper, wood). Through a joint task force, we created separation procedures in the plant and added an in-office recycling system. We met and exceeded by six percent the City of Portland Recycle at Work 2015 goal to recycle at least 75 percent of our waste. We transitioned to recycled office paper and we nearly eliminated paper cups from our office area. And, through community outreach, we have found partners to repurpose all of our burlap bags.



Transportation Transformation

We encourage employees to explore alternative transportation methods, including biking, public transportation, and car pooling with the end goal of reducing cars on the road. Each year, we participate in a city-wide Bike to Work Challenge for the month of September. In 2009, we met and exceeded the three-year Department of Environmental Quality Employee Commute Options (ECO) Rule that targets a 10% reduction in auto trips taken to the worksite.

sustainability scorecard

	GOAL	KEY INDICATOR	2009 RESULTS	2010 RESULTS
SOCIAL	Support coffee grower quality of life	Percentage of coffee from Fair Trade Certified™ farms Percentage of coffee from Direct Trade farms Coffee stewardship- donation per employee, annually Farm visits	5% 0% \$55 30	8% 1% \$150 35
ECONOMIC	Support our local community	Donated coffee & merchandise- donation per employee, annually	\$64	\$83
	Employee satisfaction	Percentage of employees involved in sustainability task forces Employee retention rate Health and safety - injury rate/loss of work days	3% 80% 3/0	15% 80% 4/3
	Support ecologically healthful farming techniques	Percentage of coffee from organic farms	6%	8%
	Establish environmental footprint	Track metrics and create carbon footprint baseline	√	V
	Reduce energy consumption	Percentage change in electricity from prior year Percentage change in natural gas from prior year Shortened window of auto-light timing Mandatory power management settings on computers	40% -40% √	-9% -18% √ √
	Reduce waste to landfill	Percentage of waste per lb produced Percentage of total waste composted Percentage of burlap bags diverted Progress toward eliminating paper cups in office area Offered compostable cups to customers	4% 44% <25% 90% 0%	3% 49% 100% 90% 3%
	Reduce auto trips	Percentage reduction in auto trips since 2006 survey Commenced once/month alternative transportation days Participated in September Bike to Work Challenge	12% NA √	no survey √ √
	Support renewable energy	Percentage of electricity offset by renewable energy credits (RECs)	50%	50%
	Reducing inputs	Savings from eliminating water coolers from office Pieces of paper saved through duplexing	\$0 450,000	\$4,000 450,000
	Sustainability purchasing policy	Transition to recycled paper Transition to recycled boxes Transition to green cleaning products	NA NA NA	√ √ √

key partners

"Sustainability is an important part of our coffee portfolio and the support provided by Coffee Bean International is key to achieving our mission."

Bill Wilson

Director of Specialty Coffee, Nordstrom, Inc.

"Thanks to the Coffee Bean International commitment to clean, renewable, wind energy, over five million pounds of pollution associated with fossil fuels have been kept out of the atmosphere. Over the last several years, the company has been responsible for supporting enough clean wind energy to power over 4,000 average American homes for an entire month."

Heidi Eggert,
 VP of Marketing, Bonneville Environmental Foundation

"Coffee Bean International demonstrates its leadership through its commitment to ongoing tracking and reduction of greenhouse gas emissions and in its willingness to share its experience and knowledge gained with businesses just beginning to manage their carbon footprint."

Michelle Bonner,
 Director Training, Climate Smart























"Coffee Bean International® has established tremendous leadership in advancing sustainability both in their business and as a model for the industry. The scale of their commitment is without parallel."

Bill Mikesell,Portland Roasting

2011 Goals:

- Achieve carbon neutrality
- Engage in international sustainability policy
- Nurture sustainability culture
- Continue reduction strategies
- Create sustainable purchasing policy
- Employ material source reduction in packaging
- Pursue packaging with at least 85% renewable resources
- Initiate transition to become a paperless company

