

## ANNUAL REPORT 2010-11-23

Member organization's name:	Villa Andina S.A.C.
Main address:	Av. Industrial 898, Cajamarca
Webpage:	www.villaandina.com



### COMPANY DESCRIPTION

An agro industrial company, dedicated to the processing and commercialization of natural food and health products derived from Peru's biodiversity. Our food dehydration plant is based in Cajamarca, in the northern Andean region. Our Mission is to make premium quality, value added native products available to the world, to contribute to the sustainable and profitable development of Peru's more isolated, rural communities, and subsequently to make it possible for other countries to enjoy the produce and riches that the Peruvian coast, Andes and Amazon basin have to offer.

### UEBT MEMBERSHIP OBLIGATIONS

Steps	Dates <i>Historical/expected</i>	Verification Body
UEBT audit 1	2009-05-22	Control Union del Perú
Provisional Membership, if applicable		
Work-plan approval	2010-01-28	Control Union del Perú
Membership status granted	2010-03-31	
Annual report 1	2010-11-23	
Annual report 2		
Audit 2		
Annual report 3		
Audit 3		

Impact measurement indicators submitted to UEBT? Yes  No

Implementation indicators submitted to UEBT? Yes  No

Narrative report submitted to UEBT? Yes  No

Documents annexed for public use? Yes  No

If so, number of annexes:

Description of the annexed documents:

## PROGRESS IN IMPLEMENTATION OF UEBT WORK-PLAN

### Percentage of the work-plan implemented

Around 50% of the total work-plan of Villa Andina has been implemented between 2009 and 2010.

### Progress in the implementation of the UEBT work-plan

#### Principle 1. Conservation of biodiversity

Management system	Creation of a Manual on Management and Conservation of Physalis Crops, our company's main product, that will be continuously updated and will serve us guideline for training of farmers and crop technicians.
Supply chain	Risks involving plagues and diseases affecting native biodiversity due to the increase in crops, and the necessity to register the varieties and ecotypes have been included in our work plan. We've managed to get both subjects included in the Nation Plan for Investigation on Biodiversity together with 13 other topics relating to the conservation risks of native biodiversity product our company purchases, expecting results through out 2011

#### Principle 2. Sustainable use of biodiversity

Management system	Correct implementation of a Control System to monitor the compliance of the organic standard through out our suppliers. Our plant carries Good Manufacturing Practice and the HACCP standard certification.
Supply chain	We currently pay part of the cost of the purchase of native products with organic fertilizers to promote their use. Training on Good Agricultural Practices is still at an initial stage due to the yet inconclusive compiling of a specific Manual. The organic standards are implemented throughout the entire procurement chain, which is composed of 34 organic certified farmers, and others in transition period.

#### Principle 3. Fair and equitable sharing of benefits

Management system	We are currently in the process of designing a software to monitor the farmers belonging to our supply chain. This includes base lines, investments made by farmers, profitability of crops and other important parameters.
Supply chain	Farmers use forms to register their expenses and take account of their productive activity, and consequently determine their profitability. Base lines per farmer have been established and are being monitored.

#### Principle 4. Socio-economic sustainability

Management system	ERP software implemented, providing highly detailed financial information. Good Manufacturing Practice and the HACCP standard certifications obtained.
Supply chain	Retail presentations have been developed and our company has participated in at least two specialized trade shows per year

#### Principle 5. Compliance with national and international legislation

Management system	
Supply chain	Pertinent legislation is being monitored

#### Principle 6. Respect for the right of actors

Management system	
Supply chain	

#### Principle 7. Clarity about land tenure, right of use and access to natural resources

Management system	
Supply chain	

#### Changes in UEBT work-plan

Instant Andean Mashed Potato, but difficulties in the production line made necessary for us to prioritize other products. Currently our company's main products are Physalis Berries, Yacon and Maca, all derived from our native biodiversity. We have made our work-plan more generic to our entire operation and less specific to a singular product.

#### ADDITIONAL INFORMATION

Villa Andina's was audited by BioLatina and received a renewal of our organic certification