

A changing landscape of fairness



FAIRTRADE INTERNATIONAL ANNUAL REPORT 2022



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Cover photo: Fidencia Gonzáles, known as "Doña Mencha," is a coffee farmer and member of Fairtrade certified Asociación de Productores El Pacayal in Honduras. Children of coffee farmers in the community founded Pacayal Coffee in 2014 to trade and market the coffee from the cooperative.

Photo below: Pedro González is a wine grape farmer and member of Cooperativa Agrícola Vitivinícola Loncomilla in Chile, founded in 1959. Pedro says the cooperative is "always trying to set an example and promote sustainable practices."

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A message from the Board Chair



I am pleased to share with you the Fairtrade International 2022 Annual Report. As I come to the end of my three-year stint as Chair of the Fairtrade International Board, I would like to offer some reflections.

First, I'm proud that the board, and indeed our entire movement, continues to ensure that we are always guided by the touchstones of our mission and vision.

Second, Fairtrade International takes its commitment to democratic, consultative, practical and transparent governance very seriously. We strive for efficient use of time and resources and focus on delivering measurable impact. In addition to the ordinary and extraordinary meetings of the Board, we also continued to hold annual General Assemblies, adapting during the pandemic. Eight other committees, from Standards to Finance and Audit to Governance, held a total of 99 meetings over the past three years. The Board itself took 131 decisions. We measure, evaluate and honestly assess our own performance as a board, and I'm confident our work makes a positive contribution to Fairtrade's overall success.

I am particularly proud that – with six women and five men from ten different countries in four continents, including an equal mix of farm producers and market representatives – our board represents global cultural, gender and constituent diversity best practice. I thank them all for their untiring commitment and efforts. I would like to make a special mention of Gnanasekaran Rajaratnam, producer representative from Sri Lanka whose term is ending. Thank you so very much Gnana, you will be missed.

I would also especially like to acknowledge the dedicated professionalism of our two chief executives, global CEO Sandra Uwera Murasa and Executive Director Melissa Duncan, along with their teams - all the colleagues of Fairtrade International. Successful co-leadership can be challenging, but their joint determination to make it work has been inspiring.

Third, the Fairtrade movement faces considerable strategic challenges. How do we continue to grow in mature markets whilst expanding in new ones? How do we navigate the complexities and opportunities of human rights and environmental due diligence (HREDD), tackle the impacts of climate change and build our appeal to younger generations? Are we confident we have the knowledge, the energy and the passion to keep our promise of trade justice for small holder farmers?

I believe we have the people, the expertise and the commitment to deliver on all these and more. Fairtrade is still the most recognised and trusted ethical label in the world – but we have to earn that trust by being innovative, agile, expert, energetic and optimistic. Our stakeholders, in particular the two million farmers and workers we represent, expect nothing less of us.

Lynette Thorstensen
Chair,
Board of Fairtrade International



Foreword



On behalf of Fairtrade International's Executive Management, we are proud to share with you our highlights of 2022. We are also proud of our global teams – around 1,000 Fairtrade staff working across 100 producer and consumer countries – who are strengthening collaboration, commitment and trust in our brand and in our promise.

2022 saw significant progress on human rights, climate action, sustainable agriculture, and power to farmers and workers, all key pillars of our global strategy.

We accelerated our work on **decent livelihoods** with three new living income reference prices for coffee in Indonesia, Uganda and Honduras, updating the cocoa reference prices in Ghana and Côte d'Ivoire, and launching a new reference price for coconuts from Sri Lanka. Developed with local experts including farmers, the new reference prices are vital for progress on living incomes and to support sustainable farming.

Our commitment to **Human Rights and Environmental Due Diligence** (HREDD) was further strengthened by including HREDD requirements in the updated Fairtrade Cocoa Standard and by publishing the first-ever global HREDD guidebook for small-scale producers. The Cocoa Standard was also updated to include new, improved deforestation and living income requirements. We also began the consultation process for the Fairtrade Trader Standard review and made six pricing updates ranging from bananas to rice.

We launched an ambitious **Fairtrade Ambassador Programme** with 15 outstanding young producers from around the world. The six-week course was organised together with our three regional Producer Networks and co-funded by the European Union, and proved so popular it was repeated in 2023.

It was heartening that six independent studies published last year concluded, to varying degrees, that **Fairtrade has a positive impact on farmers** – including one which found that Fairtrade certifica-

tion increased households' social wellbeing by up to 20 percent during the pandemic compared to other or no certification. A decade-spanning longitudinal study found that, despite global challenges, Fairtrade banana producers in Peru had increased their environmental awareness, improved soil quality, implemented organic practices and reduced waste. A review of 151 studies revealed that **Fairtrade makes a strong or partial difference** in 84 percent of the areas we seek to influence.

November saw the **UN COP27 climate conference** in Sharm El Sheikh – and once again Fairtrade was there to hammer home the message that climate change threatens not only farmers and workers, but the very existence of our planet's food supply. It was inspiring to see Fairtrade coconut producer Pablito Aquino, a survivor of three major typhoons in the Philippines, tell the COP: "We producers are determined to combat this climate crisis!"

You can find more impact stories in the pages that follow. Later this year we will also publish a detailed 2022 Data Impact Report including producer sales and Fairtrade Premium trends.

This report highlights many successes, but we have a long way to go and we cannot do it alone. We would like to recognise and thank our commercial and development partners for their continuing strong support. Fairtrade is everyone's responsibility.

Sandra Uwera Murasa
Global CEO
Fairtrade International

Melissa Duncan
Executive Director
Fairtrade International

Fairtrade around the world



Fairtrade is the most recognised and trusted sustainability label in the world.

Strong producers: Three Fairtrade regional producer networks offer expert support to certified producer organisations. Fairtrade farmers and workers strengthen their businesses and communities and work towards a better future.

Rigorous standards and verification: Fairtrade products meet rigorous social, economic and environmental standards, all the way from farm to shelf, and are audited independently.

Expanding markets: National Fairtrade organisations – and, increasingly, Fairtrade producer networks – raise awareness and build demand for Fairtrade products. Producers have the know-how to expand their businesses and market locally.

Making a difference: We bring our voices together – including producers, a vibrant grassroots community, and committed partners – to make fairer trade the norm.



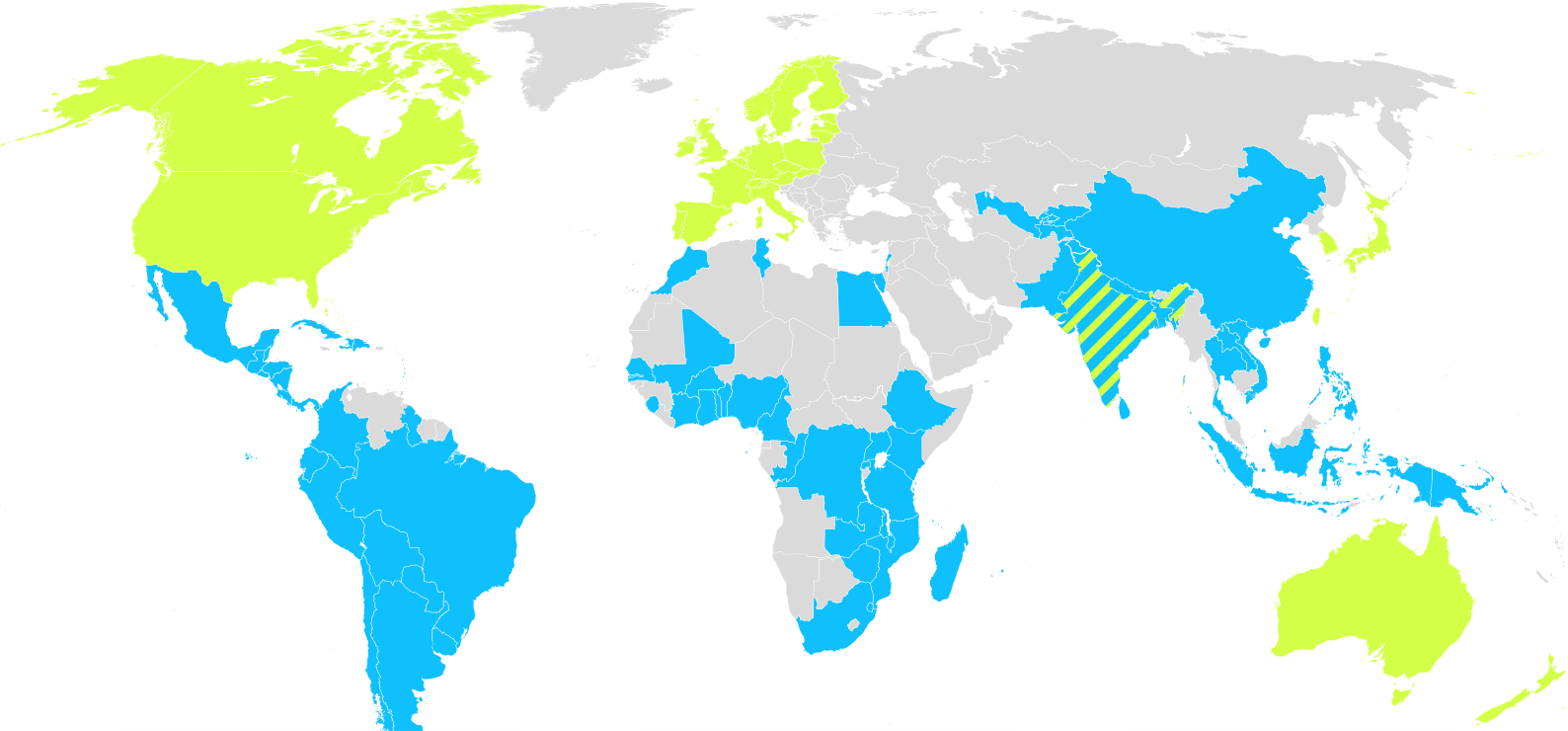
**Fairtrade
producer country**



**Local Fairtrade
organisation country**



**Fairtrade
producer networks**



Latin America and Caribbean (CLAC)
370,895 farmers and workers
18% of total

Fairtrade Africa
1,387,382 farmers and workers
68% of total

Asia and Pacific (NAPP)
270,372 farmers and workers
13% of total

Progress toward ambitious goals: the Fairtrade Global Strategy

Our strategic priorities guide our actions as individual organisations and as a system. To explore how our strategic priorities work together and progress to eventual outcomes and impacts in the world, visit the [interactive version of our Theory of Change](#) that we launched in 2022.

Fairtrade global strategic priorities for 2021-2025 are:

1. Shifting the balance of power to farmers and workers

We will secure decent and sustainable livelihoods, build resilience to climate change, and support women and youth as leaders of the future.



3. Advocacy and citizen engagement

We will champion change that addresses human rights risks, climate change, inequality, and power imbalances in supply chains.



2. Growth and innovation

We will strengthen existing relationships, develop Fairtrade markets in new directions, and offer supply chain services that benefit producers and businesses – fairly and sustainably.



4. Digitalisation for fairer supply chains

We will unlock the power of fair supply chains through data, transparency and traceability.

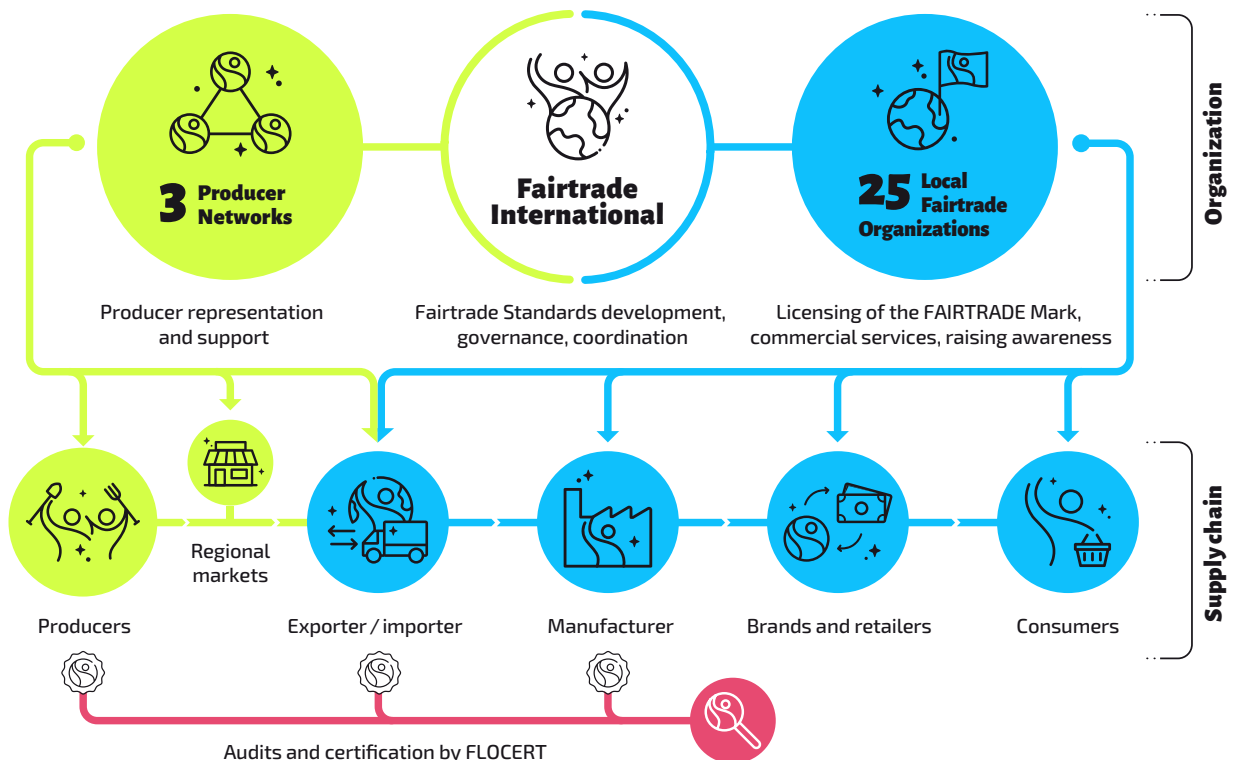


5. Launchpad for the future

The Fairtrade system is made up of more than 25 organizations, 1,000 staff and two million farmers and workers, from 100 countries around the globe. Our fifth strategic priority focuses on increasing our innovation, partnerships and efficiency as a system. It's a cross-cutting priority, weaving through the other areas showcased in this report.



The Fairtrade system



Powering change through partnerships



Jose Luís Povh is an orange farmer and member of COACIPAR in Brazil. With Fairtrade Premium funds, the cooperative was able to build an orange juice processing plant.

2022 saw Fairtrade cement existing key strategic partnerships and enter into new ones. We continue to partner with governments, development agencies, businesses and civil society organisations to finance, design and implement programmes across the globe.

We received significant funding from our partnerships with the European Commission (EC), European Union (EU), German Federal Ministry of Economic Cooperation and Development (BMZ), and German Agency for International Cooperation (GIZ).

Financial support from the EU made it possible for Fairtrade International to strengthen our system and build support for fair trade globally. EU-funded programmes in 2022 included:

- [Unlocking the Power of Producers and Workers to Drive Inclusive Trade and Development through Fairtrade](#) – a multi-stakeholder, multi-year project to strengthen governance; promote inclusion and efficiency; increase advocacy influence; and improve internal capacity.
- [SWITCH-Asia](#) – a four-year project to tackle the challenge of sustainable consumption in India, one of the fastest growing economies in the world.
- [SWITCH-Asia – Switching to Green & Fair Fashion](#) to promote adoption of sustainable production in India's cotton textiles sector.
- [Fairtrade Ambassador Programme](#) to strengthen producer-led advocacy and bring the voice of producers to a global level through lobbying, conferences, events and campaigns.

In addition, Fairtrade International entered into two new strategic partnerships with:

- [Cocoa of Excellence](#) to encourage production of superior quality cocoa, support access to new markets and offer boost incomes Fairtrade certified cocoa producers.
- [Earthworm Foundation](#) to monitor deforestation and assess environmental vulnerability using satellites and digital data.

In total, 75 externally funded Fairtrade projects across the Fairtrade system were active in 2022 including 11 funded by businesses, 44 by institutional grants and 20 by both. Our interactive [project map](#) showcases projects ranging from improving the rights of workers on South African grape farms to responsible gold mining in Peru. A full list of Fairtrade International funders and partners can be found [here](#).



1. Shifting the balance of power to farmers and workers

Standing with farmers and workers on issues of rights and livelihoods



Supporting strong producer organisations

The assistance provided by Fairtrade's three producer networks is a core part of our theory of change: strong, democratic and resilient organisations can better serve farmer members and employees, and grow as sustainable trade partners. In 2022:

- **Latin America and the Caribbean:** CLAC served 869 producer organisations (89 percent of certified organisations in the region). Two-thirds of the support related to Fairtrade Standards and strengthening producer organisations, 18 percent to labour and human rights, and eight percent to production and environment.
- **Asia Pacific:** NAPP covers a territory of 18 countries and around 290 certified producer organisations. Top areas of focus were organisational strengthening (40 percent), entrepreneurship and productivity (32 percent), and gender and youth (11 percent).
- **Africa and the Middle East:** Fairtrade Africa served 613 organisations in 29 countries. Support focused on stronger producer organisations (48 percent), sustainable farming systems (31 percent), product and market development (13 percent) and advocacy and policy (8 percent).

Living income

We made progress in 2022 across multiple branches of our living income strategy, including pricing, sustainable production, and awareness. An [updated strategy paper](#) shows how these elements work together, with robust monitoring and evaluation, to push for improvements to farmers' incomes.

Expanding living income-supporting prices for coffee and coconut farmers

In 2022, Fairtrade International published three new Living Income Reference Prices for coffee – for [Indonesia's Aceh region](#), [Uganda](#) and [Honduras](#) – and updated the ones for [Colombian coffee](#) and [Ivorian and Ghanaian cocoa](#). Such prices are voluntary – and can be paid by any commercial buyer wanting to pay a price based on local cost of decent living and other conditions – but add particular value for Fairtrade buyers seeking to build more sustainability into their supply chains. All told, these countries and regions are home to more than 84,000 Fairtrade coffee farmers. Prices for Ethiopia, Peru and Nicaragua are foreseen for 2023.

We also published a Living Income Reference Price for [coconuts from Sri Lanka](#) in late 2022. Our "fast-track" price setting process was used for several products and regions, including

cashews from Tanzania and oranges from Brazil, as well as coffee from Guatemala for a company's supply chain.

Projects to improve sustainable production practices

Fairtrade producer networks, cooperatives and commercial partners work in coordination to roll out projects that aim to equip farmers with knowledge and skills they need to increase their incomes. Such projects, ideally implemented alongside payment of the relevant Living Income Reference Price, include good agricultural practices training; work with families so that women can participate in decision-making and contribute more to their household income; and improving farm productivity and income resilience. We will share the results of some initial living income projects with cocoa farmers this year.



A worker cuts flowers in a greenhouse at Flamingo Horticulture in Kenya.

Decent work and living wages

Fairtrade Standards incorporate living income supports

Updates to the Fairtrade Standard for Cocoa, announced in December, include some new living-income-supporting requirements. Applying to Côte d'Ivoire and Ghana as a first step, the requirements include cooperatives collecting and analysing farmers' costs and incomes, providing training on finance and entrepreneurship, and seeking more access to credit for farmers.

Bringing awareness to the issue

We took opportunities in 2022 to share our perspectives and learnings on living incomes, from our participation in the Living Income Community of Practice, the International Coffee Organisation technical workstream on Living / Prosperous Income and the various national Initiatives on Sustainable Cocoa to speaking on panels at tradeshows such as the Specialty Coffee Association event in Boston. A new [video](#) also features Fairtrade farmers, cooperatives, companies, and policy makers explaining their roles in making living incomes a reality.

You can read more about advocacy efforts on p. 16.

In a [2023 report](#), the International Labour Organization highlights the risks faced by "key workers" who are essential to society, but as the pandemic showed, are vulnerable to low pay, temporary contracts, less unionisation, and higher health and safety risks, among other things. Agricultural workers fall into this category, especially those in the informal economy.

The Fairtrade Standard for Hired Labour Organisations governs large farms and plantations that hire workers regularly, and includes requirements on working conditions, contracts, wages, and freedom of association. Still, rapid increases in cost of living can put workers at risk of hardship, at the same time as producers are coping with higher production costs. Fairtrade and certifier FLOCERT began to investigate some of these dynamics more in depth in 2022.

Research shows benefits in opportunities and better working conditions...

Several studies published in 2022 found that workers benefit from Fairtrade in important ways, including greater resilience during the pandemic thanks to Fairtrade Premium support (for example, for [flower workers in Kenya](#)). A [multi-study analysis](#) found that on the whole Fairtrade workers

have better working conditions and benefits, and greater voice and dignity for workers. Challenges still exist across various sectors, including flowers, bananas and tea, including most prominently in the area of wages.

...with progress made toward living wages

We reached a number of milestones in 2022, including:

- Conducted research for full revision of the living wage benchmark in the Dominican Republic
- Field-tested a Fairtrade-funded methodology for measuring gender pay gaps, with the Anker Research Institute
- Updated the [floor wage requirement for flower farms](#) to account for the new World Bank poverty line of \$2.15 per person per day
- Supported consultation and alignment with trade unions representing workers on flower farms in four East African countries.



Esperanza Suazo Sáenz, a member of the Fairtrade certified coffee cooperative COMSA in Honduras, shows a coffee tree ruined by leaf rust, a fungal disease exacerbated by climate change. Cooperatives support members with technical advice and the Fairtrade Premium can be used to buy more drought- and disease-resistant coffee variety seedlings.

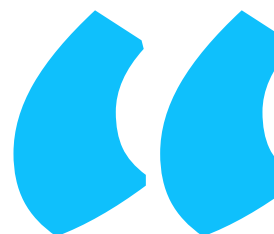
Environment and climate change

The impacts of climate change are getting worse, and those who have contributed least are bearing the brunt. Fairtrade farmers went to COP27 in November 2022 with one simple message: the clock is ticking. COP27 also saw the launch of the Fairtrade Non-Fungible Banana (NFB) – aka The Last Banana – to highlight the risks of climate change to global food security.

In addition to advocacy, 2022 also saw us ramp up environment- and climate-change-related support, training and projects. Some highlights include:

- Around 80 percent of all Fairtrade certified producer organisations (more than 1,500) are adopting **climate resilience practices** in line with agroecology – a threefold increase from 2021.
- More than 3,300 producers from nine countries received emergency aid through a **Fund for Climate Eventualities and Catastrophic Events** in the Latin American and Caribbean region, managed by Fairtrade producer network CLAC.
- Ten new climate projects were launched, including **carbon sequestration and carbon footprint** studies.

- Eight cocoa cooperatives from Ghana and Côte d'Ivoire participated in a pilot to assess exposure to deforestation risk using remote sensing and satellite imaging (see page 18).
- More than 100 Fairtrade producer organisations in 20 countries across Latin America and the Caribbean planted more than 300,000 trees.
- The updated Fairtrade Cocoa Standard added new requirements on deforestation. Specifically, Ivorian and Ghanaian cocoa producers and traders will have to self-report geospatial data of farms, which Fairtrade will share back to cooperatives. This information is critical for cooperatives' market access as it provides a better understanding of risk, and enables them to meet commercial partner needs and requirements of pending legislation in Europe.
- In 2021-2022, 731 (39 percent) producer organisations were trained on **Good Agroecological Practices**. 502 (27 percent) producer organisations designed **climate change adaptation plans**.



As producers we are doing what we can to switch to greener ways of working. I see a lot of effort around my community to adapt. But climate change does not depend on us entirely. Everyone, particularly governments of larger nations, have a role to play. That's only fair."

Submi Granados, Fairtrade coffee farmer from Guatemala

Agroecology

Significant research and consultation have gone into an evolution of Fairtrade's approach to sustainable farming. In future, we will make agroecology a guiding principle at all levels, focusing on resource conservation, crop diversification and increasing the resilience of small scale farming communities in a healthier environment. This approach will begin to be rolled out in 2023.



Fairtrade supports companies to improve human rights and environmental due diligence in Fairtrade supply chains, and advocates for human rights issues to be part of sustainable trade legislation.

Human rights and environmental due diligence

Corporate due diligence is increasingly important as societies evolve from a voluntary “corporate social responsibility” model of contributing to social good, to one in which companies must identify and take action on the problems within their supply chains.

While voluntary certifications do not replace companies’ own responsibilities, Fairtrade has an important supporting role to play in building awareness of rights and responsibilities, assessing and addressing risks, and ensuring rights holders are at the table and part of the solution.

We achieved several significant milestones in 2022 in the area of human rights and environmental due diligence (HREDD).

- Launched the first-of-its-kind guide for small-scale producers to align their policies and processes with HREDD. Guides for other supply chain actors are being published in 2023.
- Published new research on how Fairtrade contributes to corporate human rights work.

- Developed a detailed risk map for companies and farmer organisations to better understand the salient human rights and environmental issues inherent in various regions and supply chains. The digital resource considers all human rights, includes root cause analysis, and has been produced with input from a wide range of farmers, workers and other experts.

On the legislative front, we continued to advocate for a smallholder-inclusive HREDD legislation in the European Union. This landmark legislation will define rules for companies that sell products in the European market, requiring them to address adverse impacts in their value chains inside and outside Europe. We are continuing to raise our voices on this into 2023 and push for the Corporate Sustainability Due Diligence Directive to emphasise the importance of living incomes and meaningful dialogue between farmers, workers, and European companies. Further, it’s crucial that the directive requires companies to address the impact of their own purchasing practices on human rights and the environment.

Four takeaways from the study A Fair Price for Human Rights Due Diligence (December 2022):

1. **Fairtrade does make a difference in advancing several human rights** and in particular improved incomes and better standard of living. Improved incomes are shown to support several other rights, such as health and education.
2. **Fairtrade can support progress and build awareness in areas like workers’ rights and gender rights**, but national laws and local culture play large roles in either limiting or enhancing these rights.
3. **Standards are necessary, but what’s “on paper” is not sufficient for on-the-ground impact to improve the exercise of human rights.** Fairtrade Standards do include detailed human rights requirements, but Fairtrade also supports actions such as awareness building, social dialogue, stronger organisational policies, advocacy for better laws and enforcement, and economic protections such as fairer prices.
4. **Fairtrade can be a valuable partner in various steps of corporate human rights due diligence**, especially with regards to risk assessment, risk mitigation and engagement with affected stakeholders.



Farmer members of CAYAT cocoa cooperative in Côte d'Ivoire have invested Fairtrade Premium to diversify into raising chickens as part of income improvement efforts.

Opportunities for women and young people

The future of farming is closely linked with efforts to secure decent livelihoods and tackle climate change. Fairtrade supports the next generation of farmers to carry forward values of fairness and sustainability, while developing skills in leadership, management, advocacy, and business development that will serve them well as farmers, cooperative managers, and community leaders.

In Latin America, CLAC developed its youth inclusion strategy. It conducted a leadership academy series with 50 young farmers from Paraguay, Chile, Argentina and Central America with support from European Union funding. Conducted with a combination of remote and in-person sessions, the academy covered five modules: fair trade, leadership and decision making, political training, organised common work, and project formulation. In total, the EU's Framework Partnership Agreement grant supported approximately 775 producer representatives (57 percent of them women) to receive direct training and/or participate in 31 events organised by the Fairtrade producer networks.

In the Asia Pacific region, almost 250 young people from India, Sri Lanka,

Philippines, Pakistan, Indonesia and Vietnam have been trained in business and leadership skills. Youth pilot start-up programmes were launched with five producer organisations in Vietnam. NAPP also introduced a youth knowledge hub for young farmers from seven producer organisations in India to support learning and exchange on agribusiness, diversified income opportunities, climate change, and technology in agriculture.

In Ghana and Côte d'Ivoire, Fairtrade Africa launched its Young Cooperative Managers training programme in 2022, with a cohort of 30 young cocoa farmers from 15 cooperatives, thanks to funding from the Norwegian development agency (NORAD).

Fairtrade's work on gender equity recognises that greater opportunity for women benefits everyone. In Ghana, the cooperative managers programme was run jointly as a new cohort Fairtrade Africa's Women's Leadership Academy, to promote young women as leaders in cocoa cooperatives. In Côte d'Ivoire, the academy has successfully graduated more than 120 women and men since 2017.

In Asia Pacific, NAPP's gender leadership schools have graduated 144 participants in 12 countries.

With women making up 20 percent of Fairtrade farmers and 45 percent of workers, Fairtrade producer networks continue to support greater inclusion of women within thousands of producer organisations, through training on the Fairtrade Standards and women's rights, the development of gender policies, microenterprise project mentorship, and more.

Young farmers in all regions were supported to build leadership and business skills, for instance:

50 via CLAC's leadership academy

250 via NAPP's trainings

30 via Fairtrade Africa's young cooperative managers programme

“
Without a fair price, logically, it would not be possible to fairly pay workers. (...) Joining ASOGUABO gave us many opportunities to move ahead, including a fair price. In addition, with the Fairtrade Premium we can improve the infrastructure in our plantation and benefit our staff. Thanks to ASOGUABO and Fairtrade we have a family.”



Jessica Ramón Sanmartín is a banana farmer and member of Asociación de Pequeños Productores Bananeros 'El Guabo' (ASOGUABO) in Ecuador. ASOGUABO was founded in 1997 by 14 smallholder banana farmers, who one year later exported their first Fairtrade certified fruit. Among other things, the cooperative has built biofactories, a plastic recycling facility, a warehouse and a medical dispensary that benefits the farmers and the community. The security of the Fairtrade Minimum Price and Premium has been essential for banana farmer's survival in this region according to Jessica, especially in recent years.

2. Growth and innovation



Building new pathways to sustainability

Expanding commercial opportunities

As post-pandemic confidence among producers, traders and retailers grew – albeit slowly – 2022 saw new growth in market developments and partnerships aimed at helping farmers and workers expand sales.

“South-to-south” local market opportunities – led by our three Producer Networks – are putting Fairtrade certified products on the shelves in countries and regions where the products are grown, keeping more value close to producers and tapping into increasing consumer demand for sustainable options.

Some highlights:

- In **Belgium**, five major Fairtrade retailers joined forces with three other supermarkets to commit to living wages for banana workers throughout their international supply chains. With Fairtrade, the coalition of retailers aims to close the living wage gap by the end of 2027 for their collective banana volumes sold on the Belgian market. Meanwhile in **Canada**, Sobeys – one of the country’s largest grocery retailers – expanded its Fairtrade organic banana commitment to a national programme covering more than 1,000 stores.
- Fairtrade cocoa farmers in **West Africa** benefitted from the launch of the Livelihood Ecosystem Advancement Programme (LEAP), a partnership between Fairtrade, Ecookim, Mars and the Finnish Ministry of Foreign Affairs. More than 5,000 farmers from four cooperatives aim to reach a living income by 2030. That news came on top of a partnership with **Belgian** chocolate brand Guylian, which will see the world famous chocolate brand sourcing 100 percent of its cocoa from Fairtrade – meaning nearly half a million dollars in additional Premium for farmers.
- High-quality Fairtrade coffees were showcased at **14 Fairtrade Golden Cup** competitions in Africa and Latin America in 2022, providing cooperatives with greater visibility and connection to buyers. NAPP supports coffee producers’ participation in national competitions in the Asia Pacific region.
- NAPP provided 168 producer organisations in six countries with field visits and training on **business and supply chain development** and diversifying incomes from 2021 to 2022.
- Fairtrade International and the **Cocoa of Excellence Programme** joined forces to boost the production of superior quality cocoa and to access new market opportunities. Fairtrade cocoa farmers will get support to analyse and improve the quality of their crop in order to sell to brands looking for exceptional flavour profiles.
- In **Switzerland**, leading Fairtrade supermarket Co-op switched to 100 percent Fairtrade certified cut roses. Co-op were the first Swiss retailer to introduce the Fairtrade roses label for mixed flower bouquets containing Fairtrade roses, and their new commitment significantly benefits workers on Fairtrade certified flower farms in East Africa and Ecuador.
- Consumers in **India** continued their support for locally-sourced Fairtrade products. A 2022 Globescan survey showed that more than three-quarters of upper socio-economic-status shoppers trusted the Fairtrade label and that 88 percent of them would recommend Fairtrade to others. More than a quarter of those surveyed said they had bought a Fairtrade product in the last six months – up seven percentage points on 2021.

71% of consumers recognise the Fairtrade label



Of those who recognise the label, **86%** trust it

Source: 2023 GlobeScan consumer survey in 12 countries



Teerawat Phuntumas (right), Secretary of Organic Jasmine Rice Producer Group in Thailand, conducts a quality check on a member's farm. The cooperative coaches members on organic practices and quality, and has also used Fairtrade Premium funds to support members to diversify into raising livestock. Watch: <http://fairtr.de/OJRP>

Innovating for a sustainable future

Fairtrade prioritises innovation so that we can respond to rapidly evolving market demands and regulation, and create greater impact for producers and sustainability-driven companies. That's one reason why when **Fairtrade Germany** celebrated its 30th anniversary in 2022, it also held "Fair-con," an innovation day with 100 young supporters to envision the fair trade of the future.

We continued to expand innovations related to the Fairtrade Standards, prices and certification. In addition to south-to-south efforts, "north-to-north" innovations are generating new avenues for sustainable projects for consumers, as well as sales growth for traditional Fairtrade producers. Our [project map](#), another 2022 innovation, includes additional information on active pilot projects.

- Banana producers in **Peru** found innovative ways to [reuse the plastic bags](#) which protect bananas from insects and damage while they grow. Seeking to reduce pollution caused by plastic waste, five cooperatives invested in a solid waste recycling plant to transform the used plastic bags into reusable packaging products. The plant began to operate at 100 percent capacity in 2022 and

is currently in the test stages of producing banana pallets. Producer organisations in **Ecuador, Mexico** and the **Dominican Republic** have done similar projects.

- Creating a circular economy is also at the centre of [Switch-Asia – Switching to Green & Fair Fashion](#) which kicked off in 2022. Co-funded by the EU, the project aims to promote sustainable production in **India's** cotton textiles sector, improve access to green finance and reduce water and toxic chemical use, as well as assuring product traceability.
- Three new virtual tours of Fairtrade flower farms in **Kenya** were added to our flowers & plants platform. Virtual tours allow users to experiencing a real visit – including drone flights over the flower farms – as well as hearing from management and workers about production, the environment and the impact of the Premium.
- Starting in June 2022, **French** shoppers could find the first products that included Fairtrade cocoa and French milk, certified under a three-year pilot standard.

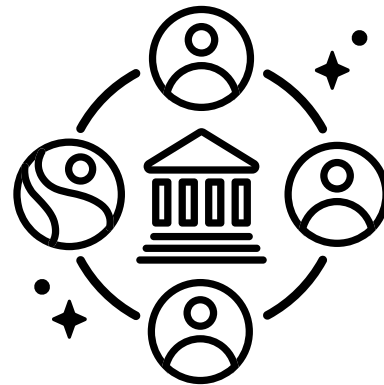
Fairtrade Standards and Minimum Price updates in 2022

Fairtrade Standards and prices are regularly reviewed to better meet the needs of producers and companies. Some of the significant changes in 2022 include:

- The [Fairtrade Minimum Price for bananas](#) was reviewed in October 2022 – resulting in an average 4.5 percent increase at farm level, and an average 15 percent extra for producers who export their bananas directly and need to cover higher export and packing costs. Fairtrade also published country-specific banana production costs to help producers and traders better negotiate their contracts.
- In addition, Fairtrade International [launched a review](#) to update the Minimum Price, Premium and organic differential for **coffee**, aimed at alleviating risks to small-scale coffee farmers and cooperatives. The stakeholder consultations were supported by a [costs of sustainable production \(COSP\) study](#) carried out in 2022, and the new price was announced in early 2023.
- Fairtrade's [new Cocoa Standard](#) strengthens the requirements on human rights, the fight against deforestation, traceability and living incomes. It aimed to strike a balance between robust requirements and more fairness for cocoa farmers.
- A [review of the Flowers and Plants Standard](#) started in 2022. A total of 193 stakeholders participated in the consultation through a survey, workshops in Kenya, Ethiopia, Uganda, and Ecuador, or via webinars. The Standards Committee approved changes covering the Fairtrade Premium, labour conditions, mandatory wage reporting, and carbon and water footprint reporting. The new Standard will come into force in 2023.

3. Advocacy and citizen engagement

Inspiring change in laws and societies



Focus on advocacy

Advocacy is a core part of our global strategy, since widespread change requires widespread action. In 2022, our global advocacy efforts continued to focus on climate change, deforestation, living income and human rights and environmental due diligence.

Our participation in the COP27 **climate conference** included farmers as part of the Fairtrade delegation and urged specific actions such as climate adaptation financing commitments. Visit

the environment and climate change section of this report on page x to read more about our presence and messages.

We are actively providing input on the EU's **deforestation legislation** that has been in development since 2021. Working together with the Fair Trade Advocacy Office, we jointly prepared an [analysis of and statement on the proposed legislation](#) in December 2022. It is essential that the eventual

legislation takes into account the rights of indigenous peoples, and the impact on smallholder farmers, which produce most of the world's coffee and cocoa (two of the named products in the legislation). The negotiations on the regulation were finalised at the end of 2022. The importance of meaningful engagement with stakeholders was acknowledged. However, we did not succeed in including the notion of fair pricing into the text. In 2023, we will focus on influencing the implementation of the regulation.

The EU's legislation on **human rights and environmental due diligence** progressed in 2022, and continues to evolve rapidly in 2023. Read the HREDD section on page 11 for more details.



Fairtrade producers attended the COP27 climate change conference in Sharm El Sheikh, Egypt, in November 2022. From left to right:

Pablito Aquino, coconut farmer, Philippines;

Deborah Osei-Mensah, cocoa farmer, Ghana, and Fairtrade Ambassador;

Andres Gonzales, sugar cane farmer, Paraguay;

Benjamin-Francklin Kouame, cocoa farmer, Côte d'Ivoire, and Fairtrade International Board Member



The artist Alex Chiu painted the mural of Ghanaian coffee farmer Deborah Osei-Mensah on the wall of People's Food Co-op in Portland, Oregon as part of Fairtrade America's mural campaign in 2022.

Engaging citizens

On a local level, Fairtrade farmers and workers successfully raised their voices in 2022 on similar issues.

NAPP supported farmers and workers' advocacy through a number of projects and advocacy events in 2022, including a campaign to mobilise young people in the **Philippines** around fair trade principles, and advocacy related to a study of agrochemical uses and waste management in coffee production in Aceh, **Indonesia**.

CLAC organised three advocacy workshops in three countries in 2022. In **Paraguay**, 27 producer organisation representatives developed and presented a legislative proposal for the sugar cane sector before congress. In **Colombia**, 13 representatives identified advocacy priorities and opportunities following the election of the new president. Eighteen producer organisation members in **Costa Rica** worked on a final draft of a Fair Trade Bill for eventual presentation to the government in 2023.

Fairtrade Africa launched its Campus Ambassador Programme. Students at Strathmore University in Nairobi gained skills to advocate for ethical production and consumption habits and social justice for farmers and workers.

Campaigns raise awareness about what Fairtrade is, increase demand for more sustainable goods, and spur citizens to take action.

When it comes to textiles and clothing, Fairtrade has continued to support the Good Clothes, Fair Pay campaign, started in 2022, for a living wage for garment workers.

National Fairtrade offices boost visibility of farmers and workers through their annual campaigns, such as Fairtrade America's mural project. In its third year in 2022, the project engaged local artists in three different cities – Atlanta, Milwaukee and Portland – to create stunning murals featuring Fairtrade producers, on wall space provided by sustainable retailers.

The 15th International Fair Trade Towns Conference took place in October 2022 in Quito, Ecuador. More than 300 people participated in person and other 300 participated virtually in the hybrid-format conference. Fairtrade producer network CLAC was one of the organisers of the conference, with a delegation including representatives of the 12 Fair Trade towns in the region. Fairtrade International Board member Laurence Tanty spoke at the inauguration ceremony, highlighting the commitment of countries like Germany,

which now has more than 800 Fair Trade towns, and the announcement by the city of Paris of a goal of using 100 percent Fairtrade cocoa and bananas for 30 million school meals annually.

“Farmers and agricultural workers are not only on the frontline of the climate crisis; they also have the on-the-ground expertise to address it head-on. But their role in combating climate change comes with a financial cost. (...) World leaders [must] ensure that climate financing mechanisms acknowledge farmers’ needs in an inclusive manner so that farmers, workers, and their communities are not left holding the climate bill.”

Sandra Uwera Murasa,
Fairtrade International Global CEO,
writing about COP27

4. Digitalisation for a fair future



Data to strengthen efficiency, business insights and risk management

Digitalisation highlights

Digitalisation improves insights, transparency and traceability. Fair data helps producers to take ownership of their own information, opens up access to market information and provides consumers with confidence through increasingly transparent supply chains.

In 2022, we reached significant digitalisation milestones, including:

FairInsight

- Nearly one in five producer organisations reporting their Fairtrade Premium investments using the digital FairInsight tool, designed for producers to share their information with trade partners.
- New features focused on an innovative assurance model for self-reported Fairtrade Premium use.
- Two [Power Business Intelligence data visualisation dashboards](#) were developed to measure usage rates and support data quality checks.

FairMarket

- The Fairtrade International Board approved the Digital Data and Information (DDI) strategy, enabling

FairMarket – an integrated information system for facilitating transactions between Fairtrade stakeholders – to make significant progress.

- A dedicated team identified key priorities including integrating existing platforms, enhancing traceability data capture, and digitally tracing the movement of Fairtrade products.
- Traceability trials were initiated for coffee and banana supply chains.

Other 2022 highlights include:

- 475 Fairtrade coffee producers across the globe enrolled in a virtual [Fairtrade Coffee School](#) which offered 24/7 online courses to strengthen business capacity and market access.
- A [partnership with Farmforce](#) in Côte d'Ivoire to scale up "fair data" for cocoa farmers - expanding to 25 cocoa cooperatives to support them on data ownership and cocoa traceability, and to strengthen their role as trading partners.
- Drone monitoring and data gathering on 12 Fairtrade certified sugar cooperatives in Latin America and

the Caribbean to improve farm mapping, crop assessment and monitoring of pest and weather damage.

- [Fairtrade and the Earthworm Foundation joined forces](#) to combat deforestation using risk management data and satellite imaging tools with Fairtrade cocoa cooperatives in Ghana and Côte d'Ivoire. Eight cooperatives shared geospatial data of their members' farms and learned how to analyse imaging to assess potential risk areas for deforestation. Fairtrade also explored other deforestation monitoring solutions in parallel to build GIS capacity. The learnings from this pilot project will enable us to scale up deforestation monitoring for Fairtrade cocoa and coffee producers in 2023–2025 and meet new EU deforestation regulations.

By the end of 2022, **32%** of certified producer organisations were collecting, managing and accessing their own data through FairInsight

**Cotton is like gold for us.
Our living is dependent on
cotton cultivation. This has
given us many benefits.”**



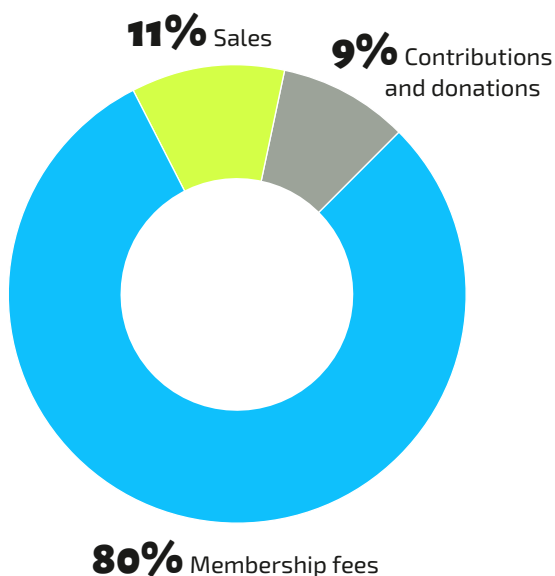
Munnalal Makwana is a cotton farmer and member of Vasudha Organic Farmers Welfare Society in Madhya Pradesh. Since joining the Fairtrade certified cooperative, his yields have increased. Radheshyam's two children will soon attend the local school, which was built using Fairtrade Premium funds. He wants his children get a good education and decide for themselves what they want to become.

Fairtrade International's financials

Statement of Accounts for 2022

The summarized key financial figures outlined below have been extracted from internal management reports and from the audited financial statements for 2022. The latter, as in previous years, received an unqualified opinion (DHPG). Fairtrade International's accounting practices comply with generally accepted accounting practices and relevant German legislation (HGB).

Income

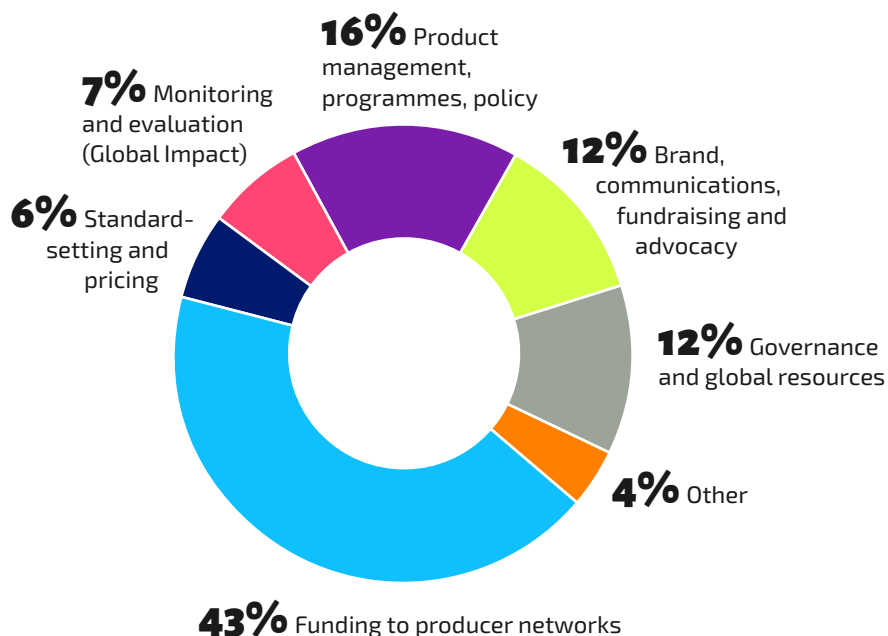


Membership fees: As a membership organisation, Fairtrade International receives membership fees from the national Fairtrade organisations (NFOs), which receive fees from companies that license the FAIRTRADE Mark for use on their products. The membership fee is unrestricted funding and is calculated as a percentage of the license fee income of each NFO.

Sales: This includes income from cross-border sales and international licensing.

Contributions and donations: This includes grant funding.

Expenditure



Funding for producer networks: Three Fairtrade producer networks receive this funding to provide support services to producers in their regions. In 2022 this included Fairtrade COVID-19 Producer Relief and Resilience funds which producer networks distributed in their regions.

Product management, programmes and policy: This includes costs associated with personnel related to these functions.

Brand, communications, fundraising and advocacy: This includes some grant pass-through funds to partners (€1.1 million), in addition to personnel related to these functions.

Governance and global resources: This includes costs associated with the Board and General Assembly, as well as for finance, IT, human resources, legal services, and international licensing functions.

Income Statement

| | 2022 (€'000) | 2021 (€'000) |
|-------------------------|--------------|--------------|
| Total income | 31,067 | 30,423 |
| Total expenditure | 30,602 | 29,432 |
| Income from investments | 750 | 500 |
| Taxes on income | 338 | 162 |
| Earnings after taxes | 877 | 1,329 |
| Profit carried forward | 2,264 | 2,052 |
| Changes in reserves | 458 | 1,116 |
| Retained earnings | 3,599 | 2,265 |

Balance Sheet 2022 (€'000)

| | 31.12.2022 | 31.12.2021 |
|--------------------------|---------------|---------------|
| Fixed Assets | 1,348 | 1,271 |
| Intangible fixed assets | 5 | 17 |
| Tangible fixed assets | 180 | 91 |
| Financial assets | 1,163 | 1,163 |
| Current assets | 15,505 | 14,669 |
| Receivables | 7,554 | 4,065 |
| Other assets | 470 | 441 |
| Liquid funds | 7,481 | 10,163 |
| Pre-paid expenses | 225 | 510 |
| TOTAL | 17,078 | 16,450 |

| | 31.12.2022 | 31.12.2021 |
|------------------------------------|---------------|---------------|
| Equity | 9,521 | 8,643 |
| Restricted and designated reserves | 1,088 | 344 |
| General reserve | 4,833 | 6,035 |
| Net income for the year | 3,600 | 2,264 |
| Provisions | 3,655 | 3,570 |
| Liabilities | 3,902 | 1,752 |
| For supplies and services | 1,987 | 1,436 |
| Other liabilities and accruals | 1,915 | 316 |
| Deferred income | 0 | 2,485 |
| TOTAL | 17,078 | 16,450 |

Fairtrade International's Funding Partners in 2022

European Commission (EC) - Framework Partnership Agreement
 European Union – SWITCH-Asia
 German Federal Ministry of Economic Cooperation and Development (BMZ)
 German Agency for International Cooperation (GIZ)

Additional funding partners to the Fairtrade global system in 2022

Australian Department of Foreign Affairs and Trade (DFAT)
 Belgian Directorate-General for Development Cooperation and Humanitarian Aid (DGD)
 Co-op Foundation (UK)
 Dutch Postcode Lottery
 The Enhanced Integrated Framework (EIF)
 European Partnership for Responsible Minerals (EPRM)
 Finland Ministry for Foreign Affairs (MFA)
 Food and Agriculture Organization of the United Nations (FAO)
 French Development Agency (AFD)
 Genesis Trust
 German Federal Ministry of Economic Cooperation and Development (BMZ)
 German Agency for International Cooperation (GIZ)
 Inter-American Foundation
 International Fund For Agricultural Development (IFAD)
 Italian Agency for Development Cooperation (AICS)
 Italian Buddhist Union
 Italian Ministry of Employment European Social Funds (EU)
 ISEAL
 King Baudouin Foundation
 National Union of Students UK (NUS)
 New Zealand Ministry of Foreign Affairs and Trade
 Norwegian Agency for Development Cooperation (NORAD)
 Organic Cotton Accelerator
 Sustainable Food Lab
 Swiss State Secretariat for Economic Affairs (SECO)
 TRAIID
 Veneto Region, Italy
 Waterloo Foundation

Fairtrade International Board of Directors

The international Fairtrade system is governed by the General Assembly and an elected Board of Directors.

Lynette Thorstensen

Chair
(Independent)

Bill Barrett

Vice-Chair
(National Fairtrade organization representative)

Miguel Ángel Munguía Gil

Vice-Chair
(Producer representative)

Frank Harnischfeger

Treasurer
(Independent)

Rhea Beltrami

(National Fairtrade organization representative)

Wambui Chege

(Independent)

Andrea Debbané

(National Fairtrade organization)

Kouame N'dri

Benjamin-Francklin
(Producer representative)

Gnanasekaran Rajaratnam

(Producer representative)

Merling Preza Ramos

(Producer representative)

Laurence Tanty

(National Fairtrade organization representative)



Fairtrade has changed my life. Indeed, in a crisis situation, I have an inflow of money for my needs instead of going into debt. And Fairtrade has made me a woman leader.”

Affoué Angèle Kouassi



Aya Hélène Kouamé (right) is the general manager of ECAMOM cocoa cooperative in Côte d'Ivoire, having started as an accountant and moving up the ranks. Affoué Angèle Kouassi (left) is a mother of five, and has farmed cocoa on her own land for 14 years. She participated in Fairtrade's Women's School of Leadership in 2021.



FAIRTRADE
INTERNATIONAL

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Disclaimer

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Credits

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