



ANNUAL REPORT

2014



Doing good never tasted so great

Colophon

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Fair Trade Original

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Foreword

There is a growing demand for fair foods and drinks. An increasing number of consumers want to know how their food is made and what is in it. Among other things, this means that they are looking for reliable brands. Nonetheless, the bewildering array of seals of approval and the unclear claims on products are confusing consumers and are doing nothing to reverse declining consumer confidence in the food industry. Fair Trade Original wants to offer a solution to this by developing fair and transparent trading chains and by making fair foods and drinks widely available and easily accessible.

Over the past year, sales under the Fair Trade Original brand name have grown slightly, by 1%. Sales through supermarkets grew by as much as 10%. We have started to offer a broader range of products in supermarkets and the new products have quickly gained a place on the shelves. The competing brands' numerous price promotions hindered our turnover growth, which, among other things, led to a 4% decline in our income from the sales margin.

One of Fair Trade Original's primary objectives is to increase the supply of fair trade products. To do this, one of the mechanisms we use is the development of new products. In 2014, our already broad product range



grew to include 8 new products. The highlight was the first-in-the-world launch of two sambal variants with the Fairtrade Seal of Approval.

We develop new products in close collaboration with our trading partners. Fair Trade Original helps them develop fair trading chains by sharing knowledge and making financial resources available. To this end, in 2014 we invested over € 250,000 - equivalent to 6% of our income from the product sales margin - to support and enhance the development of our trading



'In 2014, our already broad product range continued to grow thanks to the launch of eight new products.'

partners. One of the results of these investments is Fairtrade certification of all products in our Asian line. This is a significant milestone for the Thai farmers who grow the ingredients for these products and for our local processor, KRS Spicy Food. Fairtrade certification offers new opportunities to generate higher incomes for the farmers, workers and their families. In 2015, we will continue to build on our successful collaboration with our partners in Thailand by developing new products.

In order to improve the service and conditions for our Gift Retail customers, in December 2014 the decision was made to start working with a distributor for sales and distribution to Gift Retail customers. We believe this will improve our service delivery to existing customers and help us make better use of opportunities to increase our customer portfolio.

In 2015 we will focus on further enhancing sales under the Fair Trade Original brand. We expect mainly to be able to increase sales in Food Retail, by further broadening our range with products that can be used at different times of the day. We will primarily pay attention to expanding the Asian



product line and the coffee and breakfast product categories. Concurrently, we will strengthen control over our trading chains and continue to encourage and support development among the farmers and workers.

Bert Jongsma

Managing Director

About this Report

This Annual Report gives insight into the most important developments that took place in 2014 as regards our brand and our organisation. It aims to show our stakeholders and other interested parties what we do, why we do it, what is going well and what aspects we want to improve further.

Our work is founded on the strengthening of our trading chains and the building of new fairtrade chains. We believe this is the most significant way we can assist farmers in developing countries, who are the people behind our products. The chapters in this Annual Report follow the products throughout the chain, from farmer to consumer.

Online Annual Report

This Annual Report is published online at www.fairtrade.nl, where you can also find the Annual Reports from previous years. We welcome your comments via jaarverslag@fairtrade.nl.



In 2014 we sold nearly
1 million cans of coconut milk



Our coconut milk is
produced and packaged
in Sri Lanka

Our coconut milk
was awarded the
Fairtrade Seal
of Approval

TRENDS AND STRATEGY

Trends

Economic Outlook: A Fragile Recovery

In 2014, the Dutch economy began to show the first signs of recovery. Expectations are that the recovery will continue its cautious path in 2015. Purchasing power has improved slightly and consumption is gradually increasing. Nonetheless, unemployment remains high, meaning that this recovery continues in a fragile form. Supermarket turnover rates further declined by 0.1% in 2014. Supermarkets expect to grow once again in 2015.

In 2014, Fair Trade Original's turnover share through supermarkets increased. This share accounts for two thirds of our total turnover. We expect that the economic growth and the recovering supermarket turnover will offer new opportunities for our product range.

The Consumer at the Helm

Particularly because of the tempestuous growth of the social media, consumers are taking over the helm. Thanks to social media, anyone can create and share news with a practically endless group of individuals. While information used to often be supply-driven, produced by companies and institutions, today the roles have been reversed and the assertive consumer has become the party asking questions. Organisations are aware of this increasing consumer power and have adopted new communication strategies. The social media present an opportunity for Fair Trade Original to embark on a dialogue with consumers and to share more information about our product range and our fair trading chains. We intend to further engage consumers in our work in 2015.

From a Clean Label to a Clear Label

In recent times, consumers have become much more aware of the composition of the food and drink they consume. There is also a growing

In 2014, the soya bean oil (an allergen) in our curry spice pastes was replaced with rice oil.



demand for products that are processed naturally. Likewise, consumers often avoid specific allergens. The food industry is responding to these changes. Fair Trade Original also retains its critical attitude toward the composition of the products. For example, in 2014, we replaced the soya bean oil (an allergen) in our curry spice pastes with rice oil, and our ketjap is now gluten free, its wheat ingredient having been replaced with rice.

The contents of a product are no longer the only thing that matters; the way this is represented on the packaging is also important. Consumers want products with labels that can be clearly understood, to help them make a better choice. In 2014, at Fair Trade Original we finished redesigning our packaging, paying considerable attention to ensuring it contained clear and unambiguous information about the composition and origin of our products. The packaging for the new products to be launched in 2015 will be checked against the same strict criteria. Likewise, on our website and in our blogs we will also continue to pay attention to the composition of the products in our range.

Strategy

Constant Introduction of New Fairtrade Products

Fair Trade Original offers a broad range of fairtrade products. By constantly developing new fairtrade products, we want to continue satisfying the changing wishes of both consumers and retailers. We have also decided to focus only on products whose main ingredients have Fairtrade certification or can be awarded certification in time. In 2014, we made strict choices and stopped working with products that no longer fitted within the new product range strategy. We also introduced new products of which we are proud. The highlight was the launch of our sambal, that like all other products in the Asian culinary line, was awarded the Max Havelaar Fairtrade Seal of Approval. We intend to shift our innovation engine up a gear and launch more products every year from 2015 onwards.

Ensuring Conscious Consumer Loyalty

Consumers are increasingly aware that foods and drinks taste better if they have been produced in a fair manner. Fair Trade Original wants to build consumer loyalty with a delicious and fair range of fairtrade products. We go beyond marketing fairtrade products, and together with the consumer we want to trigger a chain of change. In 2015, we will develop a new communications campaign to actively engage consumers with our brand. Among other things, these actions will be supported and reinforced through the social media.

Strengthening Control Over Our Trading Chains

Fair Trade Original develops fair trading chains. We want to retain control over our trading chains because this is the best way of guaranteeing a fair and transparent chain. We prefer to work with processors in the country of origin of the fairtrade ingredients. This not only adds the greatest value locally, but at the same time allows us to focus on the development and growth of our trading partners. In 2015, we will begin our search for Asian culinary products from new countries of origin.

There are various reasons why we do not always buy and process local fairtrade ingredients ourselves. But even when we let others take charge of physical purchases, we want to retain control and be sure that the purchases made are in compliance with our standards. In order to strengthen our control of the chain, we will reach new agreements with our importers, as necessary.



Fruit processor Samroyod Food Corporation in Thailand processes and exports pineapple and mango from farmers of the Poo Pluk Saparot Fairtrade Group.

In our sambal, the maximum possible amount of ingredients have fairtrade certification



First ever launch of fairtrade sambal oelek and sambal badjak in the world in 2014



The Sisaket Fairtrade Farmer Group has grown, thanks in part to the introduction of this sambal



THE CHAIN STARTS WITH THE FARMER

At the Base

Building new production and trading chains, and strengthening existing ones, begins with the empowerment of the farmers. They produce the ingredients for the foods and drinks that eventually end up on the consumers' tables, so they are at the base of the chain. Our efforts focus on farmers who are organised, most often in cooperatives, to assist them to become more professional and to adopt a fully fledged position in their dealings with processors. This also has positive consequences for the next link in the chain, since processors benefit from working with professional suppliers.

Fair Trade Original operates on the basis of long-term trading relationships with partners. This long-term engagement makes it possible for partners to develop step by step.

Chain Development Among the Farmers in 2014

In 2014, Fair Trade Original's two Development Managers made an effort to set up new chains and strengthen the existing ones. The most important trajectories with farmer organisations were:

Pepper producers in Thailand: since 2012, the farmers of the Sisaket Fairtrade Farmer Group have supplied chilli peppers for our curry spice pastes and (wok) sauces. Since then, we have been working with them to help them to achieve Fairtrade certification. They were awarded the first certificates in 2013. Meanwhile, the farmers had started producing other ingredients for which they also applied for certification. The entire process was completed in October 2014; the farmers now supply garlic, lemongrass, shallots, laos, ginger and curcuma with Fairtrade certification. In addition to a price that allows them to produce responsibly, they receive a development premium of 15%. Thanks to the increase in sales through our products and the interest of new buyers since the products were awarded the seal of approval, the farmers can expect a higher development premium in the future.



Because of growing sales, the pepper growers of the Sisaket Fairtrade Farmer Group in Thailand can expect a higher development premium.

Sugar cane and cassava producers in Thailand: two new sugar cane and cassava grower organisations have been trained in preparation for the Fairtrade inspection. Both groups were previously unacquainted with fairtrade. They passed the inspection successfully in December 2014. The sugar cane growers sell their products to our Asian culinary product supplier, KRS Spicy Food. The cassava farmers are participating in a product development trajectory that will be completed in 2015.

Coconut and herb producers in Sri Lanka: under the banner of their organisation, SAFENet, the coconut and herb producers followed a training programme on fairtrade, as part of which they drafted development plans that are currently being carried out. SAFENet was awarded Fairtrade certification in 2014. One large community project launched on the coconut farmers' initiative was related to refurbishing a local primary school in Hakmana. Besides the contribution from the farmers themselves, Jumbo Supermarkten also provided financial assistance.

Salt harvesters in South Africa: the Fair for Life Certification for the salt farmers of the Khoisan Trading Company in South Africa (for the benefit of the herb grinders) has been postponed until 2015.

Vineyard labourers in South Africa: the 'Ontwikkel jou eie krag' programme continued in South Africa, involving seven Joint Bodies on vineyards that attended a training course to learn about adequately performing their roles as workers' representatives. The programme was completed at the beginning of 2015.

Orange growers in Ghana: over the last couple of years, we have worked with eight farmers' groups in Ghana, assisting them to achieve Fairtrade certification for their oranges. However, it became clear that the farmers were supplying oranges that had been on the ground for too long and



Representatives of the Saamstaan and Rheeboksfontein vineyards in South Africa discuss the building plans for their new community house.

were therefore infected with the ACB bacteria. In addition, the Fruittiland processing factory machines suffered technical defects. All this led to a rejection of the orange juice concentrate for export in 2013.

In May 2014, our Development Manager organised roundtable talks involving external experts and the different stakeholders in the chain. The main problems were analysed over two days, during which solutions were proposed that all parties began to implement with financial support from the International Fertilizer Development Center.

This approach yielded results. The concentrate produced from the harvest at the end of 2014 passed the strict EU tests. The farmers have had to make ends meet for around two years with hardly any sales. Some of the farmers abandoned the project, but most persevered. Importation of fairtrade orange

juice concentrate from Ghana has resumed and there is a plan to increase exports and involve more farmers, allowing them to enjoy the benefits of fair trade. At Fair Trade Original we are actively monitoring the situation and we will contribute to strength the process as required.

Looking to the Future

In 2015, the development of new chains to facilitate product launches once again has a central place on the agenda. We will mainly target Thailand, Sri Lanka and new countries of origin. The timing of these launches will

depend, among other things, on our ability to find adequate local suppliers of ingredients and to encourage them to switch to fairtrade.

Our search will also extend to countries with a lower development index. Although these countries present greater challenges, they also offer possibilities to make a positive contribution to the farmers' development, through fairtrade. Lines of approach were examined in 2014, and these will be further developed in 2015.

Certification

For all our products, we try to ensure Fairtrade certification of as many ingredients as possible. We give preference to the Max Havelaar Fairtrade Seal of Approval. When there is no standard for certain ingredients under the Max Havelaar Seal of Approval, the lesser known Fair for Life is a good alternative.



We buy from farmers who are certified already or who are prepared and willing to work toward certification. Certification is independent proof of the farmers' fairtrade working method. It is also a guarantee that they work within the framework of a development plan they prepare themselves. Participation in the fairtrade chain gives them access to new export possibilities, which results in more sales. By now there is a market for fairtrade products in more than 20 countries.

Costs and benefits

Fair Trade Original only markets products without a seal of approval if there is potential to successfully complete the certification process within three years' time. Even during the process

of certification, we make it possible to enjoy the fairtrade development premium.

During the first few years, the inspection costs are relatively high for farmers, and this is often not compensated by more sales in the start-up phase. For this reason, it is possible in the first four years to reclaim a large part of the costs from Fairtrade International, the international organisation that awards the Fairtrade Seal of Approval. After this period, the chain should be strong enough and the market should have developed sufficiently so as to be able to cover the costs with an ample margin. Occasionally, the local processor also covers part of the costs in the start-up phase.

WHERE FROM?



Our white Pandan and Basmati rice varieties are now polished in Thailand and India, respectively

Since 2014, we have worked with a new rice processor, Reismühle Brunnen, in Switzerland



Together with our new rice processor, we are trying to find potential fairtrade rice cooperatives

PROCESSING OF INGREDIENTS

Added Value

Processing ingredients into finished products in the country of origin is what adds the most value, and provides employment and development potential in those countries. Taste preferences and quality requirements sometimes present constraints to the production taking place in the countries of origin. Boat transport of the end product could also present difficulties if the quality and shelf life decrease excessively because of the long voyage. However, sometimes there are more possibilities than one might assume at first. A proactive attitude is absolutely necessary to identify possibilities and give local processors a chance to develop through fairtrade exports.

We always strive to retain as much control as possible of the chain, since this is the best way to accomplish our ambitions. When production takes place in Europe, we try to find companies that give priority to fairtrade and that want to manage the chain with full openness and in collaboration with all parties concerned. We work in close collaboration with traders and processors to strengthen the chain in its entirety. We also monitor the relationships between processors and supplying farmers' organisations.

In the Fairtrade Seal of Approval system, all players who at any time become the owners of the product are inspected and certified as regards the ingredients or products detailed on the certificate. FLO-Cert conducts the inspections along the entire chain for the Max Havelaar Fairtrade Seal of Approval. On the processors' side, the inspection mainly aims to check whether the purchase and sale of fairtrade ingredients are aligned and are conducted in accordance with the required conditions. We go a step further and want to be sure that the processors' factories also comply with internationally accepted social standards for employees. This means that we personally visit the processors in the countries of origin. We rely on European legislation when processing takes place in Europe.



In the autumn of 2014, KRS Spicy Food from Thailand presented the Asian culinary products it processes for Fair Trade Original in the SIAL international food fair in Paris.

Chain Development Among Processors in 2014

In 2014, Fair Trade Original's two Development Managers focused on strengthening the chains' processing industry links. The most important trajectories were:

KRS Spicy Food in Thailand: the Asian culinary products produced by KRS Spicy Food for Fair Trade Original were awarded Fairtrade certification in 2014. Among other things, this gave rise to the Thai firm presenting its products in SIAL 2014, the international food fair in Paris, where a jury honourably selected the products for the Innovation Hall.

Thanks to the new contacts KRS Spicy Food made in Paris, new customers have placed several large fairtrade orders with the company. In order to meet the growing demand, at the beginning of 2015, KRS Spicy Food opened a second factory. The company is very active in its networking with fairtrade

farmer-suppliers. This is important for them to ensure a secure supply and to accomplish their international marketing ambitions. Fair Trade Original's Development Manager visited the company regularly in 2014, both to give advice and to monitor the progress of the trajectory.

Northern Food Complex in Thailand: this supplier of our sweet ketjap and of soy sauce to KRS Spicy Food obtained the Fairtrade certificate in 2014. This company's management has close contacts with soya bean farmers in Northern Thailand and provides agricultural technical assistance as one of its activities.

MA's Tropical Foods in Sri Lanka: our coconut milk producer was awarded Fairtrade certification in 2014. MA's Tropical Foods' agricultural extensionists played an active role in training SAFENet's herb and coconut farmers. This company was also closely involved in the refurbishment of the village school in Hakmana. MA's Tropical Foods financed a cooking classroom.

Fair Trade Original's coconut milk became so popular at such a rapid pace in 2014 that MA's Tropical Foods was unable to keep up with the demand. We therefore had to find a second supplier, with whom we placed the first order at the end of 2014. Meanwhile, MA's Tropical Foods has increased its number of farmer-suppliers and is planning to build a second processing plant.

Vishnu and AMDO in India: in 2014, this wheat mill and noodle factory prepared for the Fair for Life certification inspections carried out at the beginning of 2015.



Preparing for the Fair for Life Certification, employees of the Vishnu wheat mill were trained in working conditions and safety.

Reismühle Brunnen in Switzerland: in 2014, Fair Trade Original started working with a new rice processor. Reismühle Brunnen specialises in buying and processing fairtrade rice. The company works with a regular group of fairtrade farmers' organisations and rice exporters, some of which are known to Fair Trade Original and some of which are new. The idea is to collaborate with the company in our search for potential fairtrade rice cooperatives. The white Pandan and Basmati rice varieties have been polished in Thailand and India, respectively, since this cooperation started. Reismühle Brunnen is responsible for final processing (including selection and cleaning) and packs our three rice varieties.

UCC Coffee in the Netherlands: at the beginning of 2014, a new three-year agreement was concluded with our coffee roaster. Agreements were reached about purchases, and about roasting, grinding and packaging the coffee. Agreements were also reached on coffee sales: UCC Coffee sells coffee under the Fair Trade Original licence in the Food Service channel (including the hotel and catering industry, and company cafeterias). The agreements about purchases have been perfected: the coffee is purchased



In 2014, we reached new agreements with our coffee roasting company that included the purchase of Fair Trade Original coffee.

In 2014, of the 111 products in our product range, 46 (41%) came as finished products from Africa, Asia or Latin America. In 2013, this was 35% (51 of the 147 products).

In 2014, we purchased 35% of our products (ingredients or finished products, in kilograms) directly from producers (33% in 2013 and 29% in 2012). Other purchases (such as coffee) were made through third parties.

from a small, regular group of trading partners through a coffee importer that Fair Trade Original helped select.

The Future

In 2015, we will further develop our policy on the selection and support of processors. Our main objective in this regard is to maintain a direct relationship with farmers' cooperatives and processors and work with them to strengthen the trading chains. The policy will focus on deepening the positive impact of our support for the trading partners. We also want to continue broadening our range of Asian culinary products and, wherever necessary, we will enter into new partnerships with new processors in Thailand. Furthermore, we believe there are possibilities to expand our line of culinary products by sourcing processors from an Asian country that we have not worked with previously. Within the existing chains, we will make an analysis of how we can improve our control over the purchasing process and we will implement the first adjustments.

Coffee from Guatemala was our first food product in 1973, and today we are still buying coffee from Fedecocagua, our supplier at the time



In the office, we are of course the biggest fans of Fair Trade Original coffee



Coffee beans showed the greatest increase in sales in our trusted coffee range in 2014



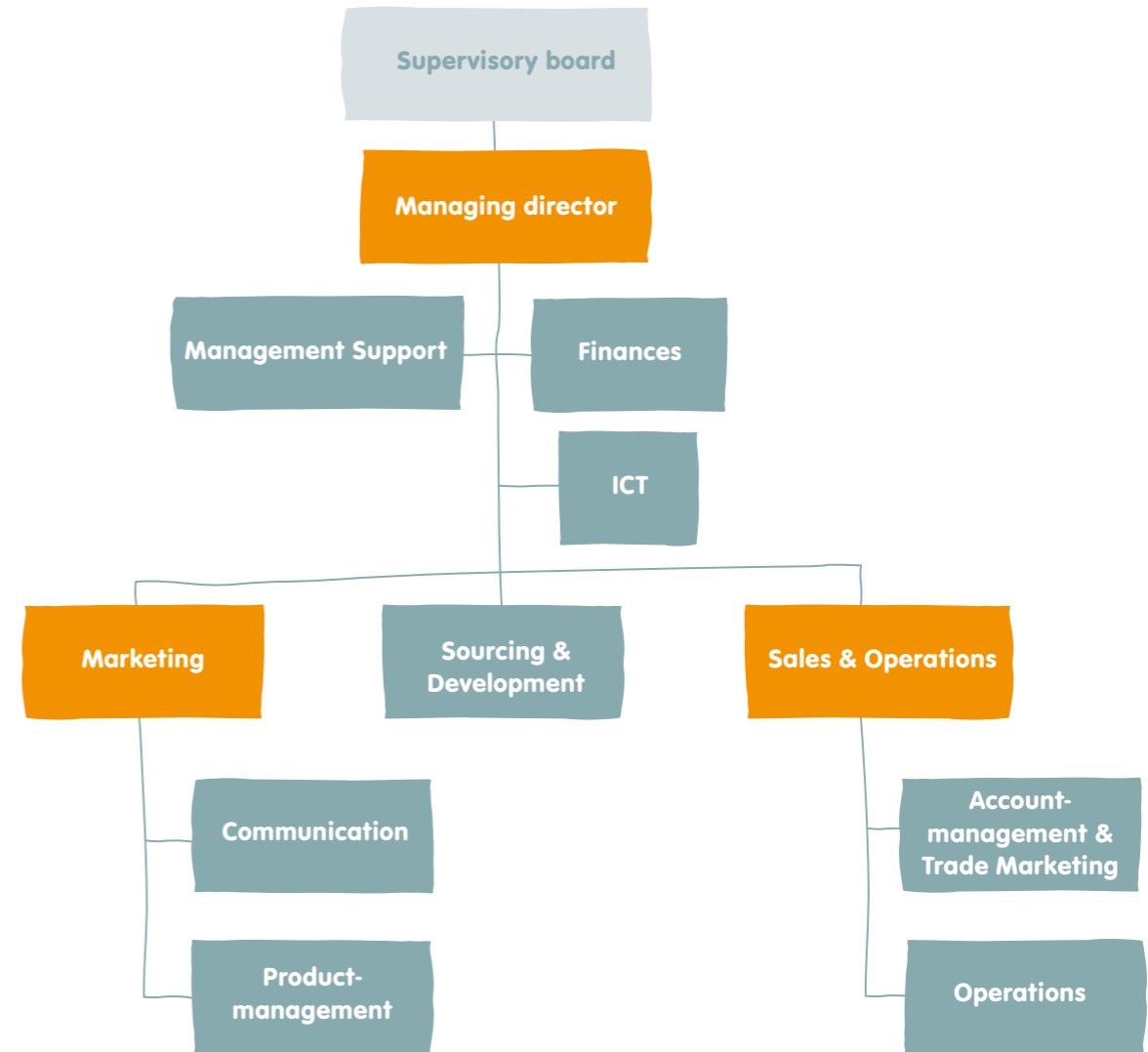
THE LINK: FAIR TRADE ORIGINAL

The Organisation

Fair Trade Original is a foundation set up in 1959 that devotes itself 100% to the development and sale of fairtrade products under the Fair Trade Original brand name. With our team, we do our utmost for both the farmers and the consumers. In this endeavour, we seek to accomplish an open and equal collaboration with other parties in the chain as the best way to achieve our goals.

Profile of the Management Board

The management of the Fair Trade Original foundation is entrusted to the Managing Director, Bert Jongsma, who is appointed by the Supervisory Board and is the Chair of the Management Team. The other members of the Management Team are the Sales Manager and the Marketing Manager. The Supervisory Board is the foundation's senior body. The Supervisory Board's duties comprise approval of the budget, the annual accounts and the annual plan. The Supervisory Board met on seven occasions during the reporting year. In April 2014, the Supervisory Board approved the Business Plan and the Annual Accounts for 2013. At the end of December 2014, the Supervisory Board approved the budget for 2015.



In 2014, the Supervisory Board had four members, who do not receive an emolument:

Ms J. Schraeverus (Chair)

- Leader Health Care Consultancy at PwC Consulting
- Chair of Fair Trade Original's Supervisory Board since 2007

Mr H.E. de Grooth

- Chartered Accountant, Chair of the Ernst & Young offices in The Hague until 2006
- Member of Fair Trade Original's Supervisory Board since 2007

Mr M.J.O. Delfortrie

- Owner-Director of Artitec
- Member of Fair Trade Original's Supervisory Board since 2007

Mr M.J. Roos

- Consultant to the Board of the Centraal Bureau voor Levensmiddelenhandel (CBL, Netherlands Food Retailers' Association)
- Member of Fair Trade Original's Supervisory Board since 2010

Working at Fair Trade Original

As an employer, Fair Trade Original wishes to implement good social policy and create a healthy and pleasant working climate that enables its employees to perform well. The organisation encourages employees to take the initiative and assume their responsibility and, in so doing, to help build an organisation in which they feel at home and of which they are proud. In addition to offering our employees a complete package of employment terms and conditions, we also welcome opportunities to offer them prospects for their personal development and chances to cultivate their expertise.

Personnel Policy

Fair Trade Original has laid down its package of employment terms and conditions in its legal status regulations. These have been agreed upon by the staff representation body and the Board and are based on the collective labour agreement for hospitals. Since the number of employees has decreased to less than 35, in April 2014 a staff representation body was established to replace the Works Council. The agreements reached by the Board and the staff representation body are laid down in a works agreement. The staff representation body has issued its opinion on cessation of in-house marketing activities in the Food Service channel and outsourcing of the sales and distribution to Gift Retail customers.

Fair Trade Original has its own system for performance assessments and development of its employees. The supervisors conduct progress interviews with the employees in order to align expectations with the results that have been achieved. At the end of each year, the employee's immediate supervisor makes an assessment of his or her performance, and together they reach agreements for the coming year. Throughout the year, regular work meetings are held, both within the department and at an intradepartmental level. Additionally, the most important organisational developments are discussed during plenary meetings. Fair Trade Original

reviewed its legal status regulations at the beginning of 2015. At the end of the year, a new staff satisfaction survey will be conducted.

Staff

As at the end of December 2014, the organisation employed 26 people under permanent or temporary contracts.

Staff as at 31 December 2014

	2012	2013	2014
Women/Men	28/17	14/14	14/12
Indefinite period/Definite period	43/2	24/4	24/2
Full-time/Part-time	19/26	12/16	9/16
Total number of staff	45	28	26
Total FTEs	39.5	24.7	20.9

Age structure (average as at 31 December 2014)

	M	W	Average
2012	47	46	46
2013	48	45	46
2014	49	46	47

Staff turnover

Age	Departed	New
30-40	1 m + 1 w	1 w
40-50	1 m	1 m
60+	1 m	

The average number of years in service was 13 in 2014. That same year, two employees joined the organisation with temporary contracts, while three employees with temporary contracts left. One employee retired.

The Internal Sales and Supply Chain Management departments were merged into a single Operations department in July. In December 2014, Fair Trade Original's Board decided to outsource the complex distribution

operations to Gift Retail customers and adjust the structure of the Operations department accordingly. This decision will be implemented in 2015 and implies that three jobs (2.6 FTEs) will be cut.

Pension Fund

Fair Trade Original is affiliated with the Zorg en Welzijn Pension Fund. The employer and employee each pay half of the pension contribution, which remained unchanged in 2014 at 24.4%. The coverage ratio of the pension fund at the end of December 2014 was 102%, i.e. seven percentage points lower than at the end of December 2013.

Absenteeism

The absenteeism rate was 5.5% in 2014 (3.8% in 2013), due mainly to the lengthy absenteeism of two employees. A temporary replacement was found for one female employee. During the fourth quarter, the employee in question began the process of reintegration into her job. As of the first quarter of 2015, she was fully recovered.

The services of the permanent confidential counsellor were not called on in 2014.

Premises

Fair Trade Original leases a wing of a sustainable office building built in 2003. The materials used to build it are recyclable and the service life of the building is longer than the period required for the natural growth of these materials. The lessor procures sustainable electricity. The installation of LED lighting in the office building's corridors and basement in 2013 and 2014 significantly reduced total power consumption. In proportion to the number of square metres leased by Fair Trade Original, the consumption in 2014 totalled 53,000 kWh (2013: 63,500 kWh). The building is heated and cooled by a thermal storage system. The building is connected to the district heating

grid to provide extra heat during extended periods of cold weather. In 2014, around 900 GJ was required for the entire building. The building is not connected to the gas grid.

In 2014, one of the products we launched was mango in light syrup, which is transported by boat from Thailand as a finished product

Nice and easy, the mango is peeled and sliced in cans for its immediate enjoyment



The mango comes from the Poo Pluk Saparot Fairtrade Group, a farmers' group that also grows our pineapple

OUR PRODUCTS

Product Range Policy

Fair Trade Original targets three main segments with its range of products: cooking, drinks and breakfast. Development of the cooking or culinary segment has gained momentum in recent years. The Asian culinary line introduced in this segment in 2011 has proven a success in the market. All products have the Fairtrade Seal of Approval. Meanwhile, many ingredients with Fairtrade certification offer a world of potential for developing new products. At present, we are the only company on the Dutch market offering fairtrade cooking products, which makes this a segment with considerable potential. This is further enhanced by the popularity of Asian cuisine, and of coconut milk in particular.

Our range would be incomplete without coffee and tea, and we were the first to bring the fairtrade variant of these beverages to the Dutch market. Our fruit juices fill a void, as the fairtrade supply of juices is limited. Despite the significantly higher price compared to regular, non-fairtrade juices, we were able to recover from a drop in juice sales after introducing packaging with a new design in 2014.

Our breakfast range is also unique, thanks to our broad fairtrade assortment under a single brand. By tying the popular children's book pirate hero, Aadje Piraatje, to a campaign around our chocolate sprinkles, we were able to keep the consumers' eyes on this product. The product range was updated with product launches and recipe adjustments.

Product Launches

Product launches offer farmers a new stage on which to showcase their products and give consumers a chance to multiply their fairtrade buying behaviour. As such, Fair Trade Original has a strong focus on the development of new products. In 2014, the following new products were developed:



- Sambal oelek and sambal badjak. A global first in the realm of fairtrade. From Thailand.
- Sliced mango in light syrup, canned. From the farmers' group in Thailand that also supplies our pineapple.
- Yellow curry spice paste. Complements the red and green variants. From Thailand.
- English tea blend for the pot. Relunched by popular request. Tea from India.
- Honey in squeeze bottles. Liquid honey from Guatemala and Chile.
- Extra pure chocolate spread. High cocoa content. Cocoa from Peru and the Dominican Republic. With cane sugar from Mauritius.
- Peanut butter. In our opinion, the new composition brings out the best of the specific peanut variety grown by Nicaraguan fairtrade farmers. We sought to give as many people as possible access to peanut butter and, thus, to increase the farmers' sales. This means we had to disappoint some of our existing customers by adding dextrose and slightly lowering the peanut content.

Discontinued Products

All composite cooking products (vinegar, tapenades, etc.) from South Africa that failed to get Fairtrade certification have been discontinued. Another reason was that the sales of these products had declined excessively over time. The same was true for olive oil from Argentina, rice wafers (using rice from Thailand) and Vonkelwijn wine from South Africa. The red Cabernet Sauvignon from Chile was discontinued because there was another similar wine from South Africa. The fruit juice in takeaway bottles was removed from our range due to quality issues and because we were unable to successfully introduce this product into the Food Service sector. Last but not least, we discontinued many sweets and snacks because of the greater focus on other product categories.



In 2014, the breakfast product range was updated.

Successful Products

Every product segment has its winners. In 2014, one of the most outstanding products was coconut milk, which falls into the cooking segment. The cans were literally taken off the shelves the moment we put them there. This meant that production capacity in Sri Lanka could be increased at a greater rate. Another success story in this category was the canned pineapple in juice. Among the coffee variants, beans were the high achievers in 2014. In the tea range, the concept of herbal teas did very well. To further develop this, the packaging was redesigned, with the new packaging being put into circulation at the beginning of 2015. In the breakfast segment, the newcomers - honey in squeeze bottles and extra pure chocolate spread - were admirable runners-up, although the very popular chocolate sprinkles remained at the top of this group.

Packaging

In the course of 2014, the new design was implemented on the final packages. Following an evaluation, it became clear that the 250g extra-fine grind coffee packages did not have sufficient shelf power, so the colours and photographic images used were modified. In 2014, we continued to follow the latest packaging developments, packing our coffee in foil that is as environmentally friendly as possible. When redesigning the herbal tea packages, we made sure that all positive environmental aspects were taken into account (no cellophane was used, boxes were made of FSC-certified paper, and pyramid bags with no individual envelopes were used and were made of a compostable renewable material).

Fair Trade Original pays a waste management contribution to Nedvang, the organisation responsible for monitoring and encouraging the collection and recycling of packaging waste. The contribution amount depends on the total kilograms of packaging that we bring into the Dutch market.

Packaging material brought into the Dutch market since 2010. This excludes coffee packaging, which is registered and accounted for by the coffee roasting company.

Material (rounded off)	2010 (in kg)	2011 (in kg)	2012 (in kg)	2013 (in kg)	2014 (in kg)
Paper and cardboard	137,500	145,000	140,000	99,000	96,000
Plastic	27,500	25,000	25,600	22,000	19,000
Glass	245,500	250,000	238,000	203,000	204,000
Metals (other than Al)	23,000	28,000	31,000	35,000	54,500
Aluminium	350	420	900	200	134
Wood	1,300	1,300	500	2,000	1,600
Development turnover Index 2010 = 100	100	106	100	77	75

The significant growth of coconut milk, pineapple and mango sales has unavoidably resulted in an increase in metal waste (cans). The increase in the number of products in glass jars (sambal) has given rise to a slight increase in glass waste. The use of other packaging materials decreased as sales of some products declined and as some products were discontinued.

Quality and Product Liability

Fair Trade Original has final liability for the quality and safety of the foods and beverages it introduces to the market under its brand. This is monitored throughout the entire chain.

As part of our supplier assessment system, we keep track of the quality performance of all our suppliers. There have been clear improvements in this regard. In 2013, repeated problems were found in 8% of suppliers; in 2014, this percentage dropped to 0. The percentage of suppliers with no quality issues increased from 90% in 2013 to 91% in 2014. We are working on solutions with the middle group, where problems occasionally occur.

Moreover, on a yearly basis we keep a tally of the number of producers with a food safety system, which is certified or approved by an independent organisation. Three suppliers failed to comply in both 2013 and 2014. We

New products reach quality standards

Before we launched our new sambal from Thailand, it was subjected to many quality controls. First of all, together with the producer, KRS Spicy Food, we determined the proper composition and flavour. KRS Spicy Food holds the different applicable food safety certificates, compliance with which is assessed every year by an independent organisation. This means we already have the necessary guarantees. However, all ingredients were also subjected to a critical assessment prior to launching. Thus, for example, we requested the results of analyses of the chilli peppers in terms of pesticide use and aflatoxins. All data are detailed in product specifications signed by both parties. After production, KRS Spicy Food conducted a series of additional analyses, as agreed. In the future, Fair Trade Original will also receive a number of samples and the analysis values from each batch produced. Only when all these elements are found to be in order, shipping is authorised.

will end our collaboration with two of them in 2015 due to product range adjustments. Fair Trade Original is supporting the third supplier to set up a certifiable food safety system, which will be audited in the second quarter of 2015.

Complaints

One of the most important quality objectives is to receive the lowest possible number of product-related complaints from retailers and consumers. The number of complaints in relation to the order lines delivered was as low in 2014 as in 2013 (0.01%).

In 2014, the number of complaints related to bloom marks on sprinkles declined by more than 30% compared to the year before. Several measures implemented in 2013 (including an extra testing procedure), bore fruit. The solidification of liquid honey while in the pot, on the other hand, gave rise to an increasing number of complaints. New agreements have been reached with the producer about the composition of honey from Chile and Guatemala. Storage conditions were subjected to a critical examination as well.

Following repeated complaints about taste and creaminess, efforts were made to improve the peanut butter recipe in 2013. In the autumn of 2014, the first batch with the new composition was produced. Once the new recipe had been launched, we immediately received both positive and negative consumer feedback. This will be evaluated in 2015.

Recalls and Adversities

There was one recall in 2014, due to some boxes of pure chocolate flakes turning out to also contain milk chocolate flakes. This came to light following a consumer complaint. Since the presence of milk may lead to reactions among consumers allergic to cow's milk, we decided to recall the entire batch from the market. The recall was well executed and carried out swiftly. The points of improvement detected were introduced into the internal procedure.

The Future

The success of the Asian culinary products from Thailand has inspired us to develop chains in other countries as well, for the benefit of local farmers. Moreover, we see many opportunities to offer new fairtrade alternatives to the consumer in the culinary segment. There are also plans on our innovation calendar to develop products in the hot beverages (coffee & tea) and breakfast segments.



Our endeavour is for our products to be, as far as possible, at the service of both farmers and consumers. In the Netherlands, for example, there is a growing demand for organic products. For farmers, organic production is a sustainable way of working that implies a higher price for their products. In 2014, 14% of our turnover came from our organic products. Expectations are that this percentage will rise in 2015.

In addition, we are making efforts to reduce - as far as possible - the salt and sugar content of our food products, to use more healthy fats, and to avoid allergens and flavour enhancers. We only use E number ingredients when that is necessary to increase a product's shelf life.

Our new honey in
squeeze bottles
was given a place
on shelves in major
formula retailers
in 2014



No mess! Simply pour this delicious
product over your pancake
or biscuit!

Thanks to the new
packaging, our honey from
Guatemala and Chile is once
again a successful runner-up

**RETAILERS: PARTNERS
IN THE CHAIN**

Formula Retail

Supermarkets, World Shops and WAAR are important partners in assisting Fair Trade Original to reach consumers. From the very beginning, many World Shop retailers have made a large part of our product range central to the foods and beverages they sell. They serve a very loyal clientele. Supermarkets are often more selective in terms of the products they want to sell, though they reach a larger group of consumers.

Albert Heijn, Jumbo Supermarkten and Plus supermarkets are paying increasing attention to a focused sustainability strategy. In particular, the supply of organic and regional products is increasing substantially, and the same goes for fairtrade products, though to a lesser extent. Fair Trade Original believes retailers have an important role to play and encourages them to create space for fairtrade products on their shelves. In 2014, the three formula retailers mentioned above added new Fair Trade Original products to their range of products. As such, Plus was the first to start selling sambal and honey in squeeze bottles. Jumbo broadened its range with red and green curry spice pastes, honey in squeeze bottles and extra pure chocolate spread. Albert Heijn is also offering more space to Fair Trade Original products, particularly since the termination of the Pure & Fair concept. In 2014, this supermarket chain was the first to start selling sliced mango in syrup and also chose to sell honey in squeeze bottles and extra pure chocolate spread. The distribution of our extra-fine grind aroma coffee was expanded and the dark roast espresso beans are now sold in all Albert Heijn branches. At the end of 2014, our four organic herbal teas followed.

Other formula retailers also adopted Fair Trade Original's new products in 2014. For example, Vomar began to sell our extra-fine grind coffee. In Hoogvliet, three shops (in Ede, Wageningen and Voorschoten) made space for a seven-shelf unit exclusively for Fair Trade Original products. Dekamarkt opened a shop in Beverwijk (World of Food) with a special Fair Trade Original

The most beautiful school

In 2014, Jumbo Supermarkten became involved in a partnership that went beyond regular trading contacts. In the first half of the year, Jumbo consumers helped raise funds to refurbish a village school in Hakmana, Sri Lanka, through their purchases of Fair Trade Original products. Jumbo covered half of the refurbishing costs. The coconut farmers living in the village used their development premium to pay for the other half of the refurbishment.

In July, Jumbo's Sales Manager officially reopened the school. A special touch was added to the opening ceremony with an exhibition of drawings Dutch children had been asked to make of The Most Beautiful School in the World. They had the possibility of winning boxes of sprinkles for the whole class with their drawings. The drawings were used as flags flying over the renovated schoolyard during the opening ceremony. An agreement has been reached with Jumbo to start up a similar project together in 2015.



shelf. Deen expanded its product range with our sliced mango in syrup, hazelnut spread, extra pure chocolate spread, milk chocolate sprinkles and honey in a squeeze bottle.

In 2014, we developed three different gift packages exclusively for the World Shops. The choco-picture-drawer package "foto-choco-lade" included a FairForward picture frame and Fair Trade Original mini chocolate bars in a drawer. The mocktailkit was developed together with Fairbezig and the wok package with the Landelijke Vereniging van Wereldwinkels (National Association of World Shops).

Movements in Turnover, Sales and Margins

Fair Trade Original's turnover fell by 3% from € 14.0 million in 2013 to € 13.7 million in 2014. This lower turnover is related to an important degree to the phase-out of private label activities. Sales of products under the Fair Trade Original brand grew by 1%. The margin contracted by 2%.

Food Retail

In 2014, the Food Retail turnover (supermarkets) recovered well following a decline the previous year. The turnover in Food Retail increased by 3%. Growth was inhibited by the phase-out of private label activities. The turnover of products with the Fair Trade Original brand grew by 11%. Our Asian culinary products were the driving force behind the positive turnover. The hot beverages category also grew. Additionally, our new products contributed to the increase in turnover. Price pressure in supermarkets was also high in 2014, with clear and tough price campaigns by our competitors. Thanks to the lower price of cocoa and sugar, we were able to lower the selling price of the chocolate sprinkles. This boosted sales of this product slightly compared to the year before. Rising coffee purchase prices, on the other hand, forced us to increase our coffee prices in the autumn. Despite this price increase, coffee sales increased in 2014.

Gift Retail

The decline in turnover in the Gift Retail channel (mostly in the World Shops) has continued markedly, as expected. The lingering recession continues to result in fewer visitors to the World Shops, creating ever greater challenges for the volunteers staffing these shops. In 2014, several World Shops closed their doors.

Food Service

In the summer of 2014, Fair Trade Original decided to put an end to its in-house marketing activities in the Food Service channel. It turned out to be more complex and more expensive than previously expected to launch specific Food Service concepts. As a result of this decision, the turnover in this channel fell by 36% when compared to 2013. Sales activities were transferred to partners with whom we already had a working relationship. In the autumn, our products were sold through these partners as components of Christmas packages.

International

Our new partner, IDE Coffee Systems, successfully tackled the Belgian business-to-business market in 2014. The same goes for our fellow fairtrade organisation, Oxfam Wereldwinkels, whose Fair Trade Original product sales also increased. This led to a 3% growth in turnover of Fair Trade Original products among its international clientele.

Sales Promotions

In order to encourage trial purchases, several retailers offered price-based promotions. In particular, these occurred in May on World Fair Trade Day and in October during the Fairtrade Week. Throughout the year, Albert Heijn offered various personalised promotions, recipe cards, a sampling of our green curry spice paste for Albert.nl customers, and a demonstration with our soy ginger wok sauce in the AH XL shops.

As part of the 'Zo gecheft' cooking show, the advertising brochure of Plus featured a recipe with Fair Trade Original products. The preparation of the dish was filmed and displayed for a whole week on monitors in 120 branches. Demonstrations of the recipe were carried out in 40 shops.

For the World Shops, Fair Trade Original prepared recipe cards, a Christmas package and a Food Service coffee brochure, as well as press release templates to be used when launching new products. The Fairtrade Week was celebrated with a special Thai Wok Package in original gift wrapping, including ingredients, chopsticks, recipes and other related articles.



Some of the sales promotions mentioned were made possible thanks to a financial contribution from the Thai Trade Center in The Hague, which is part of the Department of International Trade Promotions in Bangkok.

The Future

Our expectations are that if the economy grows in 2015, this will have a positive effect on consumers' willingness to buy Fair Trade Original products. The trend of sustainable consumption is being adopted by retailers and translates into more shelf space for sustainable products such as those of Fair Trade Original.

The recovering turnover experienced by the Fair Trade Original brand is expected to continue. Food Retail is the most important sales channel with growth prospects. In Gift Retail, declining sales will continue to determine the situation in 2015. Fair Trade Original hopes to stop this decline by improving the level of service for World Shops.

Formula retailers seem to want to distinguish themselves from one another primarily by emphasising low(er) prices. Fair Trade Original offers the possibility of making a difference in areas such as sustainability and social engagement. We do this through offering a broad and unique fairtrade product range. It is in this way that our brand offers retailers added value.

The downside of the strong price competition is that it is very difficult to push through the necessary price increases. Since we do not want to transfer the price pressure to farmers, who are precisely the ones we want to help through our trading activities, we feel enormous pressure on the margin and it is extremely difficult to retain our position, let alone develop it further. Nonetheless, it is our ambition to continue increasing our retailers' turnover through more partnerships, through innovation and through faster rotating product concepts.

In 2014, we gave away an Aadje Piraatje book with every purchase of two boxes of chocolate sprinkles



7,000 buyers received a book, almost one quarter of whom had never tried our sprinkles before



The image of the happy pirate, who is well known from illustrator Sieb Posthuma's children's books, appeared on 250,000 promotional packs

THE CONSUMER CLOSSES THE CHAIN

The Consumer Decides

The consumer makes a crucial contribution to fairtrade by choosing products from the shelf that have been processed in a fair manner. By choosing fairtrade products, the consumer builds a link with the farmers at the beginning of the chain. He or she also makes a statement to retailers that fair and transparent trade matters. This is a reason for us to acquaint consumers with our products, as far as we are able, to make it easier for them to make the right choices.

Communications and Sales Promotions

In 2014, we opted for a strong focus when allocating our resources. We mainly targeted highly-educated women aged 25-40, knowing that in this phase of their life they are the most open to sustainable products that make a difference. They often have young children who they wish to raise in a responsible manner. This goes hand in hand with fairly produced food and awareness about social inequality in the world. The price plays a less prominent role for this group. Moreover, many of those in this group have travelled and are therefore open to the flavours and stories from other continents.

We mainly target our consumers through our digital newsletter, the website, blogs, Twitter and Facebook. The packaging of our products is also an important and accessible carrier of information about the origin of the ingredients and about our fairtrade way of working. Aside from regular communications about our products, producers, recipes and other fairtrade trivia, in 2014 we conducted several specific promotional actions and participated in the Fairbezig campaign.

Coffee With a Dash of Happiness

To entice new buyers to purchase our coffee, with every package of coffee the customer received a *Happinez Magazine* for free to download on his or her tablet or smartphone. Customers could use the campaign sticker on the coffee to download the latest issue of the magazine. Campaign stickers were attached to a total of 160,000 packages of coffee.

The campaign started in the week prior to World Fair Trade Day on 10 May and was supported by a radio commercial and several social media messages. It was also announced in the fairtrade door-to-door brochure,



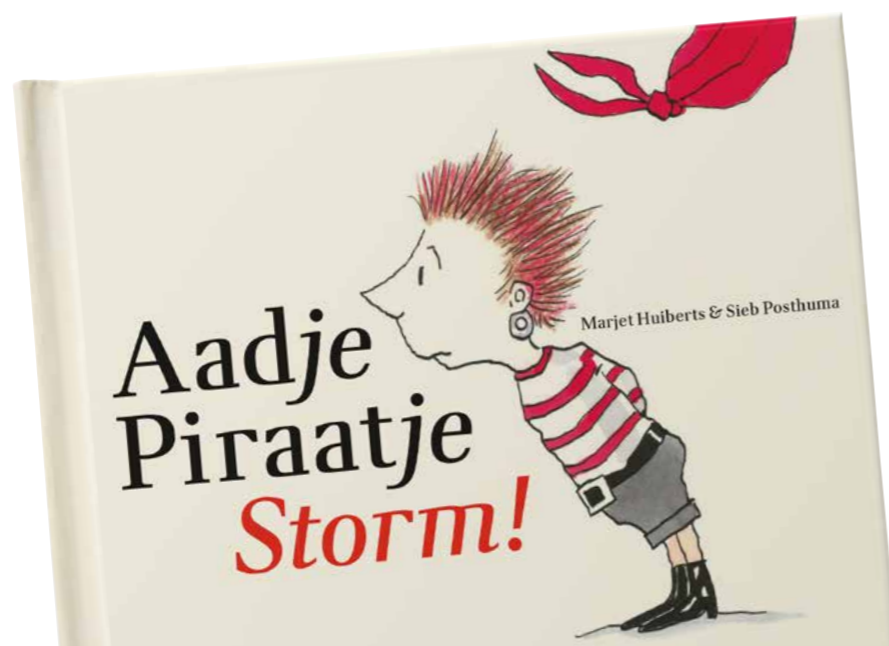
Studies show that Fair Trade Original has a large number of customers in the age categories of 50 - 64, and under the 40. Most spending is concentrated in households of over 50-year olds. Our outreach to the under-30 age category improved in 2014, which gave rise to a slight increase in the total number of households buying Fair Trade Original products.

which 2 million households received on the occasion of World Fair Trade Day. This campaign was an opportunity for us to stand out among the numerous coffee brands on supermarket shelves, without becoming involved in their aggressive price promotions. However, the results of the campaign were disappointing.

The digital *Happinez Magazine* was only downloaded 342 times. In actual practice, the download was more difficult than expected and reading a magazine in digital format was probably not consistent with the preferences of our buyers.

Chocolate Sprinkles with Aadje Piraatje

Our chocolate sprinkles have always been a very successful product. In order to convince new consumers to try this product, we conducted an on-pack campaign. Consumers received an Aadje Piraatje book for free with every purchase of two boxes of milk or pure chocolate sprinkles. The image of the happy pirate, who is well known from illustrator Sieb Posthuma's children's books, appeared on 250,000 promotional packs. The campaign lasted from October 2014 until February 2015 and was very successful; 7,000 buyers received a book.



Almost one quarter of buyers had not tried our sprinkles before. More than two thirds of them were from the target group, i.e. young families with children.

Apart from tapping into a new group of customers, the campaign was intended to achieve additional brand recognition among the target group. In this regard, we developed an Aadje Piraatje Facebook game that children could play together with their parents. The campaign was supported in women's magazines (printed and online), on Facebook and in our newsletter. Aadje Piraatje was a popular topic for generating target group engagement, especially in the social media.

Fairbezig ('Fair activities')

Since 2010, Fair Trade Original, the National Association of World Shops and the Max Havelaar Foundation have been joint beneficiaries of the Nationale Postcode Loterij. The joint Fairbezig ('Fair activities') campaign was intended to show the Netherlands how fun and easy it is to choose fairtrade products, and how tasty they are. It is clear that the goal has been achieved, as demonstrated for one thing by the increase in the number of households buying fairtrade products. In the spring of 2015, the successful Fairbezig campaign will end on World Fair Trade Day.

In 2014, the campaign continued on the course set in previous years, which included collaboration with women's magazines, exposure of fairtrade products on television cooking shows and two national happenings during which we requested exposure of fairtrade products in shops: the Fair Trade events in May and October.

Fairtrade reports, campaigns and recipes appeared in the Viva, Happinez, Flow, Kek Mama and Delicious magazines, both printed and online. Fairtrade products, many of which were Fair Trade Original products, were

also pleasantly visible in 24kitchen. The Fairplate cooking episodes from 2013 were repeated and we had five special fairtrade episodes made of the very popular cooking show *De Makkelijke Maaltijd* ('easy meals'). TV chef and presenter Rudolf van Veen turned out to be a natural fairtrade ambassador.

On and around World Fair Trade Day on 10 May and during the Fairtrade Week starting on 27 October, the campaign concentrated on the shop floor, with fairtrade offers in supermarkets and World Shops, point-of-sale materials, and a promotional brochure with a circulation of more than 2 million copies for door-to-door distribution in the Netherlands. These two promotional events were backed with a radio campaign.

The Future

When consumers buy more of our products more often, development possibilities on the producers' side also grow. That is why we make it as easy as possible for consumers to enjoy the fair and tasty products from our trusted brand at any time of the day.

For this reason, Fair Trade Original also wants to continue innovating in the future. Our innovation policy aims to develop products in as many segments as possible, which are relevant to the consumer, the retailer and the fairtrade producer.

At the same time, we want to improve our brand recognition and increase our brand value. We want to turn the buyers of our products into brand lovers, who communicate positively about our brand and our products and who recommend our products to others. To this end, in 2015 we will develop a versatile programme that attracts attention, in which the consumer plays an active role and which clearly shows that Fair Trade Original is a brand that really matters.

Exploring the country with the wok bike

In order to engage in direct conversation with consumers about our products, to give them a chance to ask questions about our brand, and of course to let everyone have a taste, together with a third party we developed the wok bike, a cargo bicycle with space for a mega wok for cooking. With this original contrivance, we visited five food markets which were all frequented by a large number of young women, who constitute our target group. People enjoyed the snacks, and many visitors went home with a recipe card and bought a bag containing Fair Trade Original products that they could use for fairtrade cooking at home.



ANNUAL ACCOUNTS 2014

INDIVIDUAL BALANCE SHEET AS AT 31 DECEMBER 2014

(after distribution of profits/losses)

EUR	Explanation	2014	2013
FIXED ASSETS			
Intangible fixed assets	1	31,489	40,922
Tangible fixed assets	2	121,301	173,888
Financial fixed assets	3	5,518	10,642
		158,308	225,452
CURRENT ASSETS			
Stock	4	2,211,032	2,210,207
Trade accounts receivable	5	2,026,710	2,109,710
Advance financing of trading partners	6	-	133,725
Other receivables and prepayments	7	120,267	156,259
Liquid assets	8	142,679	46,355
		4,500,688	4,656,256
Total		4,658,996	4,881,708
EQUITY			
Other reserves	9	1,848,686	1,681,249
PROVISIONS			
	10	23,230	25,406
LONG-TERM DEBTS			
Interest-free loan	11	982,434	982,434
SHORT-TERM DEBTS			
Trade accounts payable		610,948	985,097
Current account Fair Trade Assistance		295,906	428,055
Taxes and social security costs	12	162,323	132,297
Other payables and accrued liabilities	13	735,469	647,170
		1,804,646	2,192,619
TOTAL		4,658,996	4,881,708

INDIVIDUAL PROFIT AND LOSS ACCOUNT FOR 2014

EUR	Explanation	2014	2013
GROSS MARGIN			
Net turnover	14	13,655,155	14,037,316
Cost of sales		9,531,125	9,756,600
	15	4,124,030	4,280,716
Other income	16	55,070	60,847
COSTS			
Personnel costs	17	1,874,436	1,860,905
Amortisation	18	79,990	68,849
Selling costs	19	1,568,886	2,352,163
Costs for premises	20	147,828	156,577
General costs	21	334,444	373,918
		4,005,584	4,812,412
RESULT FROM ORDINARY OPERATIONS		173,516	(470,849)
Financial income and expenditure	22	(6,079)	(2,144)
OPERATING RESULT BEFORE TAXES		167,437	(472,993)
Corporate income tax	23	-	
RESULT AFTER TAXES		167,437	(472,993)

INDIVIDUAL CASH FLOW STATEMENT

The cash flow statement includes the funds that became available during the year under review and their allocation. The cash flow statement was prepared using the indirect method.

EUR	2014	2013
CASH FLOW FROM OPERATIONS		
Result from ordinary operations	173,516	(470,849)
Adjustments for:		
Amortisation	79,811	64,088
Movement in provisions	(2,176)	(29,428)
Movement in working capital	(5,773)	(166,306)
Cash flow from operations	71,862	(131,646)
Interest received	14,393	8,650
Dividends received	220	283
Interest paid	(18,851)	(11,706)
Tax on profits paid	-	46,143
	(4,238)	43,370
CASH FLOW FROM OPERATIONS	241,140	(559,125)
Investments in:		
Intangible and tangible fixed assets	(18,135)	(194,201)
Divestments of tangible fixed assets	344	28,523
Movement in financial assets	5,124	4,717
CASH FLOW FROM INVESTMENT ACTIVITIES	(12,667)	(160,961)
Movement in current account Fair Trade Assistance	132,149	333,202
CASH FLOW FROM FINANCING ACTIVITIES	(132,149)	333,202
NET CASH FLOW	96,324	(386,884)
Balance of liquid assets as at 1 January	46,355	433,239
Net cash flow	96,324	(386,884)
BALANCE OF LIQUID ASSETS AS AT 31 DECEMBER	142,679	46,355

NOTES TO THE INDIVIDUAL ANNUAL ACCOUNTS 2014

General

The individual Annual Accounts form part of the company's Annual Accounts 2013. Items in the individual balance sheet and the individual profit and loss account that are not explained further here are explained in the notes on the consolidated balance sheet and profit and loss account. The figures for 2013 are regrouped, where necessary, to enable a comparison with 2014.

INDIVIDUAL BALANCE SHEET

FIXED ASSETS

1. Intangible fixed assets

	Website
Book value as at 31 December 2013	40,922
Balance as at 1 January	50,800
Investments	9,000
Divestments	-
Balance of acquisition cost as at 31 December 2014	59,800
Balance as at 1 January	9,878
Amortisation	18,433
Divestments	-
Balance of depreciation as at 31 December 2014	28,311
Book value as at 31 December 2014	31,489

2. Tangible fixed assets

	Computer equipment	Inventory	Total
Book value as at 31 December 2013	161,282	12,606	173,888
Balance as at 1 January	727,606	43,116	770,722
Investments and assets	7,876	1,259	9,135
Divestments	(3,343)	(5,240)	(8,583)
Balance of acquisition cost as at 31 December 2014	732,139	39,135	771,274
Balance as at 1 January	566,324	30,510	596,834
Amortisation	57,155	4,223	61,378
Divestments	(3,261)	(4,978)	(8,239)
Balance of depreciation as at 31 December 2014	620,218	29,755	649,973
Book value as at 31 December 2014	111,921	9,380	121,301

3. Financial fixed assets

	2014	2013
27.59 share certificates for Oikocredit Nederland	5,518	5,435
68.51 share certificates for Triodosbank N.V.	-	5,207
	5,518	10,642

In 2014, stock dividends resulted in a 0.41 share certificate for Oikocredit Nederland shares; the share certificates for Triodosbank N.V. were sold in 2014.

CURRENT ASSETS

4. Stock

	2014	2013
Goods	2,100,984	2,057,838
Goods underway	163,109	231,321
Packaging materials	10,413	20,961
Provision for unmarketability	(63,474)	(99,913)
	2,211,032	2,210,207

The stock value based on the actual value is not materially different from the above valuation.

5. Trade accounts receivable

	2014	2013
Accounts receivable	2,040,443	2,120,812
Provision for doubtful receivables	13,733	11,102
	2,026,710	2,109,710

The Trade accounts receivable item does not include any amount with a remaining term of more than one year.

6. Advance financing of trading partners

On 31 December 2014, there were no accounts receivable related to advance payments to trading partners in developing countries for future deliveries of food products. In 2013, this account receivable totalled € 133,725.

7. Other receivables and prepayments

	2014	2013
Prepaid ICT costs	35,810	36,544
Prepaid lease	35,289	35,431
Guarantee deposits	22,770	30,792
Contributions to be received from Max Havelaar	12,219	-
Prepaid selling costs	9,011	2,902
Insurance premiums	1,042	26,900
Prepaid pension contributions	708	5,033
Interest	272	2,113
Purchasing costs	-	2,723
Other	3,146	13,821
	120,267	156,259

The Other receivables and prepayments item does not include any amount with a remaining term of more than one year.

8. Liquid assets

The Liquid assets item relates to assets in bank accounts and cash on hand. A total amount of € 32,148 in a blocked Rabobank account serves as guarantee for the lease of premises.

9. Equity

	2014	2013
Balance of other reserves as at 1 January	1,681,249	2,154,242
Result for financial year	167,437	(472,993)
Balance of other reserves as at 31 December	1,848,686	1,681,249

10. Provisions

	2014	2013
Anniversary bonuses	21,044	18,627
Social Plan	2,186	6,779
	23,230	25,406

A Social Plan was agreed with the trade unions as part of the reorganisation implemented in July 2007. A provision has been set aside for future obligations toward staff members who leave the organisation or are transferred, which is valid until 31 December 2015.

Fair Trade Original's employment terms and conditions include a provision for a one-time lump sum granted to employees who have worked there for 12.5, 25 or 40 years. Based on current staffing, the future obligations amount to a nominal amount of € 21,044, taking into account mortality risks and staff leaving the organisation.

LONG-TERM DEBTS

11. Interest-free loan

The interest-free loan of € 982,434 granted by the Fair Trade Assistance Foundation is current until 31 December 2020. This loan is based on agreements reached with the tax authorities.

SHORT-TERM DEBTS

12. Taxes and social security costs

	2014	2013
Wage tax and social insurance premiums	89,569	85,042
Value-added Tax	72,754	47,255
	162,323	132,297

13. Other payables and accrued liabilities

	2014	2013
Personnel costs	317,295	181,552
Purchasing costs, licences, bonuses and premium prices	260,892	284,300
Selling costs	67,785	64,634
Issued gift vouchers	36,604	36,644
Accountancy and consultancy fees	12,468	15,183
Logistics	16,976	23,776
Other	23,449	41,081
	735,469	647,170

ASSETS AND OBLIGATIONS NOT INCLUDED IN THE BALANCE SHEET

	2015	2016	2017	2018	2019>	Total
Lease of premises	69,000	10,000				79,000
Lease obligations for company cars	30,000	19,000	11,000	1,000		61,000
Obligation toward logistic services provider	39,000					39,000
Out-tasking	14,000					14,000
Other obligations	15,000	15,000	7,000			37,000
Lease obligations for printing equipment	10,000	10,000	12,000	12,000	2,000	46,000
Ongoing orders for merchandise	1,025,000					1,025,000
	1,202,000	54,000	30,000	13,000	2,000	1,301,000

The ongoing obligation for the lease of premises relates to the business facilities currently being used in Culemborg. The ongoing obligation contained in the logistic services agreement with Van Uden relates to the lease of warehouse space.

NOTES TO THE INDIVIDUAL PROFIT AND LOSS ACCOUNT

GROSS MARGIN

14. Net turnover

	2014	2013	% realisation compared to 2013
Food	9,619,880	9,972,915	96%
Coffee	4,035,275	4,064,401	99%
Total	13,655,155	14,037,316	97%

15. Gross margin

	2014	% of turnover	2013	% of turnover
Food	2,793,480	29%	2,893,870	29%
Coffee	1,330,550	33%	1,386,846	34%
Total	4,124,030	30%	4,280,716	30%

16. Other income

	2014	2013
Max Havelaar contribution to Nationale Postcode Loterij programme costs	27,847	55,679
Max Havelaar contribution	17,220	5,000
Jumbo contribution	10,000	-
Donations	3	168
Total	55,070	60,847

COSTS

17. Personnel costs

	2014	2013
Salaries and staff hiring	1,514,237	1,637,727
Social security costs	199,239	196,026
Pension costs	137,370	152,111
Study and recruitment costs	1,463	11,295
Addition to or release from the provision for anniversary bonuses	2,417	(7,496)
Other	27,181	28,387
	1,881,907	2,018,050
Costs passed on to others	(7,471)	(157,145)
Total	1,874,436	1,860,905

During the year under review, average staffing (excluding temporary employees) amounted to 24 FTEs (2013: 27).

18. Amortisation of intangible and tangible fixed assets

	2014	2013
Amortisation costs for tangible fixed assets	61,378	54,210
Amortisation costs for intangible fixed assets	18,433	9,878
Result of divestments due to selling tangible fixed assets	179	10,596
Total	79,990	74,684
Amortisation costs passed on to others	-	(5,835)
Total	79,990	68,849

19. Selling costs

	2014	2013
Logistics	708,828	738,036
Promotional costs and materials	514,186	522,025
Marketing costs	171,557	733,650
Payment discounts	71,392	71,649
Development of packaging and products	61,970	285,984
Travel and accommodation expenses	28,291	21,823
Contributions to fellow fairtrade organisations	3,921	6,713
Amortisation costs for doubtful receivables	2,632	12,194
Other	6,109	25,040
	1,568,886	2,417,114
Selling costs passed on to others	-	(64,951)
Total	1,568,886	2,352,163

20. Costs for premises

	2014	2013
Lease of premises	123,268	122,328
Maintenance and cleaning of premises and inventory	16,165	24,465
Insurance premiums	8,395	18,553
Gas, water and electricity	-	(3,364)
Real estate tax and other levies	-	3,389
	147,828	165,371
Costs for premises passed on to others	-	(8,794)
Total	147,828	156,577

21. General costs

	2014	2013
Sourcing & development	116,553	87,195
ICT	58,699	105,817
Company cars	58,536	63,925
Accountancy and consultancy fees	48,896	76,360
Mail handling and telecommunications	19,347	20,350
Purchase and maintenance of inventory and office supplies	14,638	19,558
Other	17,775	12,008
	334,444	385,213
General costs passed on to others	-	(11,295)
Total	334,444	373,918

22. Financial income and expenditure

	2014	2013
Interest expenses	(18,851)	(11,706)
Profits due to interests	12,552	9,279
Dividends and investment results received	220	283
Balance of expenditure minus income	(6,079)	(2,144)

Fair Trade Original has a current account credit facility with Fair Trade Assistance for the financing of its working capital. The agreed interest rate is equal to the Euro Interbank Offered Rate (Euribor) of a three-month deposit, plus 2.75%. The interest rate is set each quarter, whereby the previous quarter's Euribor is adopted for the next quarter. The interest is due per quarter. No securities have been granted. As at 31 December 2014, the amount borrowed from Fair Trade Assistance was € 295,906. In 2014, the average balance of the current account credit facility with Fair Trade Assistance was € 636,640. The interest paid by Fair Trade Original amounted to € 18,851.

23. Corporate income tax

The corporate income tax return was settled definitely for the years up to, and including, 2011. No corporate income tax is due on the fiscal profit, which will be settled against the fiscal losses of 2012 and 2013.

TRANSACTIONS WITH AFFILIATED PARTIES

Transactions with affiliated parties occur when there is a relationship between the company, its subsidiaries and their managers or management board members. The parties affiliated with Fair Trade Original are the Dutch Fair Trade Assistance Foundation and, until 19 February 2014, the Belgian Fair Trade Original v.z.w. enterprise, of which Fair Trade Original has complete control.

Fair Trade Original has a current account credit facility with Fair Trade Assistance for the financing of its working capital. The agreed interest rate is equal to the Euribor of a three-month deposit, plus 2.75%. The interest rate is set each quarter, whereby the previous quarter's Euribor is adopted for the next quarter. The interest is due per quarter. No securities have been granted.

The sales to the Belgian Fair Trade Original v.z.w. completed in 2014 were made in accordance with the customary commercial conditions applicable to third-party transactions, whereby the selling price is based on a surcharge on the cost price. As at 18 February 2014, the turnover generated from sales to Fair Trade Original v.z.w. amounted to € 5,269.

REMUNERATION FOR SUPERVISORY AND MANAGEMENT

BOARD MEMBERS

Fair Trade Original exercises the exemption provided for in Article 2:383, Section 1, of the Dutch Civil Code for the remuneration of Management Board members, as any such statement could be traced back to one single natural person. None of the members of the Supervisory Board receive an emolument.

Signed by the Supervisory Board and the Management Board

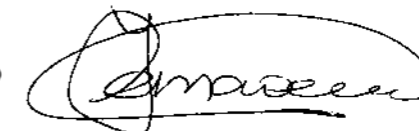
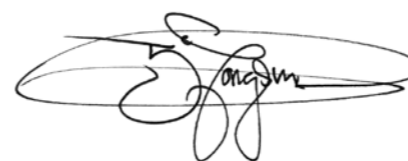
Culemborg, 12 June 2015

The Board

The Supervisory Board

B.E. Jongsma

J. Schraeverus



Allocation of profits/losses

The Charter does not include any provisions relating to the allocation of the profit. The profit of € 167,437 was, with approval of the Supervisory Board, credited to the Other reserves.

FIVE-YEAR FINANCIAL SUMMARY OF INDIVIDUAL ANNUAL ACCOUNTS

In thousands of euros	2010	2011	2012	2013	2014
Movement in turnover by product group					
Food	10,815	10,958	10,651	9,973	9,620
Coffee	4,461	5,160	4,885	4,062	4,035
Gifts & Living	2,978	3,172	2,811	-	-
Complementary	59	45	11	3	-
Net turnover (including turnover bonuses)	18,313	19,335	18,358	14,038	13,655
Result					
Net turnover (including turnover bonuses)	18,313	19,335	18,358	14,038	13,655
Operating result before taxes and interest	320	25	1,382-	471-	174
Profit after taxes	268	39	1,368-	473-	167
Cash flow (net result + amortisation)	436	213	1,275-	404-	247
Capital					
Total equity	7,634	7,456	5,706	4,882	4,659
Equity	3,483	3,522	2,154	1,681	1,849
Fixed assets					
Balance sheet total	324	174	129	225	158
Investments	82	34	53	194	18
Amortisation	158	174	93	69	80
Employees					
Total - annual average based on full-time employment	42	41	40	27	24
Wage bill, including social security costs and excluding temporary employees	2,646	2,570	3,043	1,986	1,851
Ratios					
Gross margin to Net turnover %	28.8	29.1	25.5	30.5	30.2
Operating costs (excluding amortisation) to Net turnover %	37.2	29.6	33.9	33.8	28.7
Operating result before interest to Net turnover %	1.7	0.1	7.5-	3.4-	1.3
Stock to Net turnover %	1.5	0.2	7.5-	3.4-	1.2
Trade accounts receivable to Net turnover %	8.0	1.1	48.2-	24.7-	9.5
Solvency (Equity to Total equity %)	19.2	21.1	12.9	15.7	16.2
	13.7	14.0	14.1	15.0	14.8
	45.8	47.2	37.7	34.4	39.7