



Fair Trade Original

ANNUAL REPORT 2013

♥ Doing good never
tasted so great



Colophon

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Fair Trade Original

Photos

Fair Trade Original

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Bert Jongsma (left):
'In 2013, we were able to supplement the fairtrade development premium with additional investments of more than 280,000 euros in the provision of support to our trading partners'.

Foreword

Fair Trade Original markets fair foods. We arrange for our supplies by setting up sustainable trading chains, preferably in cooperation with local processors. We not only focus on the fair procurement of ingredients, but also on good working conditions and a fair wage for the employees who produce them. In 2013, our sales of products enabled us to supplement the fairtrade development premium with additional investments of more than € 280,000 – 6.5% of the income from our margin on the sale of products – in the provision of support to our trading partners.

During the past year we made major advances in the preparations for the certification of various locally-produced foods. Certification enhances our local processors' prospects in the export market. In 2014, we expect to be able to display a fairtrade seal of approval on products including noodles, coconut milk and curries. The preparations for this certification have already resulted in higher prices for the farmers and improved working and living conditions for the employees. We are promoting these developments by the provision of a development premium from our funds.

Cooperation with local processors offers the major benefit of a shorter trading chain, which in turn offers us a direct relationship with the farmer. However, even when our products are not processed locally we still wish to have direct contacts with the farmers and employees at the beginning of the chain. During the past year we offered support to farmers and agricultural



labourers involved in the cultivation of rice in Thailand, oranges in Ghana, cane sugar in Mauritius and grapes at vineyards in South Africa. Fair Trade Original then focuses primarily on the provision of support to vulnerable farmer groups.

The economic recession also had its effects on Fair Trade Original in 2013. Food turnover fell by 10% in 2013, in part due to lower coffee prices. Many consumers have saved on their daily shopping by switching to cheaper products and benefiting from special offers and promotions. Although

consumer sympathy for fairtrade remains undiminished, the poor economic conditions make it difficult for shoppers to remain loyal to our brand.

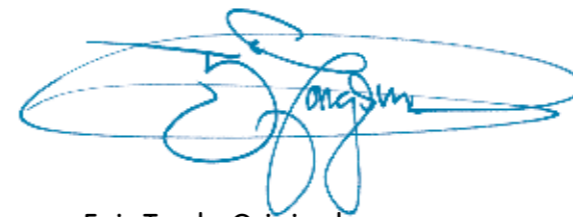
However, the current market conditions have not deterred us from continuing to invest in the Fair Trade Original brand. We have devoted a great deal of effort to enhancing the position of our brand by revamping our packaging and logo. Consumers and customers are very enthusiastic about our new packaging. We have also expanded our range with new products including Dark Roast, a strong quick filter coffee, and Soy Ginger, our third wok sauce.

The spring of 2013 pivoted on the spin-off of the Gifts & Living activities. The split of the organization was completed with success. Fair Trade Original moved to its new offices at the beginning of March. At the end of the year a distribution contract was concluded with IDE Coffee Systems for the sale of coffee in the Belgian Out of Home channel. This agreement was an important element of the separation of the Belgian Fair Trade Original v.z.w. from the Dutch organization. In January 2014, the management responsibility for Fair Trade Original v.z.w. was transferred to Oxfam Wereldwinkels (Oxfam World Shops), thereby clearing the way for the creation of one distribution centre for fairtrade gifts & living products in Flanders.

In 2014, Fair Trade Original will focus on the retention of its turnover level and will discontinue its in-house marketing activities in the Food Service channel. However, we shall remain active in this channel via a number of

partners with whom we cooperate closely. We perceive opportunities for increases of our sales via supermarkets, which we can achieve by expanding our distribution operations and introducing new products. Our sales to Worldshops and WAAR shops will continue to focus on offering a broad, high-quality product range in combination with the provision of service of a high level.

Bert Jongsma



Fair Trade Original
Managing Director

About this Report

This Annual Report provides Fair Trade Original's stakeholders – trading partners, producers, consumers, customers, suppliers, staff, social organizations and other interested parties - information about the relevant developments in 2013.

Our brand's promise to consumers is that Fair Trade Original enables them to discover 'doing good never tasted so great'. We wish to be accountable for our promise. Consequently, we intend to be transparent about what we do, why we do it, what goes well and what is still not going well. We further this transparency by giving account for the above in this Annual Report. We also explain what we intend to do even better in the future.

Global Reporting Initiative

This report is based on the G3 guidelines of the Global Reporting Initiative (GRI) and the guidelines issued by the Dutch Accounting Standards Board. The report reviews the relevant GRI issues and the most important elements of the organization's operations. The GRI table enclosed on page 52 ff. of this report refers to the relevant pages. Fair Trade Original hereby declares that, as is customary since 2010, level C of the G3 guidelines is applicable to its Annual Report 2013.

Online Annual Report

This Annual Report is published online at www.fairtrade.nl.

The annual reports for previous years are also available at this website. We welcome your response via jaarverslag@fairtrade.nl.

Information

Members of various departments have supplied input for this report, both on the basis of the G3 indicators and their personal insights. Most of the information on the organization's operations is based on invoices or on management information and records maintained by the organization or submitted by the suppliers on request. The necessary conversions of figures were made on the basis of factors from reliable sources and established protocols.

From farmer to consumer

The layout of this Annual Report differs from earlier years. Section 1 outlines the most important trends and developments in the environment in which we operate and reviews the strategic decisions we make to enhance both the fairtrade principles throughout the chain and strengthen the Fair Trade Original brand. We continue by following the chain from farmer to consumer. Section 2 reveals the importance we attach to improving the position of the farmers who grow the ingredients for our products and explains how we give shape to our work on these improvements. Section 3 discusses the role processors in either the country of origin or Europe play in the chain. Section 4 provides information about our organization and Section 5 an insight into the steps we take before the products go on display in the shops. The consumer plays the leading role in the last link in the chain – and in the last section of this report, Section 6.



Fair Trade Original

TRENDS AND STRATEGY

2013 pivoted on the separation of the food and gifts & living activities and the creation of a new organization with a focus on food. During this process it became clear that it is time to redefine Fair Trade Original's vision and mission and set the new course for the new organization. This vision and mission will then need to pivot on the significance we wish to have for our stakeholders, in particular the farmers in the developing countries. We intend to complete the preparation of an impact map with indicators by the summer of 2014. This map will serve as the basis for the formulation of our new vision and mission.

Trends and developments

Brands that are honest and transparent about the origins, ingredients, and working conditions gain the consumers' confidence

Consumers adopt a critical attitude to companies. The food manufacturer's integrity is increasingly questioned, in part due to food scandals. A growing group of consumers demand transparency. Seals of approval are also followed critically and their credibility is increasingly put to the test. Consumers seek reliable, honest brands they can trust.

Following the recent food scandals food manufacturers are now subject to more stringent supervision. These scandals have contributed to an increase in the number of advocates of more stringent supervision, legislation and guidelines. At the same time, consumer confidence in the supervisory authorities' effectiveness has fallen.

Sales of organic products are increasing and now account for a larger market share than fairtrade products. Regional foods are also becoming more popular in view of the sustainability and transparency they offer. An increasing group of consumers makes a carefully-considered decision to buy food produced with respect for people and planet.

Successful reduction of poverty by increased economic activity in developing countries

The Human Development Report 2013 reveals that developing countries are experiencing an unparalleled growth in prosperity following their increasing international trade. The Dutch government's economy measures have reduced the funds available for development cooperation, and a relatively large proportion of the funds that are available are allocated to the development of trade.

A recent CIDIN study reveals that fairtrade certification makes a limited contribution to the reduction of poverty. The Max Havelaar Seal of Approval is increasingly confronted with criticism of the guarantees and added value it offers. The introduction of a second Max Havelaar Seal of Approval for ingredients is designed to achieve substantial growth in the fairtrade volume of cocoa and cane sugar.

Multinationals are giving shape to their sustainability strategy, and they are organizing successful training programmes for farmers in developing countries. Providing support to farmers is no longer the exclusive reserve of NGOs and certification bodies.

The Netherlands is slowly recovering from the recession in 2014, although consumers are still reticent to spend

The forecasts for economic growth in 2014 are slightly favourable. However, government expenditure is contracting and growth is largely due to increasing exports. National consumer expenditure is expected to remain low.

Unemployment continues to increase, and a growing number of consumers are confronted with a fall in their income. These developments have an evident effect on consumption patterns. Families with falling incomes are more price-conscious when they do their shopping, either out of necessity or

because they are more careful. Nibud calculations indicate a slight increase in purchasing power. This favourable development could result to a further increase in consumer confidence in the longer term.

The recession did not stop the supermarkets recording a further increase in their turnover in 2013. However, the supermarkets' turnover is not expected to continue to grow in 2014. Supermarket sales via promotions increased to 18% of their total sales in 2013, and this share will also remain high in 2014. The larger premium brands, in particular, have succeeded in maintaining their sales by means of promotions.

The low-budget Lidl supermarket chain is becoming more popular, as consumers have a favourable perception of its combination of low prices and good quality. At the same time Jumbo (including C1000) is losing market share. Most of Lidl's sales are generated by its own label brands. Other supermarket chains also recorded an increase in sales generated by their own label brands to almost 36% at the end of 2013.

Supermarket sales of fairtrade products are stagnating

Consumers increasingly call at supermarkets for their daily shopping. The sales of fairtrade products are following this pattern. An NCDO study has revealed that the supermarkets account for 93% of consumer expenditure on fairtrade products.

59% of all households bought fairtrade products in 2013, the same percentage as in 2012. Both the demand for and supply of fairtrade products have slowed. Nevertheless, fairtrade is still a trend that receives a great deal of attention. As a result, the relevance of our trade and the competition have both increased. This in turn gives cause to the need for our clear positioning relative to other products with fairtrade certification.

The World Shop formula is coming under continually increasing pressure. A group of several dozen Worldshops have now split away from the national organization. The difficult economic conditions and lack of volunteers have resulted in some shops closing their doors. In addition, new legislation prohibits sales of alcohol by shops that are not primarily focused on food sales or sell food on only a small scale. This is to the detriment of Worldshops, which include wine in their range. Although the enforcement of this legislation is entrusted to the local authorities, very little action was taken in 2013.



Strategy

A well-known and sympathetic brand

Studies have revealed that the Fair Trade Original brand is well known to consumers and can count on their sympathy. However, at the same time consumers are confused about the difference between the Fair Trade Original trademark and the Max Havelaar Fairtrade Seal of Approval, which has now been renamed to the Fairtrade Seal of Approval. The explicit communication of the added value provided by the Fair Trade Original brand is a crucial element of our strategy. The restyling of our packaging range and brand logo are both intended to increase our appeal and enhance our identity. Fair Trade Original has supported this repositioning with an advertisement that was broadcast on a number of Dutch TV channels.



We at Fair Trade Original are of the opinion that our unique fairtrade approach deserves more attention. Our impact-oriented approach will play a greater role in our communications with our customers and consumers in 2014.

Availability in the shops

All major Dutch supermarkets, Worldshops and WAAR shops stock Fair Trade Original products. These products have enabled us to acquire a permanent position on the shop shelves. This has in turn provided us an excellent basis for the expansion of the distribution of our products and the inclusion of new products. We intend to introduce targeted product innovations to demonstrate the incredibly great potential possessed by the farmers and processors with whom we cooperate. A further increase in the pace of innovations will also ensure that our consumers are more frequently surprised by new product variations. Successful introductions of new products depend on the retailers' willingness to make the necessary space available on their shelves. Food suppliers are engaged in fierce competition for the limited room on the shelves. This is particularly applicable to the supermarkets.

Our development of new products ensures that the Fair Trade Original brand remains interesting for retailers. We intend to be the fairtrade brand that provides for innovation on the shop shelves: we perceive many opportunities, in cooperation with our trading partners, for expansions of our product range.

Production in the country of origin

We make arrangements for the production of many of our food products in the country where the ingredients are grown. This enables us to make optimum use of the local knowledge and expertise, and it ensures that a larger proportion of the added value is created in the country of origin. We assist our local processors with the development of an international clientèle. This is also beneficial to the farmers, who gain from the increase in the demand for their products.

Local processors who are able to offer products with fairtrade certification are also assisted in their achievement of international success. We assist our local processors with their certification and bear much of the expense



involved in the process. We also support them with the formulation of export plans and the identification of international sales channels.

Making the difference at the farmer

Fair Trade Original has always been the leader in the launch of new fairtrade products on the market. This development of new product concepts is usually accompanied by the support and development of farmers or processors. When providing this assistance we have an eye for vulnerable groups of farmers which would not otherwise have had access to the export market. The support provided by the organization has resulted in the introduction of many new fairtrade products on the Dutch market.

Notwithstanding the growth of fairtrade, many farmers are still in a vulnerable position. We are of the opinion that these farmers must also be offered an opportunity to increase their sales, and for this reason we cooperate with the farmers in the preparation of programmes focused on improving their organization, increasing productivity, improving quality and gaining access to markets. All these actions are ultimately intended to increase the farmers' income.

We are pleased to be guided by the locals' knowledge when we prepare the recipes for our products.





Fair Trade Original
**IT STARTS WITH
THE FARMER**

The production of our food starts on the land, with the farmer. He – and often also she – grows the ingredients that serve as the basis for our coffee, coconut milk or peanut butter. We opt for farmers in Africa, Asia and Latin America. Our objective is to ensure that they receive a fair wage for their work.

Although great progress has been made in the reduction of poverty over the past decades, about 1.4 billion people still live on less than 1 euro a day. Almost 1 billion people suffer from hunger. At least 70% of the poorest people live in the countryside, and many of the poor are farmers. The farmers' disadvantaged position can be due, for example, to their lack of knowledge of good agricultural procedures, lack of access to working capital, poor organization of their farm cooperatives, or their poor competitive position. As a result, many farmers receive a low price for their crop and are forced to get by on a low income. We help farmers in a disadvantaged position to develop themselves into players who can stand up for their interests and can take part in the competitive international market.

Enhancing these farmers' position requires a long-term vision. The farmers' problems are complex, and solving them is feasible solely with intensive assistance, appropriate cooperation and sufficient funding. Fair Trade Original gives preference to farmers organized in groups, where we support their cooperative or association. We buy their products, give advice and provide training, and pay a fairtrade development premium to provide farmers funds for the enhancement of their organization, improvement of their agricultural practices and the financing of communal projects.

Jou eie krag ('your own strength')

In certain sectors we do not focus on farmers' groups, but rather on the employees of (medium-sized) plantations and farms. These sectors include the viniculture sector, most of the fruit-growing sector (fruit juices) and the tea sector. The fairtrade development premium is then destined for the pickers and labourers on the farm. They decide on the communal projects to be funded with the development premium. For this purpose Fair Trade Original initiated the *Ontwikkel jou eie krag* ('Develop your own strength') programme at the vineyards in South Africa in 2013. This programme is designed to train the employees' representatives who will make the ultimate decisions on the allocation of the funds: they will learn how to make their choices and give account for their decisions to their 'constituents'

A fair wage

Fair Trade Original strives to ensure that the farmers who supply our products receive a fair wage – an income sufficient for a family to live without poverty, and an income that can be earned in a respectful manner. These farmers do not then need to work lots of overtime, work in hazardous conditions, set their children to work, relinquish their freedom or cause damage to the environment.

We pay the producers the fixed minimum price or higher market price and a development premium. We determine the procurement prices in accordance with the standards adopted by Fairtrade International and, in some instances, Fair for Life. Both seals of approval have also adopted criteria for the remuneration of contract labourers working on farms and plantations. We are of the opinion that insufficient attention is often given to the position of agricultural labourers and employees involved in growing or processing

products. This extremely vulnerable group is also entitled to appropriate working conditions and a fair wage. For this reason Fair Trade Original took active part in a consultation round that Fairtrade International organized to review contract labour. Fairtrade International published a new standard in 2014. We perceive the new standard as a step in the right direction, although we are concerned about the slow pace at which the improvements are to be implemented.

Productivity

Fairtrade is based on sustainable trading relationships. Continuity in the relationships with their customers is of great importance to the structural development of farmers. Customers such as Fair Trade Original benefit from consistent deliveries of high-quality ingredients. Farmers who keep appropriate records of their activities and their harvests collect valuable information that enables them to make any adjustments needed to maintain their future harvests at suitable levels.

Some of the first harvest of large red chilli peppers grown by farmers in Sisaket, Thailand, failed. An analysis revealed that the farmers could have monitored the crop more accurately, in particular the irrigation during its cultivation. This issue received a great deal of attention in 2013, when Fair Trade Original cooperated with the supplier of the chilli sowing seed and the manufacturer of the Thai culinary products. This intensive approach bore fruit at the end of 2013, and the prospects for 2014 are favourable.

In contrast to controllable factors, such as water, other factors such as climate effects and plant diseases are virtually uncontrollable. Climate changes in regions in Peru, Nicaragua en Guatemala have resulted in an epidemic of coffee rust ('roya') that has damaged the coffee plants, greatly reducing the number of blossoms and stunting the growth of the coffee berries. Coffee rust is caused by a fungus that spreads rapidly in humid

At the farm

Sales of our coconut milk are a great success. Each can of coconut milk contains the milk from one coconut, so the number of coconuts required for the supply of the product is growing and growing. The sustainable cultivation of these coconuts is feasible only when the basics have been reviewed to determine which elements can be further improved.



In 2013, the coconut farmers were required to draw up a plan for the future of their farm needed to meet the Fairtrade certification requirements. This was not something they were accustomed to doing. For this reason Fair Trade Original called in the local ETC Lanka consultancy agency to oversee the process. The farmers were asked to make a drawing of their farm as they now experience it and inclusive of all the problems. They were then asked to make a drawing of their farm in the ideal situation. As a result, and without then realizing, they had drawn up a plan for the transition from the current situation to the required situation. They then jointly drew up a list of priorities for 10 points for improvement. These included deepening water channels, improving the compost and the installation of fencing: all-in-all, the list resulted in a five-year plan of approach. This plan also included a budget, with a portion that the farmers are willing to invest and a portion funded with the Fairtrade development premium.

conditions. Major investments in new plants have now been made in many regions. The coffee farmers have financed these investments with long-term loans. Some farmers have also financed part of the investments with their fairtrade development premium.

Stable market

Fair Trade Original strives for long-term business relationships which are focused on development. This is feasible only with appropriate cooperation between the various players in the chain and with a growth-oriented approach. The first step in this approach is to acquire an insight into the trade with the farmers' organization. A fair price, for example, is not always the highest price that is feasible: asking too much can ultimately price the farmers out of the market. Consequently, in some instances farmers will need to be satisfied with a price that, although it is lower than the highest price bid by the traders, does contribute to the maintenance of the cooperative arrangements with reliable customers. Farmers accepting these lower prices demonstrate that they are reliable partners and ensure that customers will wish to continue to procure supplies from them. In 2013, Fair Trade Original provided pricing politics information to chilli and pineapple farmers and then concluded appropriate agreements with the farmers.

Direct relationships

We create strong trading chains by striving to keep them as short and, as a result, as transparent as possible. Our target for 2015 is to procure 35% of our products (ingredients or finished products, in kilograms) directly from the producers. In 2013, this share increased to 33% (2012: 29%).

Our direct relationships with farmers and producers in the country of origin enable us to switch quickly when bottlenecks arise. Consultants contracted locally also play an important role, as intensive supervision is often required. In 2013, for example, this approach was adopted in Ghana for a review of



Cooperatives are regularly confronted with problems caused by traders, who make one-off purchases from individual members at higher prices. This, in the short term, is an appealing option for farmers. This is currently an issue in the honey sector. This forces up the asking price for honey and the cooperatives, which fulfil an intermediary role between individual beekeepers and the customers, then get caught in the middle. Fairtrade cooperatives avoid these problems by concluding agreements with their members and customers which specify the quantities to be supplied and the price.

the problems in the chain for the supply of fairtrade orange juice concentrate.

[Read more](#)

We occasionally lose our insight into the origins of ingredients in regular trading chains: brokers do not, for competitive reasons, always welcome transparency in the chain. We are then unable to identify the farmers who grew the relevant products. This is, for example, the case with chocolate. Cocoa beans not only undergo numerous processes before the resultant product (cocoa mass, cocoa butter or cocoa powder) is used as an ingredient in a chocolate bar, but are also processed in factories of a size such that tracing ingredients back to a specific batch of cocoa beans is feasible solely at greatly increased cost. Although a solution has been found for fairtrade certification on the basis of the mass balance principle, a principle which we have also adopted, we are nevertheless of the opinion that this is an unsatisfactory solution. For this reason, in 2013 we began a search for direct relationships in this complex process that will enable us to trace the origins of our products. To be continued.

Access to certification

In 2013, we decided that all our products must bear an independent fairtrade seal of approval. Fairtrade certification offers farmers new opportunities in the export markets. Farmers entitled to display the Fairtrade seal of approval (in the Netherlands, the Max Havelaar Seal of Approval) on their products can benefit from the resultant added value in more than 20 countries, an added value in part resulting from the trend towards sustainability. The farmers not only benefit from higher sales but also from the higher development premiums that increase in proportion to their sales.

In 2013, Fairtrade certification programmes were underway at:

- > Ma's Tropical Foods (Sri Lanka): the farmers supplying coconut and herbs to this company are affiliated with SAFE-Net. Fair Trade Original has given the coconut farmers active support during the last phase of their certification programme, the phase in which they formulate their development plan;
- > La Riojana (Argentina): a supplier of olive oil. Fair Trade Original offered advice on the design of the organization and on the minimum price to be adopted.

The certification of both companies is expected in 2014.

We have also assisted the affiliated farmer organizations in the expansion of the certified ingredients for the range of Thai culinary products. [Read more](#)

The less well-known Fair for Life Seal of Approval is also gaining ground in the Dutch supermarkets. As the Max Havelaar Seal of Approval does not extend to standards for some products, such as noodles and herb grinders, Fair for Life is then a suitable alternative. This offers benefits for wheat farmers in India and salt extractors in South Africa.



Monitoring compliance with certification requirements

Farmer organizations granted a fairtrade certificate are subsequently subjected to an annual audit by FLO-Cert auditors to verify that they continue to meet the fairtrade criteria. FLO-Cert, an independent audit agency, conducts on-site audits of cooperatives which encompass field visits and inspections of reports, minutes, logbooks and forms, etc. In a new development, FLO-Cert inspectors now also carry out unannounced inspections. These increase the importance of maintaining a good internal organization and keeping up-to-date accounts. In 2013, we deployed our local consultant to the Nam Om rice producers in Thailand to get the organization in order and improve the design of the accounts. This counselling will continue in 2014.

Following an initial period in which the producers are trained in working with the fairtrade criteria, they are then expected to be able to continue in autonomy. This initial period is of about two years, although the actual period varies from case to case. The quality of the farmer organization's management is then essential: they need to take the lead, set an example and monitor the organization.

Attention for the environment

Fairtrade International increased the stringency of the Seal of Approval's environmental requirements in 2012. In addition to making efficient use of raw materials from renewable sources, reducing the energy consumption from non-renewable sources and improving their waste management, producers are also required to work on biodiversity and the control of erosion. Farmers are also encouraged to switch to organic farming where and when this is feasible.



Thai pineapple farmers plant mangrove trees to combat erosion.

Fair Trade Original assists the farmer cooperatives in the creation of awareness and the implementation of the required environmental standards. In 2013, this related, in particular, to assistance provided to:

- > relatively new fairtrade producers in Thailand, Sisaket Fairtrade Farmer Group (chilli peppers) and Maetaeng Fairtrade Soy Bean Group (soya), comprised of training in the Fairtrade environmental standards in preparation for the annual Fairtrade audit;
- > the Nam Om Community Enterprise Pandan and unpolished rice producers in Thailand, comprised of training in the production of organic manure, as well as in the replanting of teak and fruit trees (mango, tamarind) and trees that are becoming increasingly scarce in the surroundings;
- > the pineapple farmers of the Fairtrade Pineapple Producer's Community Enterprise Group in Thailand, comprised of help in sustainable pineapple cultivation and environmental protection on the basis of the prudent use of natural resources, as well in the formulation of a plan to combat soil erosion and the replanting of trees such as mangrove trees (coastal protection) and oil palms, together with the creation of awareness of the importance of clean sources of water;
- > the coconut farmers of MA's Tropical Food Processing in Sri Lanka, consisting of attention to environmental issues in the five-year development plan including the production of organic manure and the installation of drainage systems along the contour lines to avoid erosion.

New players

We regularly seek new farmer organizations that are prepared to seek fairtrade certification so that they can supply us with new ingredients or serve as a second source of supply for our successful products. In 2013, for example, we contacted new fairtrade soya and sugar farmers in Thailand and visited a new group of peanut farmers in Argentina. When we have established that a new group has the potential of acting as one of our suppliers we then initiate the requisite certification programme.

Planning for the future

We shall continue our investments in the creation and improvement of trading chains in 2014 and the following years, where we shall focus on culinary products. We are confronted with challenges posed by products that contain many different ingredients. Fair Trade Original strives to use solely ingredients with fairtrade certification. We then support the farmers growing our ingredients by counselling them and paying them, in advance, the Fairtrade development premium characteristic of the Fairtrade Seal of Approval.

We have observed that although the Fairtrade model offers many benefits, it nevertheless fails to achieve a structural improvement of the income of producers in some chains, such as the coffee and cocoa chains. We shall examine the reasons for this problem, and prepare projects that will need to ensure that the farmers do actually benefit from an improvement in their income. We will then cooperate with other organizations that have acquired a great deal of experience in the relevant sector. We will make structural measurements of the impact of these projects to track the results and make any necessary adjustments.

Growth market

The Sisaket Fairtrade Farmer Group, in Thailand, consists of some 15 small-scale, organized farmers. They are undeniably a group with mettle and entrepreneurial spirit – and they are not readily daunted, as was once again demonstrated in 2013. The group, reinforced by the K.R.S. Spicy Food producer, Fair Trade Original and good market developments, is progressing step by step on the fairtrade path.

The Sisaket farmers began to supply fairtrade green and red chilli peppers to KRS Spicy Food in 2012. KRS Spicy Food, based near Bangkok, processes these chilli peppers in Fair Trade Original's Thai range of products. The chilli peppers were rapidly supplemented with lemongrass and shallots. As Fair Trade Original strives for 'all that can be must be fairtrade', we initiated a programme at the Sisaket farmers in 2013 that is designed to help them grow even more fairtrade ingredients, for example ginger, galangal (laos) and curcuma. This is increasing the percentage of fairtrade ingredients in the Thai curry herbal pastes, sauces and wok sauces, and is in turn increasing the amount of the farmers' Fairtrade development premium. This premium covers their annual audit costs and enables them to work on the further enhancement of their fairtrade organization and the improvement of their cultivation methods.

Joint approach to problems

In all their enthusiasm the Sisaket farmers were also confronted with some unexpected obstacles, for example in 2013, when they installed a greenhouse to dry a new 'prik jai' variety of red chilli peppers. This red chilli pepper variety is an indispensable ingredient in the red curry herbal paste, one of the best sellers in our Asian collection. However, its cultivation was anything but easy. Excessive temperatures during the drying phase resulted in the loss of much of the harvest. The problems were tackled, and the second harvest was much larger.



From farmer to consumer

The award of the Fairtrade Seal of Approval for the products is expected in the second half of 2014. Once the products have been granted Fairtrade certification and may bear the Seal of Approval K.R.S. Spicy Food will be able to launch its Fairtrade product range on the international market. The expectations are high, and potential customers in the UK, USA and Japan are interested in the products. As the Thai government appreciates that the group of vulnerable farmers can gain particular benefit from the fairtrade approach, the government contributed to the financing of a cookery book which was published in 2013 and was destined for the Worldshops for the promotion of our Thai fairtrade products. The favourable market expectations have resulted in the Sisaket farmers' decision to seek more members for their group. As a result, the farmer to consumer chain is growing in both power and scope.



Fair Trade Original

**FROM RAW MATERIAL
TO FINISHED PRODUCT**

The first step of the processing of raw materials into ingredients for a product often takes place at the farmer, such as drying coffee beans. Cooperatives often create added value for their product, for example by centrifuging honey in a food grade unit at a central location. However, all raw materials ultimately arrive at a factory where they are processed further and then packaged.

All that can be

We adopt the 'All that can be must be fairtrade' principle when we formulate our products. Pursuant to this principle, we shall always endeavour to arrange for the fairtrade certification of ingredients whenever this is feasible, even when the Seal of Approval allows an exception. Although this is not the simplest approach – certainly with complex products with many ingredients – it does ultimately offer the farmers increased income, whereby independent audits then verify the origin. However, in some instances compliance with this principle is not feasible for technical reasons. This is, for example, the case with sprinkles and flakes: the machines jam when processing cane sugar, and for this reason we are compelled to use Dutch beet sugar. The new packing bears an explicit statement of this ingredient. At the same time, we are also searching for a solution in which cane sugar can be used.

Flexibility in procurement

Agricultural products are natural products. The size of harvests can fluctuate greatly due to changes in climate and natural variations in temperatures, hours of sun and similar. As a result, the cooperatives that are our preferred suppliers cannot always deliver the required quantities of a raw material with the specific quality we need. In recent years regular changes took place in the members of the groups of cooperatives that supplied our products such as coffee. For this reason, in 2013 we decided that we would form a group of seven main suppliers and seven reserve suppliers. This offers flexibility in our procurement and makes the identity of our trading partners clear. This

is all the more important now we have delegated the physical procurement to a specialised company that purchases supplies on the basis of the coffee roasting company's specifications.

Fairtrade in every link of the chain

Our fairtrade endeavours used to focus on fair employment at the production companies, for example the companies producing our culinary sauces in South Africa and Tibetan noodles in India. However, in recent years we have expanded our focus. We now strive to trace the origins of the ingredients of these products so that we can assess whether they are also produced under fair working conditions. Too many obstacles were encountered in tracing the origins of the ingredients used in the South African culinary sauces, which was in part the reason for our decision to drop these products from our range. For our noodles, our new approach has resulted in the procurement of wheat from farmers who also grow rice with Fairtrade certification. In addition, we have drawn up an active programme for the improvement of the living and working conditions of the labourers who work at the wheat mill.

Production in the country of origin

Fair Trade Original intends to create the maximum possible economic value in the country of origin. Pursuant to this objective, in addition to procuring the necessary raw materials and ingredients under fairtrade conditions we also strive to arrange for their processing to manufacture the finished product in their country of origin. Our product development work gives consideration to the option of production in the country of origin from the very beginning of each project. The ultimate decision is not only based on the creation of jobs, but also on factors including quality, the reliability of the logistics, the environmental impact and the transport costs. In 2013, 51 of the 147 products in our range (= 35%) were supplied in the form of finished products produced in Africa, Asia or Latin America.

Our cooperation with the local processors offers us a good insight into the entire chain and, consequently, into any issues playing a role at the source – the farmer – that need to be discussed or addressed. In 2013, the olive oil bottling process at the La Riojana cooperative, in Argentina, was confronted with great technical problems. We invested in an analysis of the production process, which identified the need for improvements to the packaging material and more stringent control of the filling process. Following the implementation of the necessary improvements this olive oil reappeared on the shelves in 2014. This resulted in extra jobs at the cooperative and, indirectly, at the suppliers of the bottles, caps, boxes and labels.

10 years of the Fair Trade Trust

Fair Trade Original and its South African Turqle Trading partner formed the Fair Trade Trust in 2003. We jointly pay 5% of the export value of the products into this fund. The German El Puente fairtrade organization also began contributing to the fund in 2011. Fair Trade Trust has an educational objective and contributes to:

- > school fees for the children of the employees of the company that supply Turqle Trading: in the space of 10 years, school fees amounting to a total € 140,000 have been paid for 143 children;
- > training at the work places. 110 training courses for groups have been organized since the fund was formed. These addressed issues such as personal skills, household finances, labour legislation, first aid, HIV & AIDS awareness, and leadership skills. These training courses enhance the employees' position in the labour market. 15 training courses are scheduled for 2014;
- > personal training courses, with individual assessment. 14 employees have followed an individual training programme in recent years, ranging from learning to read and write to computer use and from driving lessons to a human resources training course. More attention will be devoted to these study grants in the coming years, in response to the increasing demand.

Fairtrade certificate

All parties in the chain that have the title to an ingredient or processed product at any given time in the chain must have certification if the finished product is to bear the Fairtrade Seal of Approval. Permission to use the Fairtrade Seal of Approval offers the processing industry, in analogy with farmers, a window to a relatively stable sales market. Factories wishing to be issued Fairtrade certification must be able to furnish a contract, in writing, which lays down agreements on the quantities of ingredients to be supplied to the factory and the associated prices. However, the working conditions in the factory are not inspected. As we are of the opinion that the scope of this procedure is inadequate, we are working on arrangements for inspections of this nature via other systems (SEDEX/SMETA, BSCI, SA8000).

European manufacturers

Some of our products are manufactured in cooperation with importers and manufacturers in the Netherlands and other European countries. We do so when, for example, the product contains ingredients from several continents (fruit juices and chocolate), the shelf life is relatively short (roast coffee) or the product is specific to the Netherlands (sprinkles). Moreover, this offers us an opportunity to utilise the expertise and efficiency of specialized companies.

When we arrange for the processing and packaging of products in Europe we retain the control over the procurement of ingredients with Fairtrade certification. European manufacturers are not necessarily focused on fairtrade and, consequently, are not always willing or able to separate fairtrade and non-fairtrade ingredients. As Fair Trade Original is a relatively minor player we cannot force manufacturers to separate the ingredients: moreover, when manufacturers are prepared to meet our requirements, the costs are excessive. We regard the mass-balance principle as a temporary solution. For this reason we once again searched for alternative processors in 2013. However, unfortunately the options available to us are often limited.

Environmental impact

Fair Trade Original intends to request the North and South processors of its products to provide information about their efforts to reduce the environmental impact of their operations. This factor will be taken into account when we select a processor. We shall endeavour to conduct business with processors that have arranged for the certification of their production process in accordance with internationally recognized environmental standards.

The initial requests for information from Dutch processors revealed that:

- > our sprinkles manufacturer has set a target for the 15% reduction of its CO₂ emissions per unit in 2016 as compared to the level in 2013, a target to be achieved by the reduction of power and gas consumption. The manufacturer also intends to reduce the amount of waste per unit product by 20% in 2016 from the level in 2012, a reduction it will achieve by improving the separation of recyclable waste. As from 2013, the manufacturer's plans for the construction of new premises will include a review of the option of the in-house generation of sustainable electricity.
- > the company that roasts and packages Fair Trade Original coffee intends to minimize its CO₂ footprint by implementing energy-saving measures in the factory and selecting packaging materials produced with lower CO₂ emissions.
- > the processor of our rice devotes due attention to the achievement of environmental gains. The factory is close to the Port of Rotterdam, which minimizes transport by road. The factory adopts an active approach to waste management. Broken rice is ground to rice flour and nutritious waste is used in animal feed.

Café Directo

Processing in the country of origin is not an option for a number of products. For example, in our experience roasting coffee in the country of origin is not feasible for a variety of reasons. Although in the nineteen-nineties we did offer coffee from Café Directo, in Costa Rica, that was grown, dried, roasted and packaged in the country, it ultimately proved impossible for the producer to make the coffee blend required by each buyer. National preferences differ: Dutch consumers are used to a coffee flavour different from the flavour expected by consumers in countries such as Germany and France. We were also confronted with shelf life problems caused by the lengthy sea transports, whilst air transports were not an option as we held that this was not a sustainable form of transport. Moreover, blends of coffee from one origin have their limitations, in particular when the blends are intended for a broad public. Most of our coffee products consist of a sophisticated blend of types of coffee beans from a number of regions. We terminated imports of Café Directo after a period of two years.

The future

We intend to continue on the course we have set. The expansion of our culinary range will result in the inclusion of new finished products prepared in the country of origin. We shall also continue discussions with European processors which focus on their cooperation in the enhancement of the fairtrade chains. We shall also utilize the processors' expertise in the implementation of improvements at the source, at the farmers.

Too ambitious?

We cooperate with Fair and Organic Products Trading in the procurement of fruit juice concentrate for our orange juice, tropical juice and apple juice products. In 2010, we began a jointly search for a new supplier of Fairtrade orange juice concentration.

Local pioneer

A local pioneer, a party that can take the lead, is necessary for the construction of a new fairtrade chain. Fair and Organic Products Trading had contacts with a new fruit processing factory in Ghana, Fruittiland. The region was already familiar with the fairtrade system as many cocoa farmers in the area were members of fairtrade cooperatives. As a result, both Fruittiland and a number of orange farmers rapidly became interested in cooperation.

Quality

Fair Trade Original worked with the farmers on the enhancement of their organizations and the acquisition of certification pursuant to the Fairtrade standards. Fair and Organic Products Trading focused on the improvement of Fruittiland's processing: the company needed to modify its machinery and work towards compliance with the European hygiene and food safety regulations. A quality training course was also organized for the farmers, and their attention was drawn to the need for good working conditions, such as safe ladders and boots to provide protection from snakebites.

Hitch

Eight farmer associations had been awarded Fairtrade certification by 2012. Some of their oranges were used to produce Fair Trade Original's orange juice. However, after the first good season problems nevertheless arose: although the farmers continued to receive support, procurement was halted temporarily. Problems with the performance of machines in Fruittiland's



factory resulted in non-compliance with the flavour and food safety export requirements governing the concentrate. In 2013, three farmer associations decided that renewal of the Fairtrade certificate was not a priority: the costs were no longer covered by the additional income.

Potential

There is still a long way to go before Fruittiland becomes a stable supplier of fairtrade orange juice concentrate. Although there is adequate economic potential, which can result in a fair income for many Ghanaian orange farmers, all parties will need to make every possible effort and be patient. We have not given up hope. We organized a field workshop in 2014 that resulted in a number of promising agreements. Pursuant to these agreements, the farmers will work on a more efficient organizational structure and will select a service company to be contracted by the farmers to carry out practical tasks and improve their communications with Fruittiland. On occasion, an extra link of this nature can result in a much stronger chain. To be continued.



Fair Trade Original

OUR ORGANIZATION

Profile of the Management Board

Fair Trade Original is a foundation. The management of the Fair Trade Original Foundation is entrusted to the Managing Director, Bert Jongsma. The Managing Director, who is appointed by the Supervisory Board, is the Chair of the Management Team. The other members of the Management Team are the Marketing Manager, Paula van de Kamp, and the Sales Manager, Maurice van Dort.

The Supervisory Board is the Foundation's senior body. The Supervisory Board's duties include the approval of the budget, annual accounts and annual plan. The Supervisory Board met on four occasions during the year under review. The Supervisory Board approved the Annual Accounts 2012 in April 2013. Mr Mentink retired from the Supervisory Board on 1 March 2013. The organization is very grateful to him for his great efforts in the years since he joined the Supervisory Board in 2000.

From March 2013, the Supervisory Board has 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 ('Netherlands Food Retailers Association' (CBL)
Member of Fair Trade Original's Supervisory Board since 2010

Working at Fair Trade Original

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

Personnel policy

Fair Trade Original has laid down its package of terms and conditions of employment in its legal status regulations. These are agreed by the Works Council and the Board and are based on the hospital collective labour agreement. The Works Council has been comprised of three members since March 2013, the time of the formal transfer of the Gifts & Living activities to FairForward. The Works Council met with the Board on 5 occasions in 2013.

The supervisor of each employee conducts progress interviews to consult on the expectations and results that have been achieved. At the end of the year, the employee's immediate supervisor assesses his or her performance and makes agreements for the coming year. Regular toolbox meetings at department and intradepartmental level are held throughout the year. The management also holds plenary meetings to inform the staff of the most important developments in the organization.

An annual staff-satisfaction survey was initiated in 2013. The first survey was conducted in January 2014, for the 2013 reporting year. This revealed that the staff are proud of the organization and experience the working environment as both agreeable and friendly. The staff are treated fairly and are taken seriously. However, the staff are of the opinion that there are relatively

few opportunities for personal development within the organization. They are also of the opinion that the management should hold more frequent information meetings with the staff on issues such as the management's vision, expectations of the staff and information about important questions within the organization. The staff awarded the organization an overall score of 8.24 on a scale from 0 to 10. The findings were discussed with the staff and the management has indicated that it will address the issues that were awarded a below-average score.

Staff

On 1 January 2013, Fair Trade Original had a staff of 45. On 1 March 2013, 12 members of staff of the Gifts & Living Business Unit were transferred to FairForward BV. Five members of staff left the organization during the course of the year, and two joined the organization. At the end of December the organization had a staff of 28, one of whom was seconded to FairForward until retiring on 23 February 2014.

In addition to the permanent and temporary employees, the organization had two trainees during the course of the year under review and a further person who, within the context of a rehabilitation programme, voluntarily acquired work experience as a financial assistant during a 6-month period.

Staff at 31 December

	2011	2012	2013
Women/men	30/17	28/17	14/14
Indefinite period / Definite period	45/2	43/2	24/4
Full-time/part-time	19/28	19/26	12/16
Total number of staff	47	45	28
Total number of FTEs	40	39,5	24,7

Age structure

At 31 December 2013, the average age of all staff was 45.8. The average of the men was 48 (2012: 47) and of the women 45 (2012: 46).

Staff turnover

A new workforce plan was drawn up and approved at the beginning of 2013. This workforce plan encompasses an adjustment of the staffing level to accommodate the new situation that has arisen on the spin-off of the Gifts & Living activities. The number of staff positions has been reduced, as a result of which three jobs have been shed. A termination contract was concluded with the relevant employees at the beginning of March.

A total of five employees have left the organization. Two new employees joined the organization during the year under review. The organization was reinforced with a Channel Development Manager Food Service, who joined in January 2013, and a Development Manager, who joined in September.

Staff turnover rate by age category and gender

Age	Departing staff	New staff
30+	1w	
40+	2m + 1w	2m
60+	1w	

The average number of years in service was 12. At the end of 2013, almost half the staff had worked for Fair Trade Original for longer than 10 years.

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 increased by 0.6% to 24.4% in 2013. The cover rate increased to 109% in the fourth quarter of 2013, an eight percentage point increase from the end of 2012. As a result, PFZW was able to implement a 0.94% indexation of the pensions in January 2014 (no indexation took place in 2013) and refrain from an increase in the pension contribution in 2014.

Health and safety

The absenteeism rate was 3.8% in 2013 (2011: 3.5%). This is equal to the average absenteeism rate in the Netherlands in 2013. Two members of staff gave birth during the course of the year. The absenteeism rate exclusive of pregnancy leave was 1.6%, a result which indicates that the organization's policy of anticipating sick leave was a success. The services of the permanent confidant were not called on in 2013.

Training courses

52% of the training budget the organization had set for 2013 was utilized during the year under review (€ 10,500). Very few members of staff submitted an application for a training course to their supervisor.

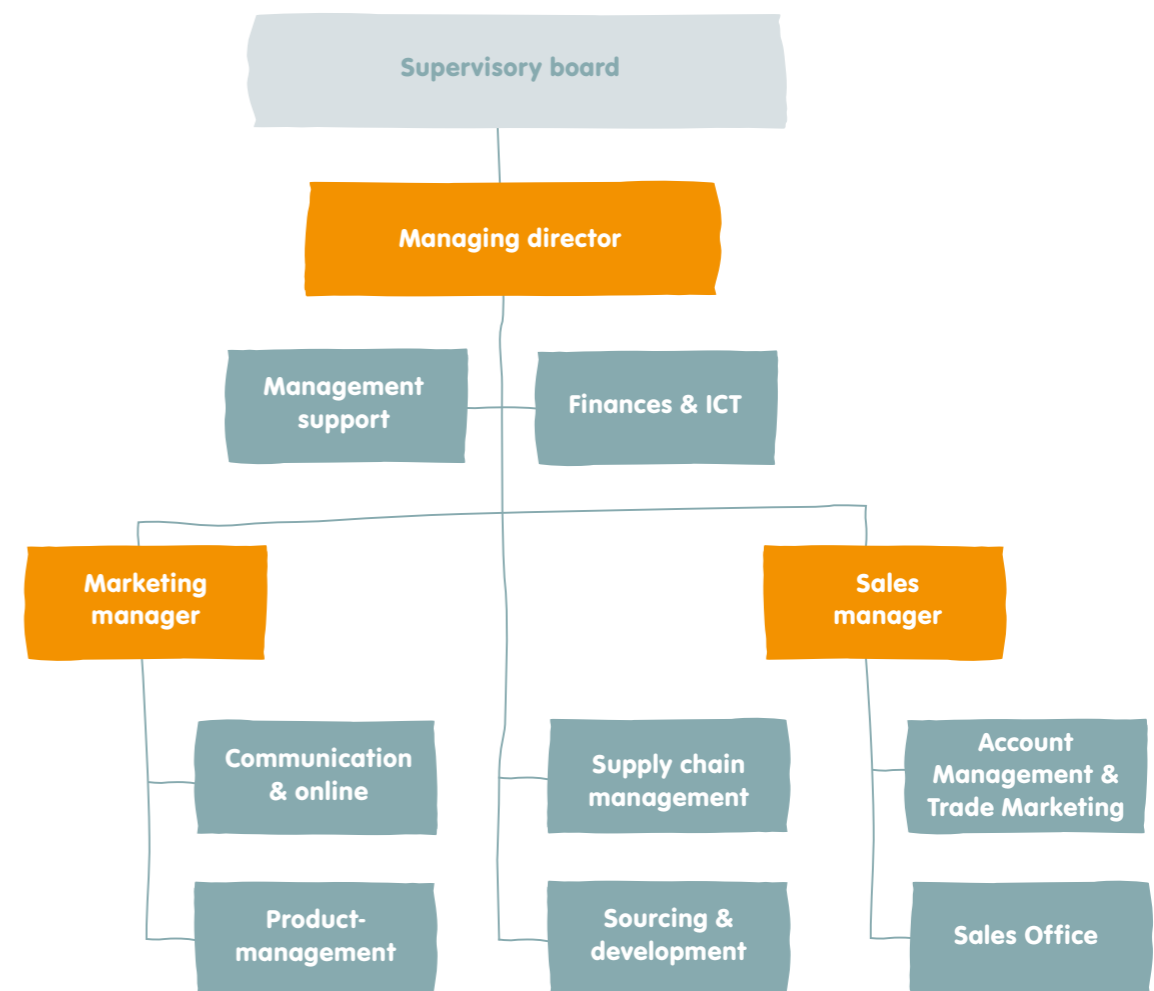
The future

The legal status regulations specify a lower limit of 35 staff for the appointment of a Works Council. The number of Fair Trade Original's staff fell below this lower limit in 2013. For this reason the Works Council and Board held consultations on the appointment of a staff representation group on 1 May 2014. The staff representation group will be assigned additional powers which supplement the statutory framework and will be laid down in a works agreement. The election of the members of the staff representation group will be followed by the formulation of an amendment of the legal status

regulation. It is expected that the new legal status regulation will come into effect by no later than 1 November 2014.

In view of the importance of job, professional and employability-oriented training of the staff, the annual progress meetings will devote more attention to the opportunity available to staff to make use of the training budget. Fair Trade Original has reserved an amount equal to 0.6% of the total payroll for training in 2014.

Organization chart



Care of the environment

Fair Trade Original assumes its Corporate Social Responsibility. Within this context we endeavour to improve environmental performances and reduce the environmental impact of all links in the chain. A report of our activities in these fields is enclosed in the relevant sections. Our review of our organization's environmental performance examines the accommodation (the gas and electricity consumption) and staff transport.

Accommodation

On 1 March 2013, Fair Trade Original moved into a wing of an office building of a sustainable design that was built in Culemborg in 2003. The materials used in the construction of this building have a service life which is longer than the period required for the growth of the building materials. The lessor procures sustainable electricity. The installation of LED lighting in the building's corridors, in 2013, reduced the total power consumption by 10%. This, in terms of the number of m² leased by Fair Trade Original, is equivalent to a consumption of 63,500 kWh in 2013, substantially lower than the consumption at the former location in Culemborg in 2012 (149,000 kWh). However, the consumption in these two years are not readily comparable as we no longer had a warehouse or shop in 2013. The building is heated and cooled by a thermal storage system. Two wells on the office site extend to a depth of 60 metres below ground level. Heat is stored in these wells in the summer and cold in the winter. The stored heat is used to heat the building in the winter and the stored cold is used to cool the building in the summer. The building has been connected to the district heating grid to provide extra heat in lengthy cold periods. In 2013, about 1000 GJ was required for the entire building. The building is not connected to the gas grid.

Staff transport

The relocation within Culemborg has had no effect on the staff's commuting distance. The new office is in the immediate vicinity of a railway station.

Fair Trade Original leased five cars in 2013. Four of these five cars have an A environmental label. The fifth car, with a D environmental label, has subsequently been fitted with an LPG tank. In practice, the average emissions are higher than the standard levels. This is in part due to the current inability to charge the electric Opel Ampera at all locations, as a result of which the petrol consumption is above the level that had been expected. The environmental performance of the other cars with an A environmental label falls short of the factory figures. When we take out new leases after 2014 we shall subject the environmental performance to an even more critical inspection. Preference is given to electric or hybrid cars.

Fair Trade Original staff pay regular visits to trading partners and producers in Latin America, Africa and Asian. As from March 2013, these visits are solely to food partners. The increase in CO₂ emissions is due to the allocation of higher CO₂ emissions to the kilometres flown in economy comfort class. This refinement had not been adopted in the calculations for earlier years.

Intercontinental kilometres flown by Fair Trade Original staff:

2009	2010	2011	2012	2013
1,436,000 km	940,000	507,000 km	543,000 km	333,000 km
322 tonnes of CO ₂	213 tonnes of CO ₂	87 tonnes of CO ₂	96 tonnes of CO ₂	121 tonnes of CO ₂

Revolution in the world of coffee

We procured the world's very first fair coffee in 1973. This initial order of 50,000 kg of coffee beans was a world first and a revolution in the world of coffee: farmers with small farms gained access to the export market, improved trading terms and conditions, and a greater say in the sale of their product. Consumers could opt for a fair cup of coffee. This initiative taken by Fair Trade Original 40 years ago has since been adopted all over the world.

This first delivery of coffee beans came from Guatemala: we still procure coffee from the same Fedecocagua organization. This anniversary gave cause to our visit to the coffee organization to find out how things are going for the coffee farmers after 40 years of fairtrade. What are their expectations for themselves and the future? Do they perceive this future on their coffee plantation, or elsewhere? And, in conclusion, what can fairtrade contribute to their future? We and our German Misereor and Gepa partners, partners from the very first days, recorded their answers in a short, characterful film. In this film Leonarda, Cipriano, Erasmo and Lilly give an insight into their current life, the benefits they have gained from fairtrade and their ambitions.

Fairtrade's benefits

The discussions with dozens of Fedecocagua members confirmed the findings from other studies. Fairtrade offers coffee farmers many benefits, such as the enhancement of their cooperative, certainty (of sales), higher quality production, environmental production, reduction of child labour and the active participation of women. However, it is not possible to demonstrate a direct relationship between fairtrade and an increased income. In 2014, we shall carry out a study of the measures needed to achieve an effect on the farmers' income and, as a result, ensure that fairtrade makes the difference in this respect as well.



For the consumer

We also drew the consumers' attention to this anniversary with our coffee: our revamped coffee collection was the first product group to be repackaged in the new house style. We also launched three new coffee products on the market under the Koffie voor fijnproevers ('Coffee for connoisseurs') label. One of these three types, Proef Centraal-Amerika ('Taste Central America'), contains coffee exclusively from Fedecocagua, as a tribute to the farmers of yesteryear who now offer top-quality coffee. A TV commercial, with a school bell playing the leading role, adopted a new approach to drawing attention to our fair coffee – self-evidently, with the intention of interesting more and more coffee drinkers in this marvellous product.



Fair Trade Original
READY FOR SALE

Fair Trade Original developed a very wide range food products over the course of the years, the result of Fair Trade Original's pioneering role and its ambitions to develop fairtrade products in virtually every product category and offer consumers a fairtrade alternative for virtually every daily meal, snack and beverage. New foundations were laid for the organization's product range strategy in 2013, which involved rigorous choices.

Although Fair Trade Original will continue to offer a wide product range, the organization will increasingly focus on the culinary segment. Fair Trade Original will also remain active in the hot beverages segment, with products including coffee and tea, and in the breakfast segment, with products such as sprinkles. We are following developments in the fruit juice and wine categories closely, where the definitive prohibition on sales of alcoholic beverages by the Worldshops will in part determine whether Fair Trade Original will be in a position to continue to market its range of wines. Fair Trade Original will slowly but surely withdraw from the impulse purchase category, which includes products such as chocolate, confectionery, biscuits and nuts. This decision was made in view of the various market developments and the declining added value Fair Trade Original can offer for products in this category.

Developments in the product range

The switch to the new packing for the range of food products was a major project in 2013, a project which took up a great deal of time and energy of the various departments that were involved. By the end of the year, 75% of the packaging artwork had been restyled: the remainder awaited decisions on the future of the products. The introduction of the newly-packaged products in the shops will continue into 2014. The organization opted for a soft relaunch approach to minimize the disposal of products in the old packaging. The redesign of the packaging took account of the new EU labelling regulation governing the provision of food information to

consumers. As a result, Fair Trade Original has completed the preparations required for compliance with this new regulation well before it enters into force on 14 December 2014.

Coffee

Coffee was the first product category to transfer to the new packaging. The objective was to use the new packaging to enhance consumer perception of the coffee range by means of among other things the clearer communication of the flavour profile, the quality and strength of the coffee. The basic quick filter coffee range was supplemented with Dark Roast coffee for consumers who prefer quick filter coffee. The Premium coffee product, formerly packaged in foil, was transferred to the basic range on its repackaging in 250 g hard vacuum packs and renaming as Gold coffee, a name which is more in line with the market.

Our launch of Dark Roast espresso beans marked the introduction of strong, dark-roast 100% Arabica coffee beans in our product range. Our introduction of Aroma coffee beans accommodated the consumers' need for the familiar coffee flavour with the freshest grind. We discontinued our Indio coffee beans product. Our Mild organic coffee pods, Kilimanjaro coffee pods and gift pack origin coffee pods were discontinued in response to the declining market for coffee pods. We also discontinued the premium Silver quick filter coffee and ground Espresso variants.

The three origin Kilimanjaro, Ethiopia en Guatemala quick filter coffees were replaced by an entirely new collection of Koffie voor fijnproevers ('Coffee for connoisseurs') consisting of a characterful coffee with a hint of plain chocolate from Africa, a refined organic coffee with a rich palette of flavours from South America, and a coffee with a full, fruity flavour from Central America.

Introductions in other product categories

- > We supplemented our successful range of Asian culinary products with a new Soy Ginger wok sauce.
- > our unique chocolate letter in the form of an & was joined by an @ in 2013, made from 135 grams of milk chocolate.
- > we enriched our wine range with the characteristic Carmenère Chilean red wine at the end of the year.

During the course of 2013 we discontinued our herb mix, dried mango, coffee sweets, gift pack wine, Vonkelwijn wine and rice wafer products.

The future

The decisions we made on our product range will be implemented in 2014. Attention to a healthy diet is increasing, and a growing number of consumers are giving careful consideration to the compatibility of products with a healthy and balanced diet. This will be an important theme in Fair Trade Original's product range strategy for the coming year.

Environmental issues in the trade

A method developed within Fair Trade Original in 2011 enables us, in cooperation with the suppliers of packaging materials, to adopt a structured approach to increasing the sustainability of our primary, secondary and tertiary packaging.

We achieved a number of tangible results in the year under review:

- > During our restyling of the coffee packaging we switched to aluminium-free packaging foil for some of the products. Packaging foil containing an aluminium layer is still used for the hard vacuum and coffee pods packs. Although this layer is extremely thin, the presence of aluminium complicates the recycling of the packaging. Paper wrappers can be



The Fair Trade Original & and @ chocolate letters were repackaged in a box made of FSC cardboard in 2013. These boxes offer space for the buyer to add amusing and suitable text to their heart's content.

- separated easily. However, the new aluminium-free soft vacuum packaging is thicker so that it retains the necessary barrier properties. We give priority to recyclability for these coffee variants;
- > The entire range of teas has been renewed, whereby we selected a form of packaging that obviates the need for a cellophane foil;
 - > The South African herb mill producers were unable to replace the glass packaging with lighter, recyclable packaging. However, the new design of the packaging does include a statement that the plastic mill can be disposed of separately from glass waste.

Companies that bring packaged products on the market are under the statutory obligation to make arrangements for the recycling of packaging waste. The Packaging Waste Fund has outsourced the monitoring of and provision of incentives for the collection and recycling of packaging waste to Nedvang. Fair Trade Original participates in this programme via what is referred to as the Packaging Waste Management Contribution (PWMC). The amount of this contribution is dependent on the kilograms of waste brought on the Dutch market. For this reason we keep records of the amount and type of packaging for each product that we bring on the market. An exception is made for coffee, as the coffee roasting company bears the cost of the PWMC for this product range.

Packaging material brought on the Dutch market since 2009. Exclusive of coffee packaging.

Material	in 2009 (rounded off, in kg)	In 2010 (rounded off, in kg)	in 2011 (rounded off, in kg)	In 2012 (rounded off, in kg)	In 2013 (rounded off, in kg)
Paper and cardboard	130,000	137,500	145,000	140,000	99,000
Plastic	27,000	27,500	25,000	25,600	22,000
Glass	247,000	245,500	250,000	238,000	203,000
Metal (other than aluminium)	16,000	23,000	28,000	31,000	35,000
Aluminium	250	350	420	900	200
Wood	1,500	1,300	1,300	500	350
Fair Trade Original turnover Index 2009 = 100	100	104	110	104	80

Fair Trade Original discontinued sales of Gifts & Living products in March 2013, which resulted in a decline in the quantity of paper and cardboard and the use of pallets. The growth of sales of canned products, such as coconut and milk, resulted in a further increase in the amount of metal waste. The decline in the use of aluminium was due to the discontinuation of specific products (such as culinary sauces) and to the carefully-considered choice of materials for new packaging (coffee). The remaining decline in the use of packaging material was in line with the decrease in sales.

Transport to the retailer

The transport of our ingredients from Asia, Africa and Latin America to the Netherlands and within the Netherlands results in CO2 emissions, and has an environmental impact. We have outsourced the international transports and transport and storage of the products in the Netherlands.

The goods in the countries of origin are collected in marine containers. Transport by air is avoided whenever possible and was restricted to two transports in 2013.

Fair Trade Original's Dutch logistics service provider has implemented a Lean and Green programme to further sustainable logistics. Pursuant to this programme, the service provider endeavours to:

- > Reduce the average distance travelled by road per delivered pallet;
- > Operate in accordance with the ISO 14001 environmental management system;
- > Reduce the number of drops in each delivery journey;
- > Transport containers with inland waterway vessels whenever possible: the service provider is the leading company in multimodal transports;
- > Procure sustainable equipment.

Fair Trade Original does not measure the exact distance covered by the goods on their way from producer to consumer. However, as our logistics service provider relocated the storage of our goods from Oost Gelderland to Zuid-Holland during the course of 2013, the distance our goods cover during transport from the Port of Rotterdam to the warehouse has been greatly reduced. Consequently, the total number of kilometres travelled in the Netherlands has also been reduced. Fair Trade Original intends to improve its insight into the efforts that our sea and road carriers make to reduce the environmental impact of their transports.

Quality and product liability

As Fair Trade Original bears the ultimate responsibility for the foods it brings on the market, we attach great importance to monitoring the quality and safety of the food throughout the chain.

Supplier assessment

Our supplier assessment system enables us to specify quality targets for our suppliers and monitor their performance. Pursuant to this system, we make annual assessments of the number of producers that have implemented a food safety system which has been certified or approved by an independent agency. Three suppliers in the countries of origin did not have a certified or approved food safety system in 2013. One supplier is concerned about the financial consequences of certification, one supplier has relocated its production unit and is working on certification, and one supplier has terminated this trading in 2014 and no longer needs to be monitored by us. Although one European processor had been awarded certification, a number of mistakes made in the production process resulted in the need to reject a product. We will not conduct further business with this party.

Fair Trade Original cooperates with a logistics service provider for the storage and distribution of the products. This cooperation is also the subject of an annual product quality and food safety evaluation. The warehouse for our products was transferred to a new location in the Netherlands at the beginning of April. The new warehouse has an improved temperature control system, which is an important gain for our products.



A traceability test was carried out with Thai pineapple in August. The producer, Samroyod, was able to retrieve all the information about a batch of pineapple, although this took several days: this will need to be speeded up in the event of a recall due to a serious problem. The results from this test were subsequently used, with Samroyod and the pineapple farmers, to gain an improved insight into the chain: how many pineapples are delivered by the farmers and how much finished product (canned pineapple) is made from these deliveries – and, most important of all, did the farmers receive the fairtrade development premium for their harvest to which they were justified? This proved to be demonstrably the case.

Complaints

Another of our quality objectives relates to the reduction of the number of complaints. Although we received fewer complaints in 2013 (203) than in 2012, this decline was in proportion to the lower number of order lines. The top 3 categories of complaints in 2013 were:

- > Packaging, physical: many of these complaints related to leaking packs of coffee and bottles that were difficult to open or close.
- > Appearance: consumers regularly complained about bloom on sprinkles. Although we carried out a large number of tests and studies, it took a long time to identify the underlying cause. A potential solution was found in 2014. We hope that this will result in substantially fewer complaints.
- > Flavour: some consumers find the peanut butter too salty. We will work on a revised recipe for this product in 2014.

Recalls and calamities

In 2013, 7 products were blocked before delivery for quality reasons. In one instance a non-fairtrade product had been delivered and in the other instances the product did not meet the quality requirements.

A batch of orange juice (0.33 l) was recalled from the market in the second quarter of 2013: the juice was fermenting due to a microbial contamination. The recall was completed successfully, and a report was drawn up of the actions that were taken.

At the end of December we were notified of leaking honey jars in Christmas hampers. The hampers were collected from the customer and examined. This revealed that jars of honey were leaking in 219 hampers. These were replaced and the hampers were repacked.

Recall test

A recall test was carried out in cooperation with Turqle Trading, South Africa, at the beginning of April 2013. The test was completed successively and a report was drawn up of the actions that were taken and the points for improvement. The Thai Northern Food Complex approached us in June to ask us to cooperate in a recall test. The batch of ketjap they wished to trace was identified rapidly. A report of this test was also drawn up.

Fair Trade Original can be contacted via an emergency telephone number outside office hours. This number was called on 11 occasions in 2013. None of these calls related to a calamity or quality problems: most related to a customer question, for example about a delivery.

Cheerful entirety

The Fair Trade Original brand underwent a complete metamorphosis in 2013, in a programme initiated to draw a new, younger target audience whilst simultaneously ensuring that existing buyers retained their confidence in the brand. Consumer surveys have revealed that although Fair Trade Original enjoys a high name awareness, all too many consumers perceive the name as a seal of approval rather than as a brand.

The underlying principles for the new Fair Trade Original brand were laid down in 2012, followed by the development of a new design for the logo and packaging range.

The real work

The real work began once the designs had been adopted. New packaging needed to be developed for more than 110 products. This, for each product, encompassed the following: briefing the packaging agency and copywriter, a draft presentation and feedback rounds, a photography session, consultations with the supplier, the preparation of the declaration of ingredients and nutritional value statement in accordance with the new legislation, the detailing of the packaging, feedback rounds, the choice of materials, the lithography, trials, a check-check-double-check round and, ultimately attendance at the press when the packaging was printed. When possible we also made improvements to the actual packaging, for example the switch to aluminium-free packaging for some coffee products on the introduction of soft vacuum packaging.

Unique

The new packaging range is gradually beginning to take shape – in the form of a cheerful entirety. The new packaging range is a great improvement. The



logo, script font and panel all ensure that each product is a recognizable member of the range, whilst simultaneously offering scope for a design which is unique to each product.

Feedback

Qualitative consumer surveys have revealed that consumers appreciate the packaging range. Fair Trade Original's customers also have a favourable perception of the new range. We have collected the feedback from our consumers and customers and combined this with lessons learnt from our evaluation: we are now hard at work on the next step, the optimization of the packaging range.



Fair Trade Original

THE CONSUMER'S CHOICE

Consumer confidence fell to a historic low at the beginning of 2013: the Statistics Netherlands (CBS) index for consumer confidence fell to – 44, the lowest level since 1986. Consumers were, in particular, more pessimistic about their financial situation. The 'willingness to buy' index also fell sharply.

The percentage of households that bought fairtrade products had increased steadily during the past years, but in 2013 the market for fairtrade foods appeared to be stabilising for the first time in history. This may have been due to the products available in the supermarkets, the consumers' reduced budget caused by the crisis and the availability of cheaper alternatives following the price war in the supermarkets. Nevertheless, the stabilisation of the percentage of households that buy fairtrade products at about 60% in the current difficult economic conditions is an indicator that fairtrade has acquired a permanent position in the Dutch market.

In 2013, a relatively larger number of consumers of 65 and above and below 30 bought fairtrade foods. Single people, pensioners, people living in the Randstad conurbation and people in the highest socioeconomic groups were over-represented in the population who bought fairtrade products. In 2013, 93% of the total fairtrade turnover was generated by supermarket sales. The trend towards an increasing supermarket share in fairtrade sales continued in the year under review.

Movements in turnover, sales and margin

Fair Trade Original's total food turnover fell by 10% from € 15.6 million in 2012 to € 14 million in 2013. Sales amounted to 3,285,570 kg in 2013, a decline of 6% as compared to 2012. The margin contracted by 1%.

Food Retail

Fair Trade Original was confronted with a decline in turnover in the Food Retail channel for the first time in its history. This was largely due to the decline in turnover generated by quick filter coffee and sprinkles. A decline which was in turn due to the excessive prices on the shop shelves in combination with the lower retail prices of the competition. Fair Trade Original has also suffered from the very high promotional pressure in these product categories. In addition, and in analogy with the previous year, a number of supermarket chains were less willing to include new articles in their stock than had been expected. Moreover, and in conclusion, the supermarket chains that stock Fair Trade Original products were confronted with cautious consumers who spent less and paid more visits to supermarkets that do not stock Fair Trade Original products.

Gift Retail

Turnover in the Gift Retail channel continued to fall sharply. A fall of this nature had been foreseen. The continuing recession is resulting in fewer visitors to the Worldshops and in continually greater challenges for the volunteers staffing the shops. Sales for Christmas hampers also fell, by 8%.

We conducted the annual World Shop retailer survey in December 2013, to review the activities we had developed for this retail channel during the course of the year under review. We received 219 completed surveys. Most of the respondents had a favourable opinion of the monthly newsletter, the recipe cards, the Heerlijke Dagen ('Delicious Days'), the Thai recipe book and the herbal tea gift box. Opinions differed on the bag special offer (Organic shopper with 6 food products) and on the Fairtrade Week. The findings will be taken into account in the plans for 2014. We answered general questions raised in the questionnaires in the Newsletter.

Food Service

The Food Service channel was hit very hard by the recession, and the effects were also felt by Fair Trade Original. The appointment of a Channel Development Manager to market our range in this channel, including Christmas hampers, failed to result in the achievement of the turnover target for 2013. Although turnover increased by 26% from 2012, we fell 29% short of the target for this channel. This was primarily due to sales of products for Christmas hampers, which were once again disappointing in 2013.

International

Fair Trade Original's turnover from sales outside the Netherlands was 12% lower than in 2012. This was primarily due to the 24% lower turnover generated by sales to Fair Trade Original Belgium. Sales to Oxfam Fairtrade Belgium, conversely, increased. Turnover generated by sales to other international customers also fell, in part due to the bankruptcy of one of the international customers.

At the end of 2013, Fair Trade Original transferred its coffee operations in the Belgian business to business market to Idé Coffee Systems, in the form of an agency. It is expected that Idé Coffee Systems will be able to win new customers for Fair Trade Original.

The future

The disappointing turnover and continuing difficult conditions in the market have resulted in the development of a new reality, a reality to which Fair Trade Original – both as a brand and organization – will need to adjust itself. The amended strategy no longer designates the Food Service as a pillar for growth. This channel is too time-consuming, requires too many investments and, moreover, is in a lengthy period of decline. Consequently, working this market is no longer profitable for Fair Trade Original.

Notwithstanding the decline in 2013, the Food Retail channel will in the future be responsible for the growth of the Fair Trade Original brand. This channel remains the largest channel and, consequently, the most important driving force for total growth. The first indications of an economic recovery have now become apparent, and consumers who increasingly switch to sustainable purchases will increasingly be able to find and buy Fair Trade Original products in the supermarkets.

The Gift Retail channel retains its importance to Fair Trade Original. We shall continue our development of appealing, tailor-made promotions for this channel.

A new look for consumers

Fair Trade Original presented its completely new look to consumers in June 2013. Coffee in the new packaging design was on display in the shelves, we launched our new website and we broadcast a new commercial on television and via the online channels. Henceforth, when Fair Trade Original develops new brand communications – from packaging to commercial – we will focus on the key target audience: young, highly-educated women.

The objective of the repositioning of the brand is to increase its appeal to this key target audience – a brand for which they not only have sympathy, but also a brand that really appeals to them. For this reason literally everything was changed: from plain to cheerful packaging, and from a business to a lighter tone of voice.

All communications pivot on the brand's new promise, 'the yummiest way to do some good': the consumer rewards herself, her friends and family with a delicious product – and, at the same time, helps others.

New website

The online channels needed to reinforce this message. We launched an entirely new website with the brand's new look & feel in June. The new packaging includes QR codes that refer consumers to website pages on the specific product which contain more information about the product and its origins. Consumers are also encouraged to share their perceptions of Fair Trade Original products on the social media, via the #FTOmoment hashtag. Our regular publication of new blogs on the website offer visitors an opportunity to take a look behind the scenes at Fair Trade Original, on occasion in the kitchens. The website devotes more attention to recipes, to encourage visitors to try something new with the products.

Brand survey

Fair Trade Original conducted a survey at the end of 2013 to review the new campaign's effect on brand awareness and the brand's image. This revealed that the new key target audience's awareness of and preference for the brand had increased and that the advertising awareness was also high. However, and unfortunately, the intention to buy had not increased. This would appear to be in part due to Fair Trade Original's image as a relatively expensive brand, an image which in the current poor economic conditions increases the barrier to the purchase of our products.

Fairbezig ('Fair activities')

Fair Trade Original, the National Association of Worldshops and the Max Havelaar Foundation have been joint beneficiaries of the Nationale Postcode Loterij since 2010. The joint Fairbezig ('Fair activities') campaign is intended to encourage the purchase of fairtrade products. In 2013, the focus was placed on cooperation with women's magazines. In addition, two special offer weeks organized at the time of the World Fair Trade Day, in May, and the Fairtrade Week, in November, were supported with publicity including house-to-house folders and a radio advertising campaign. We, in cooperation

with the 24Kitchen TV channel, developed the Fairplate format: a cooking programme which pivots on fairtrade products. 11 programmes had been broadcast by the end of the year. These were presented by the well-known TV chef Andy McDonald.

The future

The repositioning of the brand will be continued in 2014. We shall devote specific attention to increasing the awareness of the Fair Trade Original organization's unique value and role. In the coming year we shall counter the unfavourable perception of the price of our products by developing a number of appealing product promotions that will offer our existing buyers something extra and will also appeal to new buyers. We shall also focus on the creation of a fan base of consumers who feel involved with our brand and who can be encouraged to act as ambassadors for our brand and our products. We shall assign top priority to our ambitious innovation agenda that is designed to develop and introduce many new appealing fairtrade products.



Social media

Good afternoon, I wanted to refill my coffee container this morning and I saw a small logo on the packaging indicating that the pack can be opened without scissors. Now I'm usually quite creative, but after trying for fifteen minutes and searching for tips on the Internet I finally used scissors to open the pack. However, I keep wondering: So how do you open it? Kind regards, Sophie

Hi Sophie, it sounds as though the layer of glue on your pack did its work just a little too well. I've just tested another pack and it opened very easily. I've enclosed a photo. (...) Kind regards, Stijn

Hi Stijn, thanks for your answer. The glue on my pack was indeed a little too fanatic. But the coffee is appreciated here, so I'll have another chance within the near future:) Once again, thanks a bunch! Kind regards, Sophie

In 2013, Fair Trade Original was more active on the social media than ever before. We placed the focus on Facebook and Twitter. All the new technology and the social media make it much easier and less intimidating to contact companies. This is also the case with Fair Trade Original, as is demonstrated from the above conversation (September 2013). Questions and complaints are addressed as soon as possible.

Fair Trade Original receives an above-average number of questions about the substance of our operations and products, as is indicated by a recent question about our peanut butter:

Hello, Fair Trade Original. I've got a question. I was looking for peanut butter in the supermarket. Nowadays almost all products contain vegetable oils and fats: 99 times out of 100 these are fats based on palm oil. That includes

your peanut butter. But why do you use this product? It's harmful to people (the population in Borneo), animals (the animals in Borneo) and nature (the country of Borneo). This doesn't seem to me to be fairtrade at all. I'm interested in your answer.

Hi Sander, we are indeed reticent in our use of palm oil. However, Dutch consumers want peanut butter that's easy to spread, which is why we add a little palm oil. We've checked again: the palm oil we use in our peanut butter is procured from palm oil plantations with RSPO certification. We interested to hear what you think of our reasoning.

Rapid responses and due care to the answer ensure that consumers feel that they are taken seriously and that any disappointment, where relevant, is not detrimental to their favourable perception of the brand. At the end of 2013, the number of followers on Twitter and Facebook had increased to some 2,500 and 4,000 respectively.



Fair Trade Original

ANNUAL ACCOUNTS 2013

SINGLE BALANCE SHEET AT 31 DECEMBER 2013

(after appropriation of result)

EUR	Toelichting	2013	2012
FIXED ASSETS			
Intangible fixed assets	1	40,922	-
Tangible fixed assets	2	173,888	113,220
Financial fixed assets	3	10,642	15,359
		225,452	128,579
CURRENT ASSETS			
Stock	4	2,210,207	2,364,620
Trade accounts receivable	5	2,109,710	2,584,409
Advance financing of trading partners	6	133,725	14,976
Other receivables and prepayments	7	156,259	180,618
Liquid assets	8	46,355	433,239
		4,656,256	5,577,862
Total		4,881,708	5,706,441
INTERNAL CAPITAL			
Other reserves	9	1,681,249	2,154,242
PROVISIONS			
	10	25,406	54,834
LONG-TERM DEBTS			
Interest-free loan	11	982,434	982,434
SHORT-TERM DEBTS			
Trade accounts payable		985,097	1,011,137
Overdraft facility, Fair Trade Assistance		428,055	94,853
Taxation and social security charges	12	132,297	285,927
Other liabilities and accruals	13	647,170	1,123,014
		2,192,619	2,514,931
TOTAL		4,881,708	5,706,441

SINGLE PROFIT AND LOSS ACCOUNT FOR 2013

EUR	Toelichting	2013	2012
GROSS MARGIN			
Net turnover	14	14,037,316	18,357,587
Cost of sales		9,756,600	13,683,678
	15	4,280,716	4,673,909
Other income	16	60,847	255,615
COSTS			
Personnel costs	17	1,860,905	3,176,915
Amortization	18	68,849	92,987
Selling costs	19	2,352,163	2,236,431
Accommodation costs	20	156,577	271,317
General costs	21	373,918	533,687
		4,812,412	6,311,337
RESULT FROM ORDINARY ACTIVITIES		(470,849)	(1,381,813)
Financial income and expenditure	22	(2,144)	10,302
OPERATING RESULT BEFORE TAXATION		(472,993)	(1,371,511)
Corporate income tax	23	-	3,630
RESULT AFTER TAXATION		(472,993)	(1,367,881)

SINGLE CASH FLOW STATEMENT

The cash flow statement recognizes the funds that became available during the year under review and their allocation. The cash flow summary is prepared on the basis of the indirect method.

EUR	2013	2012
CASH FLOW FROM OPERATIONAL ACTIVITIES		
Result from ordinary activities	(470,849)	(1,381,813)
Adjustments for:		
Amortization	64,088	93,177
Movement in provisions	(29,428)	(138,821)
Movement in working capital	(166,306)	1,664,563
Cash flow from operations	(131,646)	1,618,919
Interest received	8,650	16,372
Dividend receipts	283	278
Interest paid	(11,706)	(4,994)
Profit tax paid	46,143	(29,307)
	43,370	(17,651)
CASH FLOW FROM OPERATIONAL ACTIVITIES	(559,125)	219,455
Investments in :		
Intangible and tangible fixed assets	(194,201)	(53,088)
Proceeds from sale of tangible fixed assets	28,523	314
Movements in financial assets	4,717	4,722
Cash flow from investment activities	(160,961)	(48,052)
Movement in overdraft facility, Fair Trade Assistance	333,202	(59,318)
CASH FLOW FROM FINANCING	333,202	(59,318)
NET CASH FLOW	(386,884)	112,085
Balance of liquid assets at 1 January	433,239	321,154
Net cash flow	(386,884)	112,085
BALANCE OF LIQUID ASSETS AT 31 DECEMBER	46,355	433,239

NOTES TO THE SINGLE ANNUAL ACCOUNTS 2013

General

The single Annual Accounts form part of the company's Annual Accounts 2013. Items in the single balance sheet and the single 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 2012 are regrouped, where necessary, for the purposes of a comparison with 2013.

Determination of result

The principles for the valuation of assets and liabilities and the determination of the result are identical to those applied to the consolidated balance sheet and profit and loss account.

Financial instruments

The single annual accounts present financial instruments on the basis of the legal form.

SINGLE BALANCE SHEET

FIXED ASSETS

1. Intangible fixed assets

	Website
Book value at 31 December 2012	-
Balance at 1 January	-
Investments in assets	50,800
Divestments	-
Balance of purchase cost at 31 December 2013	50,800
Balance at 1 January	-
Amortization	9,878
Divestments	-
Balance of depreciation at 31 December 2013	9,878
Book value at 31 December 2013	40,922

2. Tangible fixed assets

	Alterations	Computer equipment	Inventory	Total
Book value at 31 December 2012	-	93,412	19,808	113,220
Balance at 1 January	803,995	1,001,354	366,340	2,171,689
Investments and assets	-	136,122	7,279	143,401
Divestments	(803,995)	(409,870)	(330,503)	(1,544,368)
Balance of purchase cost at 31 December 2013	-	727,606	43,116	770,722
Balance at 1 January	803,995	907,942	346,532	2,058,469
Amortization	0	49,504	4,706	54,210
Divestments	(803,995)	(391,122)	(320,728)	(1,515,845)
Balance of depreciation at 31 December 2013	-	566,324	30,510	596,834
Book value at 31 December 2013	-	161,282	12,606	173,888

3. Financial fixed assets

	2013	2012
27.18 depository receipts for Oikocredit Nederland shares	5,435	5,353
68.51 depository receipts for Triodosbank N.V. shares	5,207	5,006
Loan to Cooperativa Campesina Apicola Valdivia	-	5,000
	10,642	15,359

In 2013, stock dividends resulted in the acquisition of 1.76 depository receipts for a Triodosbank N.V. share and 0.4 depository receipts for an Oikocredit Nederland share.

CURRENT ASSETS

4. Stock

	2013	2012
Goods	2,057,838	2,712,144
Goods underway	231,321	429,551
Packaging materials	20,961	38,577
Provision for unmarketable items	(99,913)	(815,652)
	2,210,207	2,364,620

The stock value based on the actual value does not differ materially from the above valuation.

5. Trade accounts receivable

	2013	2012
Accounts receivable	2,120,812	2,584,725
Provision for doubtful debts	11,102	316
	2,109,710	2,584,409

The trade accounts receivable item does not recognize any amounts with a remaining term of more than 1 year.

6. Advance financing of trading partners

This amount receivable of € 133,725 relates to advance payments to trading partners in developing countries for future deliveries of food products.

7. Other receivables and prepayments

	2013	2012
Prepaid ICT costs	36,544	22,263
Prepaid lease for accommodation	35,431	-
Guarantee deposits	30,792	30,132
Insurance premiums	26,900	10,135
Prepaid pension premium	5,033	1,634
Prepaid selling costs	2,902	38,438
Procurement costs	2,723	5,687
Interest	2,113	3,484
Grants to be received	-	16,226
Personnel costs	-	1,014
Corporate income tax	-	46,143
Other	13,821	5,462
	156,259	180,618

The Other receivables and prepayments item does not recognize any amounts with a remaining term of more than 1 year.

8. Liquid assets

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

9. Internal capital

	2013	2012
Balance of other reserves at 1 January	2,154,242	3,522,123
Result for financial year	(472,993)	(1,367,881)
Balance of other reserves at 31 December	1,681,249	2,154,242

10. Provisions

	2013	2012
Anniversary bonuses	18,627	32,025
Social Plan	6,779	22,809
	25,406	54,834

A Social Plan was agreed with the trade unions prior to the reorganization implemented in July 2007. A provision has been formed for future commitments towards staff who have left the organization or have been transferred, which runs until 31 December 2015.

Fair Trade Original's terms and conditions of employment include a provision for a non-recurrent bonus to employees who have been in service with the organization for 12.5, 25 or 40 years. On the basis of the prevailing workforce, the current obligations extend to a nominal amount of € 18,627, whereby account is taken of mortality risks.

LONG-TERM DEBTS

11. Interest-free loan

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

SHORT-TERM DEBTS

12. Taxation and social security charges

	2013	2012
Payroll tax and national insurance premiums	85,042	143,577
Turnover tax	47,255	142,350
	132,297	285,927

13. Other liabilities and accruals

	2013	2012
Procurement costs, additional costs, licences and bonuses	284,300	224,716
Personnel costs	181,552	681,465
Selling costs	64,634	33,804
Issued gift vouchers	36,644	36,831
Logistics costs	23,776	39,266
Accountancy and consultancy fees	15,183	18,512
Goods invoices to be received	-	1,429
Other	41,081	86,991
	647,170	1,123,014

FINANCIAL INSTRUMENTS

The company employs various financial instruments for its normal operations which expose the company to market and/or credit risks. This relates to financial instruments which are recognized in the balance sheet and foreign exchange forward transactions and currency options that cover future transactions and cash flows. The company does not trade in these derivatives and has implemented procedures and a code of conduct to limit the scope of the credit risk associated with each counter party or market. In the event of a counter party's non-compliance with payments due to the company any consequential losses, where relevant, will be restricted to the market value of the respective instruments. The contract value or notional principal amounts of the financial instruments are solely an indication of the extent to which financial instruments of this nature are used: they are not an indication of the amount of the credit or market risks.

ASSETS AND LIABILITIES NOT INCLUDED IN THE BALANCE SHEET

	2014	2015	2016	2017	2018>	Totaal
Lease of accommodation	68,000	98,000	10,000			176,000
Lease commitments for company cars	43,000	29,000	19,000	11,000	1,000	103,000
Logistics service provider commitments	79,000					79,000
Outtasking	14,000					14,000
Other obligations	3,000	3,000	1,000			7,000
Lease commitments for printers	10,000	12,000	12,000	12,000	14,000	60,000
Current orders for merchandise	1,094,000					1,094,000
	1,311,000	142,000	42,000	23,000	15,000	1,533,000

The current lease obligation for accommodation relates to the business premises in use in Culemborg. The current commitments arising from the logistics service agreement with Van Uden Logistics relate to the lease of warehouse space.

NOTES TO THE SINGLE PROFIT AND LOSS ACCOUNT

GROSS MARGIN

14. Net turnover

	2013	2012	Realisatie in % van 2012
Food	9,972,915	10,650,864	94%
Coffee	4,064,401	4,896,405	83%
Gifts & Living	-	2,810,318	0%
Total	14,037,316	18,357,587	76%

15. Gross margin

	2013	% van omzet	2012	% van omzet
Food	2,893,870	29%	3,041,090	29%
Coffee	1,386,846	34%	1,273,247	26%
Gifts & Living	-		359,572	13%
Total	4,280,716	30%	4,673,909	25%

16. Other income

	2013	2012
Max Havelaar contribution to the Nationale Postcode Loterij programme costs	55,679	115,050
Other contributions	5,000	21,517
Donations	168	1,767
Income from grants	-	73,910
ASN Bank contribution	-	37,371
Movement in the provision for the advance financing of trading partners	-	6,000
Total	60,847	255,615

COSTS

17. Personnel costs

	2013	2012
Salaries and contracting of personnel	1,637,727	2,644,548
Social security charges	196,026	280,038
Pension charges	152,111	203,027
Study and recruitment costs	11,295	13,498
Addition to or release from provision for anniversary bonuses	(7,496)	4,293
Other	28,387	53,945
	2,018,050	3,199,349
On-charged costs to others	(157,145)	(22,434)
Total	1,860,905	3,176,915

During the year under review the average number of employees (excl. temporary employees) amounted to 27 FTEs (2012: 40).

18. Amortization/depreciation on intangible and tangible fixed assets

	2013	2012
Depreciation charges on tangible fixed assets	54,210	93,177
Amortization charges on intangible fixed assets	9,878	-
Result from divestments of tangible fixed assets by sales	10,596	(190)
Total	74,684	92,987
On-charged amortization/depreciation charges	(5,835)	-
Total	68,849	92,987

19. Selling costs

	2013	2012
Logistics costs	738,036	967,275
Branding & Communication	733,650	505,025
Promotion costs and materials	522,025	457,875
Packaging & product development	285,984	143,552
Payment discounts	71,649	83,698
Travelling and accommodation expenses:	21,823	39,021
Write-down costs for doubtful debts	12,194	(785)
Contributions to colleague fairtrade organizations	6,713	18,791
Annual Report	6,121	8,343
Other	18,919	13,636
	2,417,114	2,236,431
Doorbelaste verkoopkosten aan derden	(64,951)	-
Totaal	2.352.163	2.236.431

20. Accommodation costs

	2013	2012
Rent	122,328	128,936
Maintenance and cleaning of buildings and inventory	24,465	66,986
Insurance premiums	18,553	27,542
Release from vacant real estate provision	-	(12,140)
Gas, water and power consumption	(3,364)	55,819
Property tax and other levies	3,389	4,174
	165,371	271,317
On-charged accommodation costs	(8,794)	-
	156,577	271,317

21. General costs

	2013	2012
ICT	105,817	90,504
Sourcing & development	87,195	181,836
Accountancy and consultancy fees	76,360	148,939
Company cars	63,925	61,998
Charges for post and telecommunications	20,350	25,787
Purchase/maintenance of inventory and office supplies	19,558	23,324
Other	12,008	1,299
	385,213	533,687
On-charged general costs	(11,295)	-
	373,918	533,687

22. Financial income and expenditure

	2013	2012
Interest expenses	(11,706)	(4,994)
Interest income	9,279	15,018
Dividend receipts and investment results	283	278
Balance of expenses less income	(2,144)	10,302

Fair Trade Original has a current account credit facility with Fair Trade Assistance for the financing of the working capital. The agreed rate of interest is equal to the deposit rate of interest of the European Central Bank, increased by 2.75%. The rate of interest is set per quarter, whereby the rate of interest in the previous quarter is adopted for the next quarter. The interest is due per quarter. No security has been furnished. At 31 December 2013 € 428,055 was loaned from Fair Trade Assistance. In 2013, the average balance of the current account credit facility with Fair Trade Assistance was € 423,200. The interest paid by Fair Trade Original amounted to € 11,636.

23. Corporate income tax

The final settlements of corporation tax returns have been issued for the years to 2011 inclusive. No corporate income tax is due on the tax loss. This loss will be offset against future taxable profit.

TRANSACTIONS WITH AFFILIATED PARTIES

Transactions with affiliated parties are an issue in the event of a relationship between the company, its participating interests and members of their management boards or managers. The parties affiliated with Fair Trade Original are the Dutch Fair Trade Assistance Foundation and the Belgian Fair Trade Original v.z.w. organization, 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 the working capital. The agreed rate of interest is equal to the deposit rate of interest of the European Central Bank, increased by 2.75%. The rate of interest is set per quarter, whereby the rate of interest in the previous quarter is adopted for the next quarter. The interest is due per quarter. No security has been furnished.

The sales to the Belgian Fair Trade Original v.z.w. completed in 2013 took place 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. In 2013, the turnover generated from sales to Fair Trade Original v.z.w. amounted to € 640,836.

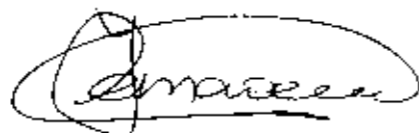
REMUNERATION SUPERVISORY BOARD AND MANAGEMENT BOARD

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

Culemborg, 13 June 2014

The Board
B.E. Jongsma

The Supervisory Board
J. Schraeverus

OTHER INFORMATION

Allocation of the result

The Charter does not include any provisions relating to the allocation of the result. The loss of € 472,993 was, with the approval of the Supervisory Board, debited to the other reserves.

Post balance sheet events

The Fair Trade Original management transferred its management duties relating to the Belgian Fair Trade Original v.z.w. branch to the management of Oxfam Wereldwinkels (Oxfam World Shops) on 18 February 2014. Consequently, the formal transfer of the staff of the Gifts & Living activities took place on this same date.

FIVE-YEAR FINANCIAL SUMMARY OF SINGLE ANNUAL ACCOUNTS

In thousands of euros	2009	2010	2011	2012	2013
Movement in turnover by product group					
Food	10,244	10,815	10,958	10,651	9,973
Coffee	4,403	4,461	5,160	4,885	4,062
Gifts & Living	2,908	2,978	3,172	2,811	
Complementary	68	59	45	11	3
Net turnover (inclusive turnover bonuses)	17,623	18,313	19,335	18,358	14,037
Result					
Net turnover (inclusive turnover bonuses)	17,623	18,313	19,353	18,513	14,037
Operating result before interest and taxation	312	320	25	1,382-	471-
Result after taxation	251	268	39	1,368-	473-
Cash flow (net result + depreciation)	426	436	213	1,275-	380-
Capital					
Total capital	7,086	7,634	7,456	5,706	4,882
Internal capital	3,215	3,483	3,522	2,154	1,681
Fixed assets					
Balance sheet value	394	324	174	129	225
Investments	70	82	34	53	194
Amortization	175	158	174	93	69
Employees					
Number, year-average on the basis of full-time employment	43	42	41	40	27
Payroll, inclusive of social security charges and exclusive of temporary employees	2,507	2,646	2,570	3,043	1,968
Ratios					
Gross margin as % of net turnover	29.7	28.8	29.1	25.5	30.5
Operating costs (excl. depreciation) as % of net turnover	39.9	37.2	29.6	34.4	34.3
Operating result before interest as % of net turnover	1.8	1.7	0.1	7.5-	3.4-
Result after taxation as % of net turnover	1.4	1.5	0.2	7.5-	3.4-
Return as % of average equity	8.1	8.0	1.1	48.2-	24.7-
Stock as % of net turnover	23.3	19.2	21.1	12.9	15.7
Trade accounts receivable as % of net turnover	15.4	13.7	14.0	14.1	15.0
Solvency (internal capital as % of total capital)	45.4	45.8	47.2	37.7	34.4

GRI Index

GRI G3 Guidelines C-Level					
		Page numbers	Reporting level (Full, Partial/Not)	Reason for non-reporting or partial reporting	Explanation of non-reporting or partial reporting
1.	Strategy and Analysis				
1.1	Statement from the Managing Director about the relevance of sustainability to the organization and its strategy	3, 4, 7, 8	V		
1.2	Description of key impacts, risks, and opportunities	9,10	V		
2.	Organizational Profile				
2.1	Name of the organization	3	V		
2.2	Primary brands, products, and/or services.	3	V		
2.3	Operational structure of the organization, including main divisions, subsidiaries and joint ventures	27	V		
2.4	Location of organization's headquarters	2	V		
2.5	Number of countries where the organization operates (specifically relevant to the sustainability issues covered in the report)	12	V	12: link to site	
2.6	Nature of ownership and legal form	25	V		
2.7	Markets served (geographic breakdown, sectors served, and types of customers/beneficiaries)	38, 39	V		
2.8	Scale of the reporting organization	38	V		
2.9	Significant changes during the reporting period regarding size, structure, or ownership	4	V		
2.10	Awards received in the reporting period		N	Non applicable	
3.	Report Parameters				
3.1	Reporting period for information provided	5	V		
3.2	Date of most recent previous report	5	V	5: link to site	
3.3	Reporting cycle (annual, biennial, etc.)	5	V	5: link to site	
3.4	Contact point for questions regarding the report or its contents	5	V		
3.5	Process for defining report content, including relevance, determining materiality and stakeholders	5	V		
3.6/3.7	Boundary of the report (e.g., countries, subsidiaries, leased facilities, joint ventures, suppliers)	5	V		
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations or other entities	5	V		

GRI G3 Guidelines C-Level

		Page numbers	Reporting level (Full, Partial/Not)	Reason for non-reporting or partial reporting	Explanation of non-reporting or partial reporting
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations	5	V		
3.10	Explanation of the effect of any re-statements of information provided in earlier reports		N	Non applicable	
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	4	V		
3.12	GRI index	52-57			
3.13	Policy and current with regard to seeking external assurance for the report		N	Social part of the Account is not verified	
4.	Governance, Commitments, and Engagement				
4.1	Governance structure of the organization, including committees under the highest governance body	25	V		
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	25	V		
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members	25	V		
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	25	V		
4.8	Internally developed statements of mission or codes of conduct relevant to economic, environmental and social performance and the status of their implementation	12-17	V		
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities	9-10	V		
4.12	Externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes	12-17	V	12: link to site	
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations		N	Non applicable	
4.14	List of stakeholder groups engaged by the organization	5	V		
4.15	Basis for identification and selection of stakeholders		N		Information is not included in the Account
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group		N		Stakeholder management is in development
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns		N		Stakeholder management is in development

GRI G3 Guidelines C-Level

		Page numbers	Reporting level (Full, Partial/Not)	Reason for non-reporting or partial reporting	Explanation of non-reporting or partial reporting
5.	Management approach and performance indicators				
	> <i>Economic performance indicators</i>				
DMA	Economic aspects	38-40	V		
EC1	Direct economic value generated	42-51	V		
EC2	Financial implications and other risks and opportunities due to climate change		N	Information not available	
EC3	Coverage of the organization's defined benefit plan obligations	27	V	27: link to site	
EC4	Significant financial assistance received from government.		N	Non applicable	
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	3, 12-23	V		
EC7	Procedures for local hiring and proportion of senior management hired from the local community		N	Not material	
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit (through commercial, inkind or pro bono engagement)	12-23	V		
	> <i>Environmental performance indicators</i>				
DMA	Environmental aspects	16, 17, 22, 32, 33	P	Emphasis on business in the Netherlands	Information environmental aspects in the chain partly available
EN1	Materials used (by weight or volume)	33	P	Only concerning packaging materials	Information concerning products not available
EN2	Percentage of materials used that are recycled input materials		N	Information not available	
EN3	Direct energy consumption by primary energy source	28	P	Information partly available	
EN4	Indirect energy consumption by primary source	28	P	Information partly available	
EN5	Energy saved due to improvements	28	P		1 March 2013 moved to sustainable building
EN8	Total water withdrawal by source		N	Not material	
EN11	Location and size of land owned, or adjacent to areas of high biodiversity		N	Not material	
EN12	Description of significant impacts of activities, products, and services on biodiversity		N	Not material	
EN16/EN17	Total direct and indirect greenhouse gas emissions by weight		N	Information not available	

GRI G3 Guidelines C-Level

	Page numbers	Reporting level (Full, Partial/Not)	Reason for non-reporting or partial reporting	Explanation of non-reporting or partial reporting
EN19/EN20 Air emissions (ozone-depleting substances, NO, SO)		N	Not material	
EN21 Water discharge		N	Not material	
EN22 Total weight of waste by type and disposal method		N	Information not available	
EN23 Total number and volume of significant spills		N	Not material	
EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation		P	Not material	
EN27 Percentage of products sold and their packaging materials that are reclaimed	32, 33	P	Information partly available	
EN28 Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations		N	Non applicable	
EN29 Significant environmental impacts of transporting products and materials used for the organization's operations, and transporting members of the workforce	28, 33	P	Information partly available	
<i>> Social performance indicators: labor practices</i>				
DMA Labor practices and decent work	25-27	V		
LA1 Total workforce by employment type, employment contract and region	26, 27	V		
LA2 Total number and rate of employee turnover by age group, gender and region	26	P	Not material	
LA4 Percentage of employees covered by collective bargaining agreements	25, 26	V		
LA5 Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements		N	Not material	Legal deadlines
LA7 Rates of injury, occupational diseases, lost days, and absenteeism and number of workrelated fatalities by region	26	P	Information partly available	
LA8 Education, training, counseling, prevention and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases		N	Not material	
LA10 Average hours of training per year per employee by employee category		N	Information not specifically available	
LA11 Programs for employees to improve their skills and knowledge	27	V		
LA12 Percentage of employees receiving regular performance and career development reviews	25	V		
LA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	25, 26	V		
LA14 Ratio of basic salary of men to women by employee category		N	Information not specifically available	

GRI G3 Guidelines C-Level

		Page numbers	Reporting level (Full, Partial/Not)	Reason for non-reporting or partial reporting	Explanation of non-reporting or partial reporting
	<i>> Social performance indicators: human rights</i>				
DMA	Human rights	3, 9-18	V		
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	15-17	P	Not reported as such	Human rights are anchored in fair trade principles and working method
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	15	V		
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained		N	Information not specifically available	
HR4	Total number of incidents of discrimination and actions taken	15	V		
HR5/HR6/ HR7	Operations identified as having significant risk for (1) deprivation of the right to exercise freedom of association and collective bargaining, (2) child labor, (3) forced or compulsory labor, and actions taken to eliminate this	15	P	Reporting partial defaults in relation to EFTA/FLO	
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments	15, 16	V		
HR11	Number of grievances related to human rights filed, addressed, and resolved through formal grievance mechanismsa	15	P	Reporting partial defaults in relation to EFTA/FLO	
	<i>> Social performance indicators: society</i>				
DMA	Acting in society and community	11-21	V		
SO1	Nature, scope and effectiveness of any programs and practices with impact on communities	11-21	V		
SO2	Percentage and total number of business units analyzed for risks related to corruption		N	Information not specifically available	
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures		N	Information not specifically available	
SO4	Actions taken in response to incidents of corruption		N	Information not specifically available	
SO5	Public policy positions and participation in public policy development and lobbying		N	Non applicable	
SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations		N	Non applicable	
SO9	Operations with significant potential or actual negative impacts on local communities		N	Non applicable	

GRI G3 Guidelines C-Level

		Page numbers	Reporting level (Full, Partial/Not)	Reason for non-reporting or partial reporting	Explanation of non-reporting or partial reporting
S10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities		N	Non applicable	
	<i>> Social performance indicators: product responsibility</i>				
DMA	Product responsibility	34, 35	V		
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	34, 35	P	Information not available as such	
PR3	Type of product and service information required by procedures	31, 34, 35	V		
PR4	Total number of incidents of non-compliance with regulations and voluntary codes		N	Non applicable	
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	35, 36, 38, 40	P	Information with regard to customer satisfaction is not specifically available	Complaints registration is ongoing
PR6	Adherence to laws, standards and voluntary codes related to marketing communications (advertising, promotion and sponsorship)	5, 9	P	Not discribed as such	
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services		N	Non applicable	