

IMPACT REPORT

2019/2020

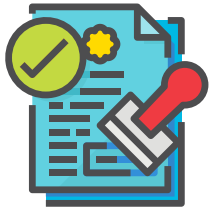


FAIRTRADE
AUSTRALIA
NEW ZEALAND



FAIRTRADE AUSTRALIA AND NEW ZEALAND

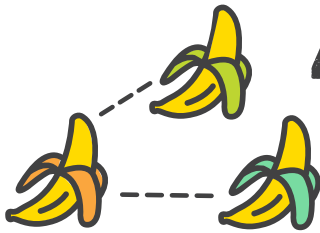
Fairtrade Australia and New Zealand: the year in numbers



259 FAIRTRADE
LICENSEES



AUD
\$4,126,366
FAIRTRADE
PREMIUM SALES IN ANZ

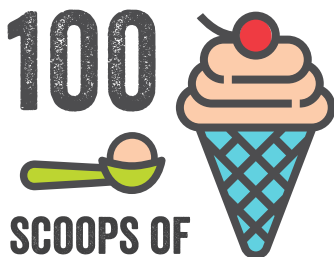
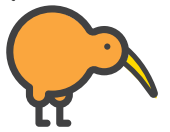


44 MILLION
FAIRTRADE BANANAS
SOLD, LAID END-TO-END

WOULD STRETCH FROM AUCKLAND TO PORT MORESBY VIA PERTH



978
FAIRTRADE
ANZ PRODUCTS



100 **MILLION**
FAIRTRADE
ICE-CREAM
SCOOPS OF

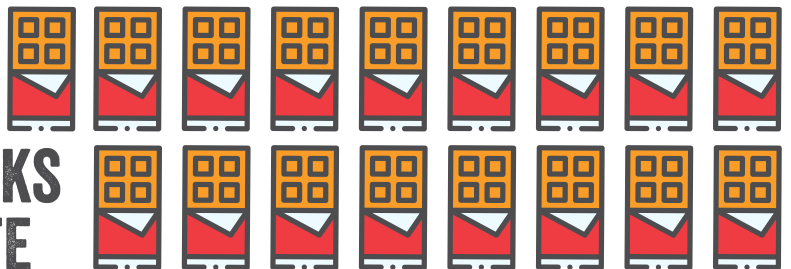


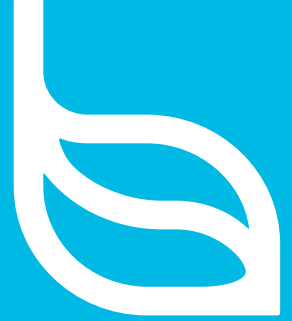
3.3M
KG
OF **COFFEE**
OR 333 MILLION CUPS

23.7 MILLION



**90 GRAM BLOCKS
OF CHOCOLATE**





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ABOUT FAIRTRADE

FAIRTRADE VISION

A world in which all producers can enjoy secure and sustainable livelihoods, fulfill their potential and decide on their future.

FAIRTRADE MISSION

To connect disadvantaged producers and consumers, promote fairer trading conditions and empower producers to combat poverty, strengthen their position and take more control over their lives.

FAIRTRADE VALUES

ACTION

We get the right things done promptly and effectively to deliver services to achieve maximum impact for people and communities.

INTEGRITY

Upholding our standards is paramount. We nurture and promote fairness and equality in global trade by being transparent in our work.

RESPECT

We treat everyone with equality, respect and understanding.

IMPACT

We strive to increase the impact of our work, going beyond expectations to set the agenda for rights in trade.

OPTIMISM

We believe we can make lives better and explore opportunities for working together to make long term improvements.

FAIRTRADE IN ACTION

Fairtrade Australia and New Zealand (Fairtrade ANZ) has three key objectives:

1. Make trade fair
2. Empower producers
3. Foster sustainable livelihoods.

To achieve these objectives we are transforming trade to better support people, the planet and prosperity for all. Fairtrade supports the development of thriving, empowered farming and worker communities. We do this by creating fairer trading conditions, improving access to international markets, building capacity of producer organisations and supporting workers' access to fair pay and negotiating power.

We also work with business partners along the entire supply chain to promote and advocate for fair trade, and provide consumers with sustainable and ethical options. When people purchase Fairtrade products they enable producers to take more control over their futures, and protect the environment where they live and work.

Fairtrade ANZ is a full and active member of Fairtrade International and has the sole right to license the use of the international Fairtrade Mark in Australia and New Zealand.

Fairtrade International receives 36.2% of Fairtrade ANZ's licensing income. This money delivers producer services, sets standards, and supports market-facing activities, monitoring and evaluation and governance.



REPORT FROM THE CEO

Redesigning our world for a resilient future



This first half of this financial year was, in many ways, a landmark year for Fairtrade Australia and New Zealand. We posted significant growth in some categories, boosted our network of licensees, grew our customer base and expanded our work across the Pacific.

But Covid-19 has since upended the world, eroding economic growth and 30 years of progress and threatening to push an estimated 580 million people into poverty.

Fairtrade ANZ can no longer claim that we have grown our market share or supplier base this financial year. We pressed pause on some projects and reimagined others. It is an achievement that Fairtrade ANZ managed to keep our doors open and our business operating through these turbulent times.

While the challenges ahead are momentous, we also have 30 years of momentum behind us and an unmatched record of championing trade that supports people and our planet.

We are certain, now more than ever before, that Fairtrade is the solution the world needs to not only recover from the Covid-19 crisis, but also to become more resilient to future shocks.

With this in mind, we've pivoted our programs in 2020 to spend more time working with our licensees and producers. We have introduced regular remote check-ins with producer and exporters organisations, used our channels to amplify health messages and delivered seed funding for innovative projects.

New impact and commodity reports give our licensees deeper insights into their influence in our region. Our flagship campaign, Fairtrade Fortnight, has evolved into a platform to promote licensees who are leading change.

During 2020 we amplified our advocacy efforts, calling on national and state governments to use their fiscal firepower to support vulnerable farmers and workers hit hardest by Covid-19.

We have also taken a leading role in Fairtrade International's digital transformation journey, because we know real-time data will drive better decision-making and enhance innovation, traceability and transparency along the length of our Fairtrade supply chains.

I was privileged to serve on the New Zealand Prime Minister's Trade Expert Advisory Board over the course of this year. This cabinet-approved committee was tasked to advise the government on how to better align New Zealand values with engagement in global trade. The Trade for All Advisory Board report was delivered to the Prime Minister and Minister for

Trade in late 2019. The members have since been reappointed to support New Zealand's recovery.

Fairtrade ANZ depends on a passionate and purpose-driven team of people who have gone above and beyond this year, and to whom I extend my personal thanks. The inspiring leadership of our board also underpins all our achievements, and I was proud to work with an exceptional group of leaders, including departing chair Katherine Rich and incoming chair John Buttle, during the financial year.

While this year has been arguably the most challenging of our lifetimes, it also brings beacons of hope. Lockdown measures, enforced to slow the spread of coronavirus, also lowered pollution levels and for the first time in decades the snow-capped Himalayas could be seen more than 200 kilometres away in parts of northern India. Venice's canals ran clear while deer wandered through the city streets and subways of Nara in Japan. These are more than just silver lining stories. They also demonstrate that collective action can have a powerful and almost immediate impact.

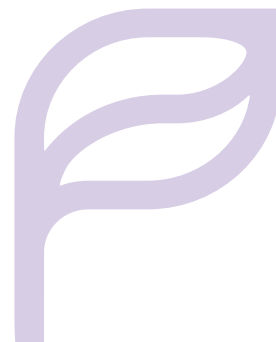
UN Secretary-General António Guterres has called Covid-19 "the greatest test that we have faced together since the formation of the United Nations". We will get past this crisis, but when we do, we will face a choice. "We can go back to the world as it was before or deal decisively with those issues that make us all unnecessarily vulnerable to crises."

We now have the opportunity to redesign our economies and our systems of trade to address the imbalances that are threatening our resilience – the imbalances between rich and poor, between men and women, between communities and consumers, between planet and profit.

Fortunately, we already have a framework that can help us do the heavy lifting – and that framework is Fairtrade.

Fairtrade ANZ's hard-working team is rolling up our sleeves and is ready to help redesign our world for a resilient future.

MOLLY HARRISS OLSON
CEO Fairtrade ANZ





REFLECTIONS FROM THE CHAIR

Challenging times without precedent

Fairtrade has a proud 34-year record of making trade fair by transforming the lives of the poorest and most vulnerable farmers in our world. In these troubled times, the work of Fairtrade is more important than ever. The world is facing unprecedented challenges: the first pandemic in 100 years; world record breaking bushfires in Australia and the USA; global economic recession and likely depression; and political unrest the likes of which we have not seen in generations.

Fortunately, Fairtrade Australia and New Zealand faces this unprecedented crisis in a strong financial and operational position. Fairtrade ANZ has transformed virtually every aspect of its licensee engagement, producer support, monitoring, evaluation and learning, as well as market and consumer engagement. I particularly want to celebrate the licensees who have partnered with Fairtrade, and who work so hard with us to put Fairtrade certified products on the shelves. They understand how Fairtrade can make a difference. Because of our work, companies and the consumers purchasing Fairtrade products have the confidence in a fair and robust system that stands behind the Fairtrade brand. We are indebted to our partners for their continued support and for remaining firm in their commitment to making a better world.

As we face a challenging and uncertain future, it is encouraging to see how responsive and future-focused the CEO, our team and our licensees are in anticipating and managing the risks and seizing upon the opportunities of this new Covid and climate challenged world. I pay tribute to each and every person in our team in Australia and New Zealand who have made sacrifices so that we may continue our important work.

We are also indebted to our exceptional Board of Directors who have rolled up their sleeves and supported the CEO to navigate a path forward to ensure that we can emerge from this pandemic and global crisis stronger than ever. I am immensely proud to be part of a global organisation which has immediately responded to the developing crisis by mobilising resources through the Fairtrade Emergency Relief and

Resilience Funds to support the communities that we serve across 75 countries. With the new Fairtrade International 2025 Strategy, we see great opportunity and are ready to play a key role in rebuilding the structures of trade that have failed the poorest of the world for so long.

It is a privilege and an honour to serve as Chair of the Fairtrade ANZ Board of Directors. I would like to pay tribute to my predecessor, Katherine Rich, whose three years of service, the final year as chair, unlocked important support for Fairtrade. Her gracious introductions and inclusion of Fairtrade's leadership in the NZ Business and Food & Grocery Council networks will leave a lasting legacy. We also had exceptional leadership from outgoing board members Lisa Barker, Delia Rickard, Karen Mapusua and David Head, whose work contributed significantly to our success. Their outstanding leadership has been an inspiration to us all and we are grateful for their time, energy and wisdom.

I look forward to working with the current board and Molly during the year ahead as we navigate these troubled waters and achieve positive outcomes for our producers, licensees and the communities in which we operate.

JOHN BUTTLE

**Board Chair Fairtrade Australia
and New Zealand**



Fairtrade Australia and New Zealand

COMMERCIAL PARTNERSHIPS TEAM

Collaborates with business partners to increase access and marketability of Fairtrade products across the value chain.

PRODUCER SUPPORT & RELATIONS TEAM

Supports more than 21,000 producers in Papua New Guinea, Timor-Leste and the Pacific islands.

LICENSING & CERTIFICATION TEAM

Ensures the trust and credibility of the Fairtrade Mark, and conducts audits against the Fairtrade Standards.



FAIRTRADE
AUSTRALIA
NEW ZEALAND

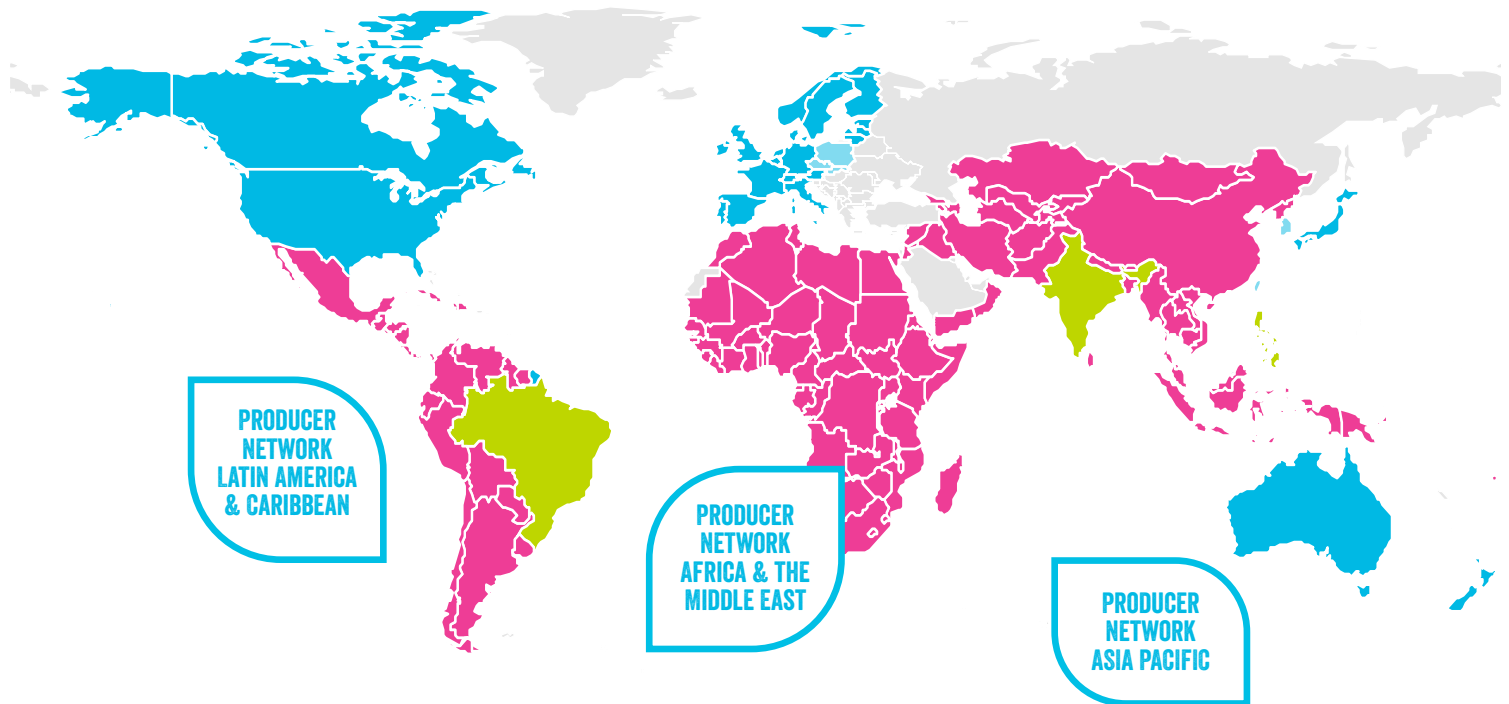
OPERATIONAL EFFECTIVENESS TEAM

Ensures compliance with Fairtrade Australia & New Zealand legal, financial and regulatory requirements, and builds strong strategic partnerships to grow our impact.

MARKETING & COMMUNITY ENGAGEMENT TEAM

Inspires actions, builds demand for Fairtrade products and supports licensees to tell their Fairtrade story through campaigns, events and digital and traditional media.

Our reach



Key

Producer Network/Fairtrade organisation

Countries with Producer Networks

Countries with national Fairtrade organisations

Countries with Fairtrade marketing organisations

Fairtrade Australia and New Zealand is part of the world's only globally scaled, inclusive trade network. Fairtrade connects more than 1.7 million farmers and workers in 75 developing countries to create fairer trading conditions, reduce poverty and improve lives.

FAIRTRADE INTERNATIONAL

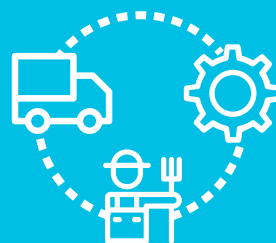
Founded in 1997, Fairtrade International is a non-profit, multi-stakeholder association of 22 member organisations – three producer networks and 19 national Fairtrade organisations, including Fairtrade Australia and New Zealand. Based in Germany, Fairtrade International works to share the benefits of trade more equally – through standards, certification, producer support, programs and advocacy.

NATIONAL FAIRTRADE ORGANISATIONS

National Fairtrade organisations license the use of the Fairtrade Mark on products and work with licensing partners, community organisations and governments to promote awareness of Fairtrade in their countries.

PRODUCER NETWORKS

These regional associations of Fairtrade-certified producer organisations represent more than 1.7 million small-scale farmers, workers and other producer stakeholders throughout Africa and the Middle East, Asia Pacific, Latin America and the Caribbean.



AS 50% OWNERS IN THE GLOBAL FAIRTRADE SYSTEM, FARMERS AND WORKERS HAVE SIGNIFICANT POWER IN SUPPLY CHAINS TO TAKE MORE CONTROL OF THEIR COLLECTIVE FUTURES.

A global system: The year's reach in numbers

1.71M
FARMERS &
WORKERS



75 COUNTRIES
WHERE THERE
ARE FAIRTRADE
FARMERS AND WORKERS



CERTIFIED
PRODUCERS
AND WORKERS
ORGANISATIONS

1,707



\$15 BILLION
FAIRTRADE
GLOBAL RETAIL
SALES



\$240M
FAIRTRADE ANZ RETAIL SALES



35,000
FAIRTRADE PRODUCTS INTERNATIONALLY



2,618
FAIRTRADE
LICENSEES
GLOBALLY



\$303 MIL
FAIRTRADE
PREMIUM
EARNED



158 COUNTRIES



WHERE FAIRTRADE PRODUCTS WERE SOLD



OUR CAMPAIGNS

Our activities help to share the stories of the people behind the products, and connect farmers and workers with new audiences to build awareness, advocacy and business opportunities. Our work also helps consumers understand the power of their purchases and why Fairtrade matters.



FAIRTRADE FORTNIGHT: 2-15 AUGUST 2019

Our largest annual campaign has two goals: to increase mainstream visibility of Fairtrade products and to drive sales in major retail channels across Australia and New Zealand.

In 2019, our strong, simple call to action – “Look for the mark of empowerment” – was underpinned by a powerful video of producers in Papua New Guinea. Our campaign and video illustrated the impact of a simple purchasing choice. We then enhanced our partner engagement with a producer visit from third generation PNG coffee farmer Mitchell Ricky, who held leaders from Coca Cola Amatil and Grinders Coffee spellbound as he shared how Fairtrade is changing lives in his community.

FAIRTRADE FORTNIGHT 2019 HIGHLIGHTS



27,104 FAIRTRADE
WEBSITE VIEWS



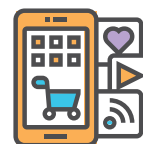
13 MEDIA
STORIES



1.7 MILLION
IMPRESSIONS VIA DIGITAL
CAMPAIGNS



739K
VIDEO VIEWS



COUNTDOWN
FEATURED IN-STORE
wobblers, a full-page
inclusion in its mailer,
digital banners, and
social media posts



RAN AN EXTENSIVE INFLUENCER CAMPAIGN
and featured Fairtrade Fortnight in its printed catalogue,
which was distributed to two million consumers



INTERNATIONAL COFFEE DAY: 1 OCTOBER 2019

As part of this mini-campaign to give voice to our community partners, Fairtrade coffee brands asked supporters on social media to post a picture of their morning Fairtrade cup of coffee. We shared these snaps through our own channels and told the story of how one simple morning brew can empower farmers and workers.

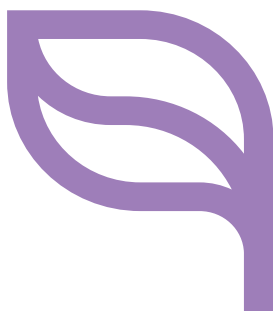
12 DAYS OF CHRISTMAS: 1-12 DECEMBER 2019

Our Christmas campaign tapped into anti-consumerism and self-care trends. Designed to offer an antidote to the clichéd Christmas messaging that can over-saturate news feeds during December, we offered a relaxed summer break – a chance to slow down and do good. From ethical sneakers to organic cotton underwear, Fairtrade products were promoted through summer images, ad words, paid social media posts and electronic direct mail.



INTERNATIONAL WOMEN'S DAY: 8 MARCH 2020

Our social media campaign highlighted how Fairtrade is a choice for gender equality. We developed stories, videos and influencer connections to promote our gender work in the Pacific and the inspiring leadership of Fairtrade female business owners and our CEO.



EASTER: APRIL 2020

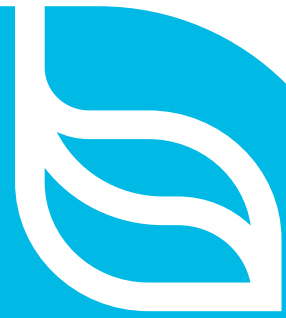
Working with our brand partner, Ferrero Rocher, we published a short Easter buying guide. Adapted to fit with Covid-19 protocols, the Ferrero Rocher campaign featured a Fly Buys promotion in Coles, a shopper screen promotion in Woolworths and some wonderful TV advertisements with the Ferrero Rocher Easter products backed by the Fairtrade FSI Mark.

WORLD FAIR TRADE DAY: 8 MAY 2020

As Covid-19 reshaped the world, we pivoted our annual campaign to support our business partners and producers. Harnessing social media, we shone a light on the people behind Fairtrade products, not just in developing countries, but closer to home too. Almost 30 business partners recorded a video sharing why they stand together with Fairtrade. The exceptional level of engagement at a time of great challenge and change underscores the strengths of our partnerships and value proposition.



STRATEGIC PARTNERSHIPS



Partnerships have always been at the heart of Fairtrade's work, but during the global pandemic we have strengthened our commitment to collaboration.



Over the last year, we have deepened the quality of our work through our connections with farmers, producer organisations and exporters across the Pacific, through our close relationships with licensees and consumers in Australia and New Zealand, and through our developing network of specialist partners.

FAIRTRADE INTERNATIONAL AND FIJI'S CANE PRODUCER ASSOCIATIONS

Eliminating forced labour and child labour, including gender based violence, is a core pillar of Fairtrade's social compliance work. We are focused on supporting the identification, education and remediation of human rights abuses along supply chains. Across the Pacific, we are enabling producer organisations to become more active and inclusive agents of change within their communities. With the support of Fairtrade International, the two Fairtrade certified cane producer associations in Fiji are working to strengthen their capacity to identify and mitigate child labour, forced labour and gender-based violence in cane sugar communities. We work closely with the producers to develop policies and education materials, and to build partnerships with government and expert agencies in Fiji.

COFFEE QUALITY INSTITUTE

Fairtrade ANZ and the Coffee Quality Institute (CQI) signed a Memorandum of Understanding to formalise our partnership and engagement. Following this, we began designing a tailored training program to meet the needs of Papua New Guinea coffee farmers and buyers to achieve the quality and consistency demanded in specialty markets.

SHARING THE STORIES OF OUR SUCCESS

Our new reports for licensees share the positive impact of brand partners by highlighting how producers are using their Fairtrade Premium to deliver value in their communities. The reports also showcase how Fairtrade ANZ's work is aligned with and supports the delivery of the United Nations' Sustainable Development Goals.

AUSTRALIAN NATIONAL UNIVERSITY

As part of a project team led by the Australian National University, we are exploring the opportunities for smallholder farmers in Papua New Guinea to access carbon markets as an alternative income stream. Fairtrade ANZ joins a group of partners with expertise in climate markets, agronomy, indigenous land use practices, monitoring and evaluation, and research. .

SUSTAINABLE BUSINESS COUNCIL AND SUSTAINABLE BUSINESS NETWORK

These CEO-led groups catalyse the New Zealand business community to create a sustainable future for business, society and the environment. Fairtrade's associate membership with both organisations has helped us make new connections with businesses already committed to sustainability, enhanced our 'Fairtrade supporting workplaces' program and promoted Fairtrade campaign activities in Auckland and Wellington.



BRAND PARTNERS



By working together, Fairtrade and our 259 brand partners create positive change through everyday purchases. We are proud to share just a few of their powerful success stories.

NEW PRODUCTS:

Batchwell

Batchwell X Kokako launched the world's first Fairtrade certified cascara Kombucha. The cascara comes from pulped coffee skins, a waste product normally used as fertiliser. Not only does the Kombucha reduce waste, it also creates an additional revenue stream for the female farmers that produce it. The cooperative is empowering women with additional income, and will also reap benefits from the Fairtrade Premium.



Macpac joined Fairtrade late in 2018 and launched its first Fairtrade certified, organic cotton t-shirts in early 2020. These stylish Fairtrade t-shirts are available for adults and children. Macpac plans to extend the Fairtrade range with other cotton products in the near future.



In a Fairtrade world first, tea brand Zoetic was chosen by McDonald's to supply four new flavours of Fairtrade tea for sale in McCafes all over Australia.

BEAN ALLIANCE GROUP

This long-term roasting partner and owner of Bean Ground & Drunk and Monte Coffee brands further cemented its commitment to social justice this year by taking over the marketing of Oxfam fair brand coffee when Oxfam Trading closed its doors in 2019. Bean Alliance Group had been roasting for Oxfam for many years, but this new arrangement has kept Oxfam products on the shelves in Coles and Woolworths and enabled the continued support of coffee and cocoa producers.



BP WILD BEAN

The Wild Bean Cafe brand continues to grow in Australia, with more than 170 outlets and a commitment to bring customers the best coffee experience. This commitment was again on display with the introduction of a new, smooth 100% Arabica and 100% Fairtrade Wild Bean Cafe Barista Blend. Wild Bean Cafe's annual Barista competition is also proudly supported by Fairtrade.



ALL GOOD

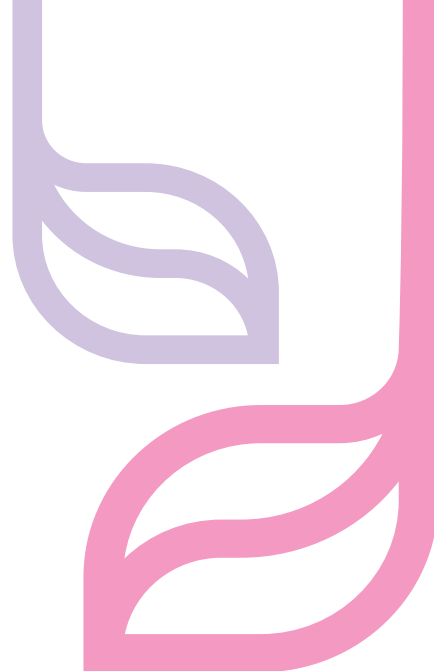
A long and dedicated partner, All Good chalked up 10 years as a Fairtrade licensee. On a trip to visit the El Guabo cooperative in Ecuador, All Good's General Manager Faye MacGregor opened a new classroom generated by All Good Fairtrade Premium.

GRINDERS

Our largest coffee partner has been a champion of Fairtrade coffee in the retail and out-of-home markets for more than 10 years. Key members of the Grinders team travelled with Fairtrade to Papua New Guinea to take part in training and awareness initiatives. Together, we developed case studies and content for the Grinders website which emphasises our partner's great work in sustainability.

PICO

Launched by brand innovator Soulfresh in 2015, Pico Chocolate has tapped into a burgeoning demand for ethically sourced vegan chocolate. During our trip to Peru in early 2019 we met farmers, learned about their daily challenges and witnessed the positive impact of Fairtrade. Pico's six delicious dairy-free flavours are made with Fairtrade organic cocoa sourced from these farmers and, thanks to widespread distribution in Woolworths and independents, has enjoyed healthy growth over the past year.



OUR PRESENCE



We continue to build and strengthen our influence with business, government and the media, driving change and amplifying the voices of farmers and workers.



FAIRTRADE AUSTRALIA AND NEW ZEALAND IN THE MEDIA

Whether it's sharing the secrets of Fairtrade fashion, explaining how bananas are the smart choice for farmer empowerment or promoting a bumper Easter chocolate buying guide, our media presence continues to expand our influence.

Just some of the print, radio, TV and social media coverage shows the extent of our reach and engagement:

- **BeanScene** – Australasia's leading coffee magazine
- **CEO Magazine** – information and inspiration for Australia's most successful leaders
- **Food Processing Magazine** – the low-down on what's new in food technology
- **Listener** – NZ's best-selling current affairs magazine
- **Nadia** – a magazine for healthy, well-thy and wise Kiwis
- **Noted** – a lifestyle magazine providing a fix of art, culture, food and drink
- **RACV RoyalAuto** – a bi-monthly mag featuring an annual Good Eggs Guide
- **Remix** – NZ's favourite lifestyle and fashion magazine
- **Restaurantandcafe.co.nz** – news on the cutting edge of NZ's food service
- **RetailBiz.com.au** – reporting on Australia's retail sector for more than a decade
- **Rhema media** – a radio network connecting with Christians in NZ
- **SBS Food** – an Australian TV show covering food and cooking around the world
- **Sporteluxe** – a lifestyle website with the hottest health tips, inspiration and motivation
- **The Spinoff** – NZ's website covering pop culture, politics and social life.



SEOUL CAFE SHOW

More than 47,000 people attended the Seoul Cafe Show in November, and Fairtrade coffee from Papua New Guinea was represented by Fairtrade ANZ's Stephen Nankervis and Norman Nayak. Joining them were Molock Terry, Manager of the Unen Choit coffee cooperative, and Daniel McFaul from exporter Niugini Coffee, Tea and Spice Company Ltd. Fairtrade Korea's stand supported 25 cooperatives and 10 countries, while more than 75 individual coffee samples were cupped for buyers. Peter Kettler, Fairtrade's Global Head of Coffee, shared his insights on living incomes for farmers at the World Coffee Leaders' Forum.



CHETNA ORGANIC

Fairtrade ANZ's Clive Marriott travelled to India with business partner Organic Crew on an educational trip which covered manufacturing hubs in Kolkata and farm visits with Chetna Organic in the Telangana region north of Hyderabad. While there, Clive collected a vast amount of evidence of Fairtrade's positive impact for cotton farmers which will support our renewed focus on the sector in the coming year.

NEW ZEALAND PRIME MINISTER'S TRADE EXPERT ADVISORY BOARD

Our CEO Molly Harriss Olson was the only non-New Zealander appointed to this cabinet-approved committee. Asked to advise the government on how to better align New Zealand values with engagement in global trade, the board delivered its report to the Prime Minister and Minister for Trade in late 2019. The members have since been reappointed to support New Zealand's Covid recovery.

A NEW WEBSITE TO THE WORLD

Our dynamic new website was developed, providing positive and user-friendly experience for both consumers and licensees. Check it out at www.fairtradeanz.org

OUR IMPACT

After expanding and enhancing a range of projects across the Pacific in the latter part of 2019, Covid-19 forced a priority reset in 2020. Our shift in focus remains true to our mission while responding to the changing needs of farmers across our region.



RESPONDING TO COVID-19

Since all travel was suspended in March, we innovated to unite Fairtrade farmers, partners, businesses and consumers. Among our many activities, we introduced regular remote check-ins with producer and exporters organisations, used our channels to amplify health messages and created mobile information sessions with small groups of farmers. In April, as part of the international outreach to all G20 heads of state, our CEO wrote to the prime ministers of Australia and New Zealand, as well as finance and foreign affairs ministers, calling for support to help producers in developing countries.

SUPPORTING PRODUCER RESILIENCE

In May, Fairtrade International launched the Fairtrade Producer Relief Fund and announced the Fairtrade Producer Resilience Fund, making €2.1 million available to Fairtrade certified producer organisations. Fairtrade producer organisations in 55 countries are benefiting from the fund that is helping thousands of farmers, workers and their communities to cope with the immediate impact of the Covid-19 crisis.

CO-INVESTING IN THE FUTURE OF FAIRTRADE

Maintaining ethical supply chains takes sustained effort and long-term commitment. Through the Fairtrade Co-Investment Fund, Fairtrade ANZ works with partners to support the development of Fairtrade communities and boost investment across the Pacific. Over the last year, we launched several new projects:

Seed capital projects in Papua New Guinea:

In partnership with the Market Development Facility and Fairtrade-certified exporter Niugini Coffee, Tea and Spice Company Ltd, we helped the Alang Cooperative Society, Neknasi Coffee Growers Cooperative Society and Unen Choit Cooperative Society to gain access to working capital – just in time for the beginning of the flush season.

Tonga's Vanilla Growers Association of Vava'u:

After three years of damaging weather and natural disasters, Tonga's Vanilla Growers Association of Vava'u was awarded funding in partnership with Fairtrade buyer Dr Oetker. The funding has supported a project to build resilience to climate change and increase the volume of vanilla sold under Fairtrade terms.

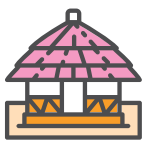
“Seed capital has improved the relationship between farmers and Unen Choit. Now, our warehouse is full of stocks of coffee every three weeks, which we can then sell to our exporter.”

Molock Terry, Manager, Unen Choit Cooperative Society

“Fairtrade’s Co-Investment Fund is helping us to operate, not just financially, but also by empowering the Vanilla Growers Association and the members to work harder to upgrade the vanilla standard on the island.”

Loisi Halaliku, Operations Manager, Vanilla Growers Association of Vava’u

FAIRTRADE IN THE PACIFIC:



21,313 FAIRTRADE
HOUSEHOLDS



113,002 FAIRTRADE
BENEFICIARIES

AU \$1.97M RECEIVED IN FAIRTRADE
PREMIUM BY PACIFIC PRODUCER
ORGANISATIONS IN 2019



\$37.8M IN FAIRTRADE SALES
FROM THE PACIFIC
IN 2019

PRODUCER SATISFACTION SURVEY

In April, Fairtrade International launched its global Producer Satisfaction Survey. We worked closely with FI to engage producer organisations in the Pacific, with 88% – or 15 of the 17 Fairtrade certified producer organisations – taking part. A solid 73% of producer organisations in the Pacific are either ‘very satisfied’ or ‘satisfied’ with the support they receive from Fairtrade ANZ. In addition, 13% responded ‘neutral’ and the remaining 14% did not respond. The findings of this survey will help us to adapt and improve the services we provide.

WHY FAIRTRADE COFFEE MATTERS

- 50% of all Fairtrade farmers produce coffee
- 582 coffee producer organisations represent 760,000-plus farmers in 32 countries
- 18% of all Fairtrade coffee farmers are women
- €76,605,525 was paid in Fairtrade Premium payments to coffee farming organisations (2019 Monitoring Report)

RAISING THE PROFILE OF FAIRTRADE COFFEE

Building on the success of Fairtrade ANZ’s quality processing training held in Papua New Guinea in mid-2019, Fairtrade ANZ helped producer organisations to prepare green bean samples using different fermenting techniques. Back in New Zealand, the samples were tasted by New Zealand’s qualified Q grader, Stuart Hargie, to establish which conditions best showcased the flavour profile of PNG coffee.

In September, Fairtrade ANZ engaged Stuart to lead quality grading and roasting training in PNG’s Goroka, with 20 participants from ten Fairtrade producer organisations to further strengthen their knowledge on coffee quality control.

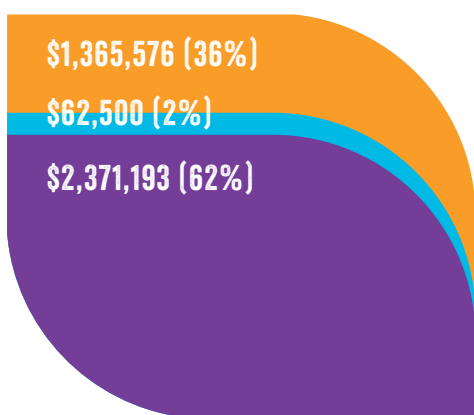
The workshop was followed by a cupping session with New Zealand-based coffee roasters at the offices of Fairtrade certified coffee importer John Burton. Industry partners cupped PNG coffee samples and provided feedback to PNG producer organisations to strengthen their on-farm processing techniques.

To complement this project, Fairtrade ANZ’s Senior Producer Support Officer Will Valverde completed training to become the first certified Q processor level 2 Professional in New Zealand.

Covid-19 travel restrictions stalled the coffee quality project from being rolled out with coffee producers in Timor-Leste and the Solomon Islands. But to progress our commitment to coffee quality, we have formalised our partnership with the Coffee Quality Institute.

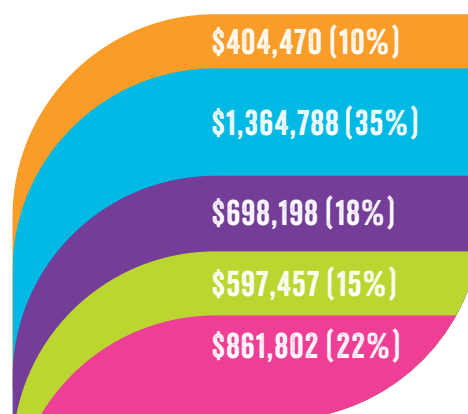
FINANCIAL STATEMENTS

REVENUE (AU\$)



- Grant income
- Licensing income
- Other income

EXPENDITURE (AU\$)



- Pacific Producer Support
- Awareness and Business Development
- Fairtrade Certification and Licensing Services
- Office Management and Governance
- Support for Fairtrade's International Producer Programs

The total revenue for Fairtrade ANZ has decreased by 32.6% in the 2020 Financial Year. The licensing income decreased by 28.7% due largely to the impact from the COVID-19 pandemic situation, resulting in a decrease in sales volumes reported by licensees as well as the timing of recognition of income pertaining to final quarter sales of Fairtrade products in 2019. The revenue from donor funds acquitted in the 2020 financial year decreased by 36.90% mainly due to the travel restrictions and delay in delivering allocated activities carried out from COVID-19 during March 2020 to June 2020.

Fairtrade ANZ wishes to acknowledge the significant support of Australia's Department of Foreign Affairs and Trade (DFAT) and New Zealand's Ministry of Foreign Affairs and Trade (MFAT) which enables us to conduct critical business development and marketing and community management activities and to extend our operations across the Pacific.

Fairtrade ANZ has continued to provide operational and program management business partnership support, build community and consumer awareness, maintaining integrity, as well as contributing regional and international alignment to support significant projects that benefit the Fairtrade system as a whole.

STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDING 30 JUNE 2020

REVENUE	2020 \$AU	2019 \$AU
Income		
Grant income	1,365,576	2,164,906
License fees	2,371,193	3,326,251
Other income	62,500	144,825
Total Income	3,799,269	5,635,882
Expenses		
Australian grants		
International program costs	519,994	518,111
Program support costs	46,818	87,284
Community education costs	66,823	696,056
New Zealand grants		
International program costs	414,081	338,393
Program support costs	107,242	26,103
Community education costs	210,781	172,697
Total grant related activity expenditure	1,365,739	1,838,645
Other expenditure		
Organisation costs	64,912	76,761
Domestic program costs	92,333	127,199
Employment costs	1,011,199	1,241,478
Non-monetary costs	903,580	1,184,002
Occupancy costs	36,592	32,164
Other employment costs	119,487	130,349
Other costs	23,531	59,848
Technology costs	283,253	317,771
Total expenditure	4,014,645	5,122,589
Surplus from operating activities	(215,376)	513,293
Finance income	5,554	6,202
Finance cost	(810)	(34,959)
(Deficit)/Surplus for the year	(210,632)	484,536
Foreign currency translation losses	(39,448)	26,622
Total comprehensive surplus /(deficit) for the year	(250,080)	511,158

This summary financial information was extracted from the audited annual financial report. It is consistent in substance with these statements notwithstanding the less technical language and content. The full financial statements are available on the Fairtrade ANZ Ltd website www.fairtradeanz.org

STATEMENT OF FINANCIAL POSITION 30 JUNE 2020

ASSETS	2020 \$AU	2019 \$AU
Cash and cash equivalents	2,305,333	1,597,689
Trade and other receivables	1,020,693	1,483,438
Total current assets	3,326,026	3,081,127
Property, plant and equipment	21,134	46,668
Intangible assets	126,166	11,186
Right Use of Assets	10,060	-
Total non-current assets	157,360	57,854
Total assets	3,483,386	3,138,981
Liabilities		
Trade and other payables	775,200	650,772
Contract liabilities	965,879	500,533
Employee benefits	153,652	166,410
Lease Liability	9,064	-
Total current liabilities	1,903,795	1,317,715
Employee benefits	34,404	25,999
Total non-current liabilities	34,404	25,999
Total liabilities	1,938,199	1,343,714
Net assets	1,545,187	1,795,267
Equity		
Reserves	753,760	913,197
Retained earnings	791,427	882,070
Total equity	1,545,187	1,795,267

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	RETAINED EARNINGS \$AU	FOREIGN CURRENCY TRANSLATION RESERVE \$AU	GENERAL RESERVES \$AU	TOTAL \$AU
Balance at 1 July 2019	882,070	57,529	855,668	1,795,267
Total comprehensive income for the year				
Other comprehensive income: Exchange differences on translating foreign operations	-	(39,448)	-	(39,448)
Total other comprehensive income	-	(39,448)	-	(39,448)
Deficit for the year	(210,632)	-	-	(210,632)
Total comprehensive income for the period	(210,632)	(39,448)	-	(250,080)
Net transfers (from)/to retained earnings	119,989	-	(119,989)	-
Balance at 30 June 2020	791,427	18,081	735,679	1,545,187

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

CASH FLOWS FROM OPERATING ACTIVITIES	2020 \$AU	2019 \$AU
Receipts from grants	2,024,912	1,590,578
Receipts from Licensees	3,110,883	3,218,893
Payments to suppliers and employees	(4,286,675)	(5,473,692)
Other income	26,000	218,078
Interest received	5,553	6,020
Net cash used in operating activities	880,673	(439,941)
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,762)	(24,919)
Purchase of Intangible Assets	(120,000)	(13,328)
Proceeds on disposal of property, plant and equipment	-	176
Net cash used in investing activities	(123,762)	(38,071)
Cash flows from financing activities		
Lease Payments	(9,819)	-
Effects of exchange rate changes on cash and cash equivalents	(39,448)	26,622
Net cash used in financing activities	(49,267)	26,622
Net decrease in cash and cash equivalents held	707,644	(451,390)
Cash and cash equivalents at beginning of year	1,597,689	2,049,079
Cash and cash equivalents at end of financial year	2,305,333	1,597,689

NOTE 1 – BASIS OF PREPARATION

The Summary Financial Statements (“the Statements”) have been prepared for the purposes of fulfilling Fairtrade Australia and New Zealand Ltd’s (“the company”) financial reporting obligation under Australian Council for International Development Code of Conduct.

The accounting policies applied in preparing the Statement are consistent with those used to prepare the company’s general purpose financial report for the year ended 30 June 2020, which was signed on 12 November 2020. The financial statements are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements adopted by the Australian Accounting Standards Board and the Australian Charities and Not-for-profit Commission Act 2012.

The full financial statements are available on the Fairtrade ANZ Ltd website www.fairtradeanz.org

NOTE 2 - STATEMENT OF CASH MOVEMENTS FOR DESIGNATED PURPOSES

	CASH AVAILABLE AT START OF FINANCIAL YEAR	CASH RAISED DURING THE FINANCIAL YEAR	CASH DISBURSED DURING THE FINANCIAL YEAR	CASH AVAILABLE AT END OF FINANCIAL YEAR
MFAT - Ministry of Foreign Affairs and Trade	154,612	748,616	732,104	171,124
DFAT - Department of Foreign Affairs and Trade	345,921	1,082,469	633,635	794,755
Total	500,533	1,831,085	1,365,739	965,879

NOTE 3 – DIRECTORS’ DECLARATION

The signed directors’ declaration is included in the full version of the audited annual financial report which is available on the Fairtrade ANZ Ltd website www.fairtradeanz.org



Independent Auditor's Report

To the members of Fairtrade Australia and New Zealand Ltd

Opinion

We report on the **Summary Financial Statements** of *Fairtrade Australia and New Zealand Ltd (the Company)* as at and for the year ended 30 June 2020. The Summary Financial Statements are derived from the audited financial report of the Company (the Audited Financial Report).

In our opinion, the accompanying Summary Financial Statements of *Fairtrade Australia and New Zealand Ltd* are consistent, in all material respects, with the Audited Financial Report, in accordance with the basis of preparation described in Note 1 to the Summary Financial Statements.

The **Summary Financial Statements** comprise:

- Statement of financial position as at 30 June 2020
- Statement of surplus or deficit and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended
- Related notes 1 to 3

The Summary Financial Statements are contained in the *Annual report*.

Scope of the Summary Financial Statements

The Summary Financial Statements do not contain all the disclosures required by Australian Charities and Not-for-profits Commission Act 2012 and Australian Charities and Not-for-profits Commission Regulation 2013 applied in the preparation of the audited Financial Report. Reading the Summary Financial Statements and the auditor's report thereon, therefore, is not a substitute for reading the audited Financial Report and the auditor's report thereon.

The Audited Financial Report and our auditor's report thereon

We expressed an unmodified audit opinion on the Audited Financial Report in our auditor's report dated 12 November 2020.



Emphasis of matter – basis of preparation and restriction on use and distribution

We draw attention to Note 1 to the Summary Financial Statements, which describe the basis of preparation.

The Summary Financial Statements have been prepared to assist the Directors of Fairtrade Australia and New Zealand Ltd for the purpose of the purposes of fulfilling Fairtrade Australia and New Zealand Ltd's financial reporting obligation under Australian Council for International Development Code of Conduct ("ACFID").

As a result, the Summary Financial Statements and this Auditor's Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Our report is intended solely for the Directors of Fairtrade Australia and New Zealand Ltd and ACFID and should not be used by parties other than the Directors of Fairtrade Australia and New Zealand Ltd and ACFID. We disclaim any assumption of responsibility for any reliance on this report, or on the Summary Financial Statements to which it relates, to any person other than the Directors of Fairtrade Australia and New Zealand Ltd and ACFID or for any other purpose than that for which it was prepared.

Other Information

Other Information is financial and non-financial information in Fairtrade Australia and New Zealand Ltd's Annual Report which is provided in addition to the Summary Financial Statements and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Summary Financial Statements does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Summary Financial Statements, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Summary Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibility of the Directors for the Summary Financial Statements

The Directors are responsible for the preparation of the Summary Financial Statements in accordance with the basis of preparation described in Note 1 to the Summary Financial Statements.

Auditor's responsibility for the Summary Financial Statements

Our responsibility is to express an opinion on whether the Summary Financial Statements are consistent, in all material respects, with the Audited Financial Report based on our procedures, which were conducted in accordance with *Australian Auditing Standard ASA 810 Engagements to Report on Summary Financial Statements*.

KPMG

Amanda Bond
Partner
Melbourne
12 November 2020

GOVERNANCE AND STAKEHOLDERS

Fairtrade ANZ is honoured to continue our important collaboration with countless producers, brands, governments, non-government organisations and communities. But there are a few stakeholders who deserve special mention.

BOARD OF DIRECTORS

Fairtrade ANZ is governed by an independent, voluntary board. It consists of the following directors:



John Buttle
(Chair)



Chris Davis



John Hewson



Terence Jeyaretnam



Josie Pagani



John Thwaites



Margaret Zabel

Fairtrade ANZ acknowledges the service of Karen Mapusua, Lisa Barker, Delia Rickard, Katherine Rich and David Head, who each stepped down from the Fairtrade ANZ board in the last financial year.

MEMBERS

Fairtrade ANZ has three member organisations: International Women's Development Agency, Friends of the Earth Australia and The Ethics Centre.



PARTNERS AND SUPPORTERS

Thank you to our licensees, stakeholders, partners and community advocates who have supported us over the past year. In particular, New Zealand's Ministry of Foreign Affairs and Trade (MFAT) and Australia's Department of Foreign Affairs and Trade (DFAT) continue to provide valuable support. We also appreciate the invaluable pro bono assistance from Allens, Bell Gully and EY.

We acknowledge the support and collaborative spirit of the following stakeholders:

- Future Business Council
- Green Building Council of Australia
- The New Zealand Trade for All Advisory Board
- Sustainable Business Council
- Sustainable Business Network
- Sustainable Development Solutions Network, Australia, New Zealand and Pacific
- United Nations Global Compact Network of Australia



ACCOUNTABILITY AND ACCREDITATION

INCORPORATION AND CHARITABLE STATUS

Fairtrade ANZ is a public company limited by guarantee under the Corporations Act and is a registered charity with the Australian Charities and Not-for-Profits Commission. Fairtrade ANZ is a public benevolent institution and is endorsed by the Australian Taxation Office as a Deductible Gift Recipient (DGR) and an Income Tax Exempt Charity.



AUSTRALIAN COUNCIL FOR INTERNATIONAL DEVELOPMENT MEMBERSHIP

Fairtrade ANZ is a member of the Australian Council for International Development (ACFID) and adheres to the ACFID Code of Conduct (<https://acfd.asn.au/code-of-conduct>). This sets standards of good practice for the governance, management and accountability of non-government organisations and aims to improve international development outcomes and increased stakeholder trust by enhancing the transparency and accountability of signatory organisations.



COUNCIL FOR INTERNATIONAL DEVELOPMENT MEMBERSHIP

Fairtrade ANZ is a member of the New Zealand Council for International Development (CID), the national umbrella agency representing more than 50 members from the aid and development sector in New Zealand. CID exists to support effective aid and development programs with the vision of achieving a sustainable world free from poverty and injustice. As a member, Fairtrade ANZ adheres to the CID Code of Conduct.



FEEDBACK AND COMMENTS

Feedback on this report and on our operations and conduct can be sent to:

Private and Confidential, CEO,
312/838 Collins Street, Docklands Vic, 3008
or
Private and Confidential, CEO,
PO Box 33 1587, Takapuna, Auckland 0740

To lodge a complaint, please send to one of the above addresses or email us at: **info@fairtrade.com.au** or **info@fairtrade.org.nz**

Our complaints handling policy can be found on our website (www.fairtradeanz.org/resources).

If you are not satisfied with the response and believe our organisation has breached the ACFID Code of Conduct or the CID Code of Conduct, you can lodge a complaint:

- With the ACFID Code of Conduct Committee at **code@acfd.asn.au**. Information about how to make a complaint can be found at **www.acfid.asn.au**
- With the CID Code of Conduct Committee at **code@cid.org.nz**. Information on how to make a complaint can be found at **www.cid.org.nz**

Fairtrade ANZ is an Assurance Provider of Fairtrade International, providing Fairtrade certification services in Australia and New Zealand. We meet Fairtrade International requirements for Assurance Providers. The Fairtrade International Assurance System is designed to meet the requirements of ISEAL's Assurance Code and builds on ISO 17065 Standard.

THANK YOU

To all our supporters, business partners, retailers and consumers: thank you for choosing Fairtrade. In doing so, you're empowering farmers and workers in developing countries to build a better future for themselves, their communities and the planet.

CONTACT US

For queries or more information, please visit:
www.fairtradeanz.org

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