



For the Fairtrade Canada team,

2023 was another busy and successful year of striving for trade justice.

Our Annual Report presents an update on our strategic plan goals, and details of what we accomplished throughout the year, including the top-level service that we provide to our commercial partners, and how sales of Fairtrade certified products have grown. It also presents outcomes of our marketing, communications, and advocacy campaigns, along with our work with the Fair Trade Programs.

In addition to our public-facing efforts, a significant amount of our work goes on behind the scenes, so this report also gives you a sense of how our staff work to build long-term relationships in many areas, and the depth of our involvement in the global Fairtrade system. It also shows how our team has grown, and the steps the organization has taken to become an employer of excellence.

With strong leadership at the Executive and Board level, our whole team works collaboratively to create lasting impact for farmers and workers around the world so that they can have more control over their lives and decide how to invest in their future.

As we look back on 2023, we are proud of all that we achieved and are excited for what is to come, including our 30th anniversary celebrations in 2024.

Strategic Plan Update

Our 2021 – 2025 Strategic Plan guides our operations with aspirational objectives to grow Fairtrade business and communications in Canada, to be a strong advocate for trade justice, and to be an efficient and effective organization. We have key indicators for success in four areas.



Equifruit display at a Longo's store in Toronto.

Commercial Growth & Innovation

We continue to be the certified label of choice across the organic coffee sector and are on target with both our volumes and percentage share targets. While we have expanded the Fairtrade coffee offering within the conventional sector, there is still a lot of space in this area for us to continue to grow.

In the banana sector, we have already far exceeded our original goal to double Fairtrade banana volumes by 2025. We have therefore updated the goal from 14,000MT to 27,000MT, which we are on track to achieve.

Cocoa is a more challenging sector, with market uncertainties and other factors slowing growth for licensees. However, major retail private labels are on track to meet our targets. We also have plenty of business development opportunities that could make this goal achievable.

From our annual licensee survey (see later section), we are successfully maintaining overall service satisfaction levels, in line with our goals.

At the end of 2023, we were progressing well towards our goal to increase Fairtrade Premiums from sales in Canada to US\$10 million by 2025.

Impactful Voice and Public Trust

Our 2023 GlobeScan research showed that we have already met our aspirational goal to "increase awareness of Fairtrade from 36% to 55%, so that more than half of Canadians know us and recognize the Fairtrade Mark while maintaining a high level of trust in the Mark above 80%." Awareness is now at 57%, and trust at 85%, so we will be working to maintain and increase those levels before our next GlobeScan study in 2025.

Our goal to deliver solid marketing initiatives to reach new audiences, drive awareness growth, and deepen loyalty with current audiences has seen a successful Fairtrade Month campaign, jointly executed with our colleagues at Fairtrade America.

We have met all objectives related to understanding target audiences and developing customer personas, and we are progressing well with next steps to proactively engage brands in telling their Fairtrade story. We are also on track with goals related to accessible messaging (while maintaining integrity and demonstrating impact), having developed on-brand social media templates, expanded into video content, and built a Québec-focused strategy.

We are making good progress on building and implementing a clear media and PR strategy, investing in trade press coverage, and fostering long-term relationships with key media contacts.

Finally, we are making strong use of the data available to us to improve our website, newsletters, and social media content, with a focus on Instagram and LinkedIn.





Advocacy & Citizen Engagement

In 2023, we fully brought management of the Fair Trade Programs in-house to Fairtrade Canada. We have been working to revitalize the initiative after disruption caused by the pandemic, with a new advisory committee in place, a reassessment of Program criteria, and a clear communication strategy.

Late in the year, much of the planning work was done for the Fair Trade Conference, held in Montreal in March 2024. This event brought businesses, Program representatives, academics, and other interested parties together for the first time since 2020.

Our goals related to advocacy are also progressing well, with a clear strategy in place. We have built relationships with policy writers and advisors at the Federal level and have ongoing involvement in discussions around the Fighting Against Forced Labour and Child Labour in Supply Chains Act (Bill S-211) and HREDD legislation. We have also partnered with other NGOs for collaborative work in this area.

Organization Excellence

We are progressing well on organizational goals – we have completed the review of our compensation structure and implementation of a new Employee Manual. We are maintaining voluntary staff turnover below the goal of 15%.

We are consistently maintaining participation on the Fairtrade International board and key committees, and compliance with the FI Code. We are also meeting all KPIs related to governance, with an engaged Board of Directors, correctly presented AGMs, audited financial statements, a clean membership list, and a fully funded operational reserve.



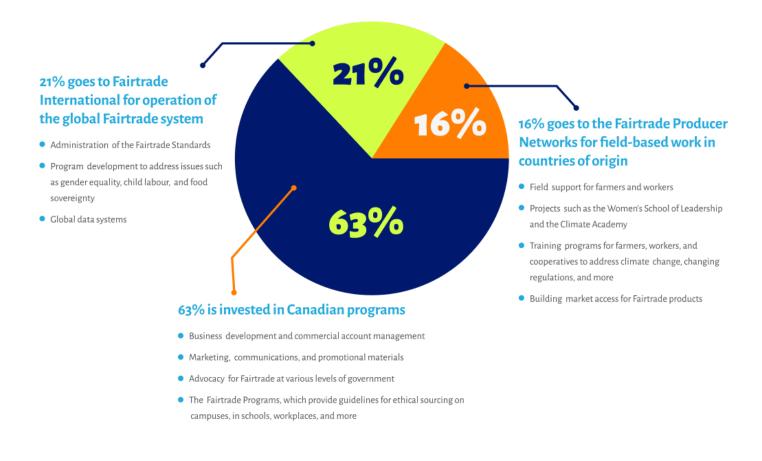
Highlights from the Commercial Relations and Business Development Team

To keep us aligned with our strategic goals, our Commercial Relations and Business Development team expanded in 2023, with the addition of **Mikaila Boyd** (dedicated Business Partnerships Manager for cocoa, sweets, snacks, and composite products) and **Nicholas Raymond** (Business Engagement Coordinator for additional licensee support and business development engagement). While our direct engagement with current and prospective licensees in the form of account management, sourcing and supply chain support, trade shows, and many other areas, there is a significant amount of work that goes on behind the scenes.

Our team is very active on Fairtrade's global committees for products such as coffee and cocoa, and addressing issues such as **Human Rights and Environmental Due Diligence (HREDD**). We represent the viewpoints of our licensees during consultations such as the update to the **Fairtrade Minimum Price for coffee**. We also foster strong relationships with the **Fairtrade Producer Networks**, particularly CLAC (Latin America and the Caribbean), to better understand the realities confronted by farmers and workers, and the impact of Fairtrade.

How Fairtrade Canada Invests License Fees

Of the license fees paid to Fairtrade Canada (on Canadian sales of products with the FAIRTRADE Mark)



Annual Licensee Survey



Our annual licensee survey allows our commercial partners to provide us with feedback on the services we provide. We track our performance and service satisfaction over time and use the results to ensure we are meeting the ongoing needs and priorities of our licensees.

The average service satisfaction score increased to 7.8 (out of 10) in 2023, with partners ranking the following services as their top three most important:

- Communicating impact
- Licensing support

Sales resources

Our licensees also say that the most important factors for communicating with consumers are their overall commitment to sustainability and transparency/traceability.

Business Development

Our business development team works with existing and prospective commercial partners to grow Fairtrade in the Canadian market with dedicated account management as well as supply chain and sourcing assistance.

In 2023, almost 1,000 new products were approved for Canadian licensees, with the total available now over 5,100. Around 20 new brands were launched in the categories of coffee, chocolate, textiles, wine, and soap.

We continue to support our licensees' sales and marketing teams in promoting their products and telling their Fairtrade stories to consumers.

(Product total is not consistent with previous years due to consolidation of data in our internal systems and removal of duplicates.)

Retail Engagement

General – for major national retailers

- We had regular engagement with retail Sustainability teams.
- We delivered Fairtrade impact reports to several national retailers.
- Hot chocolate with Fairtrade sourced cocoa was launched by a number of retailers.

Fresh produce

- We had regular

 engagement with
 fresh produce
 procurement teams at
 major retailers and
 regional banners.
- We opened discussions
 with key distributors
 and retailers around
 new produce
 categories such as
 avocados, mangos, and
 citrus.

Other

- Fairtrade Month
 participation was high,
 with first-time
 involvement from
 Farm Boy and Fortino's.
 See the Fairtrade
 Month section for
 more information.
- We supported coffee licensees with materials to use when discussing the Fairtrade Minimum Price increase with retail buyers.

Industry Events

The Commercial Relations and Business Development teams attend key industry events throughout the year to create visibility for Fairtrade, meet prospective and existing partners, stay current on product developments, and engage in dialogue around supply chain issues.

Specialty Coffee Association (SCA) Conference – Key objectives were to engage with commercial partners and connect them with producers. Our presentation allowed attendees to better understand the breadth and depth of certification's impact for producers and their communities through social, environmental, and economic Standards.

Canadian Produce Marketing Association (CPMA) Convention – We met key industry players, including licensees, distributors, and prospects, to continue driving discussion around sustainable banana program opportunities. We also had a number of positive discussions about expansion into other fresh categories like avocados, mangos, and pineapples.



Coffee Association of Canada (CAC) Conference – Our main objectives were to engage with commercial partners and ensure that farmers' voices were represented for key players in the Canadian coffee sector. Getahun Gebrekidan, from Fairtrade Africa, was on a panel titled *The Future of Coffee,* which focused on farmer livelihoods and living income, equity and inclusivity, and climate change.

The Canadian Health Food Association (CHFA) NOW trade show

2023 saw strong participation from Fairtrade licensees. We also engaged with retailers and prospective partners.

Banana Producer Forum – We joined over 200 representatives from all levels of the banana industry to engage in dialogue regarding the future of a sustainable banana sector. Key discussions included sustainable production, climate change mitigation, HREDD, and living wages.

International Fresh Produce Association (IFPA) Global Produce & Floral Show

We developed marketing growth opportunities with vendors, prospects, and retailers.

Café Collectif

A chance for us to build relationships with more roasters and coffee shops in Québec, as well as lots of delicious specialty coffee cuppings.

Coffee

12,913,673 kg of roasted coffee

Sold by Canadian licensees – **an increase of 5% over 2022**(exceeds the Statista estimate for total Canadian coffee market growth of 2%)

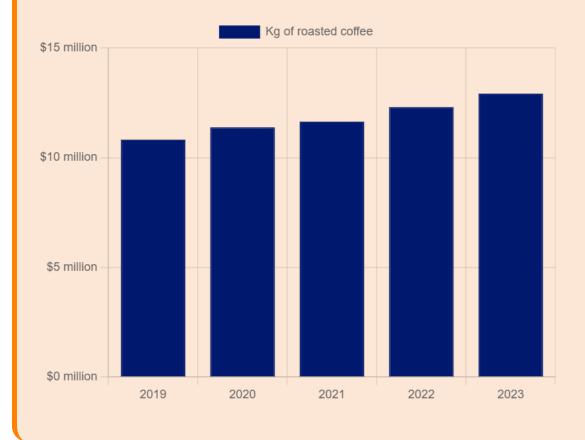
Almost US\$7 million Fairtrade Premium

generated by Fairtrade coffee sales in Canada in 2023

The Fairtrade Premium is an extra sum of money that farmers and workers invest in community or business projects of their choice.

Almost US\$10 million organic differential

The organic differential is an extra payment for certified organic coffee beans.



Coffee Updates

In 2023, the Fairtrade Canada coffee team played key roles in several significant developments in the Fairtrade system.

The **Fairtrade Minimum Price** for coffee <u>was increased</u> following extensive consultations with stakeholders from all parts of the industry, including coffee growers, traders, roasters, and subject matter experts. Amid the intensifying impacts of climate change and growing global economic volatility, it was recognized that smallholder farmers need higher prices to keep farming sustainable. At the same time, we recognize that Canadian businesses also face rising costs and competition, while consumers see costs of living steadily increasing.

We worked to support our licensees in the months leading up to the increase with one-on-one discussions, as well as meetings at trade shows. Once the increase was confirmed, we created communication toolkits to help with business and consumer understanding of the positive impacts that farmers could see from an increased Minimum Price.

The team also spent considerable time participating in consultations that led to revisions of the **Coffee and Trader Standards**. With the majority of Fairtrade organizations based in Europe, it is important that Canadian licensees are represented and that our viewpoints are taken into consideration given differences in market maturity.

As part of this work, 2023 also saw us increase our focus on coffee traders, who play a critical role in the supply chain. We are proactively working to develop our relationships with traders to provide support, gather their feedback, and involve them in shaping the Fairtrade system.

Finally, we helped facilitate the third **Golden Cup Peru competition in Lima**, with representatives from Bridgehead Coffee and Ethical Bean serving on the judging panel. The judges reviewed entrants in two categories for selected washed Arabica coffees: microlots and full containers.



Coffee Farmer Profile - María Vilcabana

The Valle Verde cooperative was founded in 2015 in the province of Rodríguez de Mendoza, Peru. Named after the lush green valleys found in this Amazonian region several hundred kilometers north of Lima, the co-op has 483 members, almost half of whom are women. The organization's mission emphasizes the value of female participation, with a focus on gender equality and women's empowerment, implementing strategies to reduce wage gaps and contribute to family prosperity.



María Vilcabana © Nicolás Becerra

Valle Verde member **María Vilcabana** says, "I can't drink any other coffee than my own." She lives on her farm, Limón Dulce, with her husband José and her youngest son Luis. José's parents gave her the land, at 1,750 meters altitude, to start growing coffee after she completed her technical agricultural degree in the city.

She quickly learned to control crop pests, and to live with the unpredictable weather that forces her to postpone certain activities. Life in the countryside is very satisfying for her: "seeing the effort take effect makes this worthwhile." She is proud of the quality harvests from her farm, and of her two daughters with professional careers.

For María, it has been challenging to control the cost of operations and production when the price of coffee falls in the stock market. Despite the Fairtrade Minimum Price, there are seasons when this is not enough for the entire coffee process and the cost of living, which has been increasing. However, she persists in growing and harvesting quality coffee, and is now rejuvenating her farm by using seedlings from her cooperative's nursery.

María values the support that Valle Verde, through its relationship with Fairtrade, gives to its members. She has been able to improve her farm's wet mill and drying area and construct a compost facility through the use of Premium funds, all with the goal of improving the quality of her coffee. María also participates in the guinea pig farm program, which complements her passion for coffee and provides her with invaluable fertilizer for the soils of her farm.

She also values the environment of cooperation that Valle Verde has cultivated, in which the work and presence of women is vital. She anticipates the production of better varieties of coffee on her farm: "Mine is an aromatic and pleasant coffee, because I treat it with a lot of affection.

Bananas

24,286,000 kg of Fairtrade bananas

sold in Canada - an increase of 32% over 2022

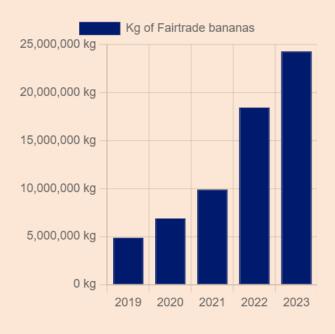
That's around 170 million individual bananas!

Over US\$1.3 million Fairtrade Premium

generated by Fairtrade banana sales in Canada in 2023

The Fairtrade Premium is an extra sum of money that farmers and workers invest in community or business projects of their choice.

1/3 of all organic bananas sold in Canada are now Fairtrade





Willy Paredes, CLAC / Stijn Decoene, Fairtrade Belgium / Rob Desson, Fairtrade Canada / Giulia Camparsi, Fairtrade Italy

Banana Updates

Costco Canada scaled up their commitment with partner Equifruit — Fairtrade organic bananas are now available in Ontario, Quebec, and Alberta warehouses.

The Universities of Guelph, Waterloo, and Western all launched a Fairtrade organic banana program last year.

Fairtrade Canada's **Rob Desson** (second from right) has taken on an expanded role. He now leads on all Fairtrade fresh product categories for both Canada and the US. His new title is Senior Business Partnerships Manager - Fresh Produce (North America). In this role, he led North American strategy and collaboration meetings with Fairtrade International and CLAC to focus additional resources in North American expansion opportunities.

Fairtrade's 'The Future of Bananas' Initiative

In 2023, Fairtrade International launched a major new initiative to deliver decent incomes for smallholder farmers and workers on Fairtrade certified banana plantations worldwide.

Fairtrade's sustainable offer to achieve living wages, living incomes, and resilient banana supply chains aims to ensure that banana workers earn at least the minimum living wage for their country, whilst helping retailers fulfill their commitments to a sustainable banana industry.

More than 35,000 workers and farmers, employed by 265 Fairtrade banana producers, stand to benefit. The offer combines three elements designed to make both living wages and resilient banana supply chains a reality:

- Fairtrade Minimum Price (FMP) increase
- Living Wage Reference Price (LWRP)
- Fairtrade Living Wage Differential (LWD)

The new Fairtrade Minimum Price serves to strengthen protection for banana producers and their families, to cope with mounting economic costs and climate change, to reduce human rights risks in the banana supply chain, and to adopt more sustainable agricultural practices.

Read more about the Future of Banana initiative.



Processing bananas at ASOGUABO © CLAC



Fairtrade Banana Dashboard

Fairtrade has also introduced a **Banana Dashboard**, which provides a rich set of the latest producer data available on Fairtrade bananas globally. This resource presents partners with an opportunity to deepen producer relationships and impact through our work in living wages, incomes, HREDD, and climate adaptation.

Banana Worker Profile - José Daniel Espinoza



José Daniel Espinoza © COQUIMBA

José Daniel Espinoza is 41 years old, and a father of 3 children. He says: "I've been passionate about working at Coquimba for 8 years. When we first learned about the Fairtrade Premium, we didn't realize the immense impacts it could have on our lives. However, as I became involved with these projects, my mindset started to change.

"Before, our house was built with plastic and zinc sheets, and whenever it rained, it would get wet, and we didn't have adequate living conditions. Thanks to the implementation of the Fairtrade initiative, I became a beneficiary of the Housing Project. We received support to build a brick house and provide my family, especially my children, with better conditions — finally having our dream come true. I'm very grateful to Coquimba and to the people who purchase Fairtrade bananas for making the implementation of these projects possible. There's still much to improve regarding our living conditions, but I'm grateful banana buyers will continue supporting these projects."



1,086,510 kg of cocoa products

sold by Canadian licensees — an increase of almost 13% over 2022

US\$447,000 Fairtrade Premium

generated by Fairtrade cocoa sales in Canada in 2023

The Fairtrade Premium is an extra sum of money that farmers and workers invest in community or business projects of their choice.



© Fairtrade Deutschland e.V. - Ilkay Karakurt



Cocoa farmer members of the Edwinase Cooperative Society, Ghana © Fairtrade - Fairpicture

Cocoa Updates

In 2023, Fairtrade announced a new program to support certified Ivorian and Ghanaian cocoa cooperatives to strengthen the prevention and remediation of child labour and forced labour.

The new initiative, known as the Fairtrade Child Labour and Forced Labour Prevention and Remediation Program, will distribute funds to successful Fairtrade certified applicants for initiatives that focus on essential but often underfunded elements of strengthening children's rights and ending harmful practices.

The Fairtrade Standards prohibit exploitative child labour, and compliance is regularly monitored on site by the certifier FLOCERT. Still, no certification system can provide a 100 percent guarantee that a product is free of child labour. In addition, while many cooperatives now have a monitoring and remediation system in place, they may lack the resources to tackle more expensive prevention and remediation measures.

The program provides an avenue for cocoa exporters, importers, manufacturers, brands, and retailers in Fairtrade cocoa supply chains to support producer organizations to address and remediate child labour and forced labour, which is a new requirement in the Fairtrade Standard for Cocoa.

The Standard was also updated to support producer organizations in their efforts to prevent and mitigate any deforestation or degradation of forests, part of Fairtrade's response to EUDR regulations.

The <u>Fairtrade Living Income Progress Report for 2023</u> showed that cocoa farmers who were paid a Living Income Reference Price earned, on average, about 15 percent more compared to government regulated farmgate prices. The report covers several cooperatives in Côte d'Ivoire and Ghana, which is also covered in the <u>West Africa Cocoa Program report</u> published in July.

Cocoa Farmer Profile - Kouassi Affoué Angèle

Societe Cooperative Avec Conseil d'Administration Des Eco-Egriculteurs Modernes de Méagui (**ECAMOM**) is a cocoa cooperative based in Méagui, a city in south-western Côte d'Ivoire. Founded in 2006 with 300 workers, it has grown to encompass several thousand members. Their motto is: "We are working for a new generation of producers who are happy and proud to work the land while participating in sustainable development."

Kouassi Affoué Angèle has been a cocoa producer for 12 years. She has five children, three of which are in high school. Her husband offered her a farm so that she could be independent and support their family financially. The four hectares of land include three hectares of cocoa.

She says: "Cocoa production is a profitable activity if you always sell. But there are periods when we don't sell cocoa and, if we don't have other activities, it is difficult. Fairtrade asks us to diversify our activities and with the Premium, we get by. "Fairtrade is a good thing with ECAMOM. Before, we didn't know that we could get a Premium after selling the cocoa. Thanks to them, the Premium helps us to meet our expenses and I don't have to take loans."

Through Fairtrade, she has learned about women's rights, including family negotiation and worplace leadership skills, so that she can manage a group of members. She has also learned about crop and income diversification.

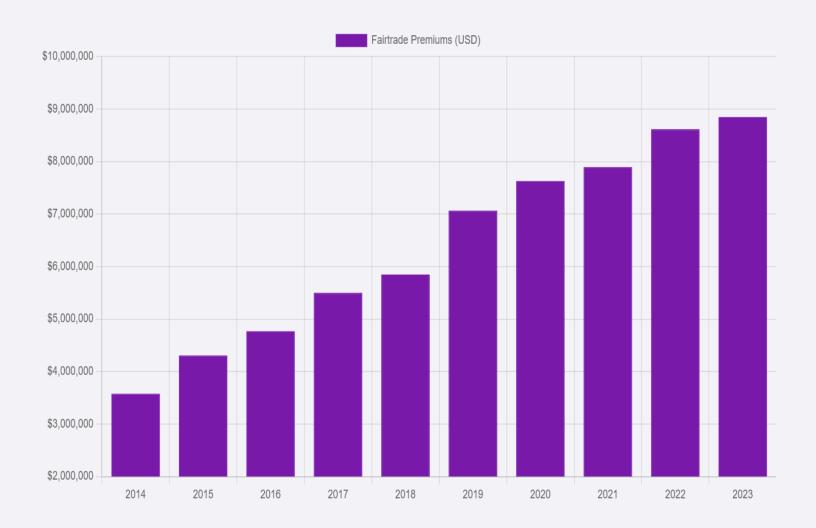
"Fairtrade has changed my life. In a crisis situation, I have an inflow of money for my needs instead of taking loans. Then, Fairtrade has made me a woman leader. I thank Fairtrade, I thank the ECAMOM cooperative and the chocolate makers. I hope that, in five years, I will be an autonomous woman who can take care of her family and help her community. Since I have known about Fairtrade, I am empowered, happy, and honoured."



Kouassi Affoué Angèle © Mohamed Aly Diabate - Fairtrade - Fairpicture

Fairtrade Premiums from Canadian Sales

The total Fairtrade Premium generated by certified product sales in Canada was US\$8,850,000, an increase of 3%, led by strong growth in bananas. In the last decade, sales of Fairtrade certified products in Canada have generated US\$64 million in Fairtrade Premium - an extra sum of money that farmers and workers invest in community or business projects of their choice.



Highlights from the Marketing and Communications Team

The MarComms team also expanded in 2023, with the addition of **Catherine Vidal**, who took on the role of Senior Editorial and Campaigns Manager. Catherine will play a significant part in all of our marketing and communications projects, while allowing us to further focus on the Québec market segment.

In 2023, we took the big step of moving our major campaign – **Fairtrade Month** – from May to October. This allowed us to better work with timelines suited to commercial partners and advocacy groups. For the first time we joined forces with Fairtrade America to launch a joint campaign, allowing us to share resources and increase reach.

Our biennial **GlobeScan consumer survey** showed increased consumer awareness and a continued high level of trust in Fairtrade, a positive outcome of our campaigns and relationship building over the last two years.

We also saw solid growth in our media and online presence throughout 2023, with a number of strong partnerships with media, influencers, and commercial partners.

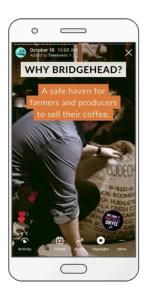
Fairtrade Month

Retailers

Almost 1,700 retailers participated in Fairtrade Month 2023, and we delivered more than 600 retail point-of-sale kits. Our website's retail promo page was used as a tool to guide consumers to local participating retailers offering in-store and online promotions during Fairtrade Month 2023. Brands that participated were: Sobeys, Longo's, IGA, and Save On Foods. 13 retail banners offered flyer promotions across 1,265 locations. Finally, we saw high retail engagement on social media, with 16 chains posting to a cumulative audience of almost 200,000.











Brands

40 brands participated in Fairtrade Month 2023 activations (social media, newsletters, and more) – an 11% increase over 2022.

Our website's brand promo page featured those 40 brands with exclusive Fairtrade Month promotions on their Fairtrade products. Throughout the month, we actively drove consumers to the page through social media, newsletters, and digital advertising. Participating brands were Café William, Prana, Ethical Bean, and Mid-Day Squares.

Brands like Prana, Bridgehead, Level Ground Coffee Roasters, and Fish Hoek Wines, connected with our community by taking over our Instagram channel and sharing their values and commitment to Fairtrade.

Campuses

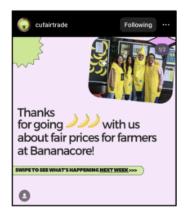
More than 30 campuses participated in Fairtrade Month 2023.

Partnering with Equifruit as guest judges, we launched the Fairtrade Campus Challenge. Campuses were given the opportunity to show off all the creative ways they advocate for and promote Fairtrade on campus. Wilfrid Laurier University was named the winner.

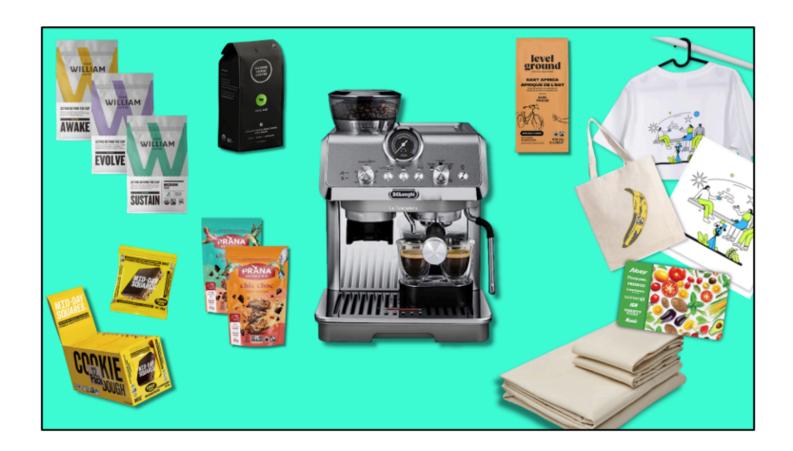
Throughout the month, campuses demonstrated their commitment to sustainability and Fairtrade by taking over our Instagram channel.











Digital Media

Four influencers were engaged, with a total following of around 220,000 accounts.

This year, we went BIG by offering a chance to win a luxurious "waking up with Fairtrade" set valued at over \$1,400, including a De'Longhi coffee maker, a \$200 gift card to Sobeys, and products from Café William, Kicking Horse Coffee, Level Ground Coffee Roasters, Mid-Day Squares, Prana, and Takasa. 5.3k people entered to win the Fairtrade Month grand prize!

Newsletter performance

- 4k new subscribers
- Almost 10k people opened our weekly newsletters
- An average 25% open
- Over 3% click-through rate
- Over 1k links clicked

Web performance

- Almost 28k visits to the Fairtrade Month landing pages
- 44 hours time spent engaged in exploring the landing pages
- 1.1k downloads from our Fairtrade Month toolkit

Instagram performance

- 1,300 new followers
- 14k total content interaction (likes, comments, saves, and shares)
- Over 2 million impressions
- 8k total profile visits

Paid Integration

This year, we engaged with **Narcity** for a paid integration to drive traffic to the brand promo page and promote the Fairtrade Month grand prize.

- Over 34k total impressions
- Almost 25k views
- 43% scrolled to read the full article
- Almost 200k Google Ads impressions
- Almost 500 link clicks

Read the full article here.



A Conversation With the Next Generation

Hosted by Fairtrade Canada and Fairtrade America, this Fairtrade Month event gathered three young farmers from three different countries and realities, to discuss the impacts of climate change, the challenges of inflation, and their vision for the future of farming.

The panel was moderated by Leah Thomas, an influential environmental communicator known to her community of followers as @greengirlleah. Overall, the event saw almost 600 people register and 200 people attend live, including campuses organizing their own showings. View the digital event here.



Print Media

Partnering with Fairtrade America, we took a joint approach to media engagement and saw results. We secured 7 placements in trade publications that targeted key audiences for Fairtrade, including Perfect Daily Grind, Confectionary News, and Global Coffee Report.

GlobeScan

The global Fairtrade system works with GlobeScan to conduct consumer research every two years. The studies measure how people view our certification and the effectiveness of our marketing and awareness campaigns. Fairtrade Canada uses the data to inform our marketing and communications strategy.

Our 2023 Fairtrade Consumer Insights report, conducted by GlobeScan, analyzed online survey results conducted among over 1,000 Canadian consumers and over 11,000 consumers globally.

Their research revealed increased recognition of the FAIRTRADE Mark and favourable perception of Fairtrade certified brands and products.

57% of Canadians recognize the Fairtrade Mark

(up 15 percentage points from 2021)

Consumer Perceptions of FAIRTRADE Mark Awareness

- 80% of consumers say Fairtrade has a positive impact on their perception of a brand
- 85% who know the Mark say they trust it
- 70% say Fairtrade is worth paying more for, to ensure producers are paid a fair price
- 78% believe the Mark makes it easy to decided if a product is ethically and responsibly sourced

Media Engagement



Our 2023 metrics of earned + secured media performance far exceeded our goals, with significant growth over the previous year.

An op-ed by Dr. Sylvain Charlebois titled *La résilience du commerce équitable* was picked up by a good number of provincial and regional outlets across Canada. A holiday shopping gift guide, which featured several Fairtrade brands, also got wide syndication, including <u>La Presse</u>

theglobeandmail.com

The Globe and Mail Fairtrade Cocoa Origin Trip

The Fairtrade Canada team pitched a story about how climate change is impacting farmers to The Globe and Mail's Foreign Editor. To show them the full picture, we facilitated an origin tour to the Dominican Republic. Our CEO, Julie Francoeur, accompanied journalist Adrian Morrow and award-winning photographer Melissa Tait on the tour, visiting two cocoa cooperatives - CONACADO and COOPROAGRO – to see how climate change is affecting the farmers behind our favourite chocolate products.

The main article also became a photojournalistic deep dive, with only a minor setback when a drone temporarily got stuck high up in a tree! What was originally planned to be one story turned into three, including an article on climate, and one on low cocoa prices for farmers.

The article was on the front page of the Globe's print and digital editions, with the latter having a potential reach of 6.37M (based on The Globe's monthly unique visitors).

Read the three articles here:

- <u>Dominican Republic's cocoa farmers race to adapt as climate change dries</u>
 <u>out the jungle</u>
- Cocoa farmers in Africa and Latin America bear the cost of keeping chocolate cheap
- What makes cocoa 'fair trade'? Understanding the labels on chocolate

CLIMATE CHANGE

Hot chocolate

Climate change has battered the world's cocoa-producing jungles with drought and hurricanes, and the trees that survive yield lower-quality fruit. In the Dominican Republic, growers are scrambling to adapt

ADRIAN MORROW
PHOTOGRAPHY BY MELISSA TAIT
THE GLOBE AND MAIL
JAYA, DOMINICAN REPUBLIC
PUBLISHED MAY 15, 2023







The Globe and Mail team and Julie Francoeur, with leaders and farmers from the CONACADO cocoa cooperative in the Dominican Republic



Rachel Ladouceur-Girard (Marketing Executive) et Serge Picard (co-Owner) from Café William, and our CEO Julie Francoeur, along with Bunchanawin Izquierdo (Q grader & Quality Control), Aurora Maria Izquierdo (Founder and CEO), and Jorge Paez (Director of Comercial Relations) from ANEI.

Café William Sailboat Trip

Fairtrade Canada also facilitated a trip later in the year, on which our CEO Julie accompanied the owner and Senior Marketing Director of licensee Café William to Colombia to witness their <u>first shipment of coffee by sailboat</u>.

They first visited the community of Santa Marta and ANEI, an Indigenous-led cooperative that heavily invests in biodiversity and protecting the environment. Once the sacks of beans from ANEI were loaded onto the sailing ship and it was en route to North America, the trip received considerable <u>media attention</u>.

This was a unique opportunity to strengthen the long-term partnership between Café William and ANEI, and to deepen their understanding of Fairtrade. It allowed Café William to gather a significant amount of content throughout the event, which was later used to promote the initiative and their limited-edition Colombia ANEI sailboat coffee. They also plan on using the materials in a television ad, on social media, and across other marketing channels. The content included a series of videos with Julie talking about various aspects of Fairtrade.

Costco Magazine Cover Story About Fairtrade

The Fairtrade Canada team worked with Costco's Connection Editor on a cover story about Fairtrade. The Costco Canada magazine 'Costco Connection', which has a circulation of over 3.5 million. Read the article here.

Online Engagement

Fairtrade Canada Website

Our website performed well throughout 2023, with a doubling of our conversion rate, a 38% increase in page views, and solid growth in new users and engagement.

We responded to requests to drive more value to our commercial partners by launching two new pages:

- <u>Shop Local</u> puts the spotlight on Canadian brands and allows consumers to find Fairtrade certified products by province and category. It quickly became one of the most popular pages on the site.
- <u>Where to Find Fairtrade</u> provides a province-by-province list of retailers (from local independent stores to national chains) that stock Fairtrade certified products.

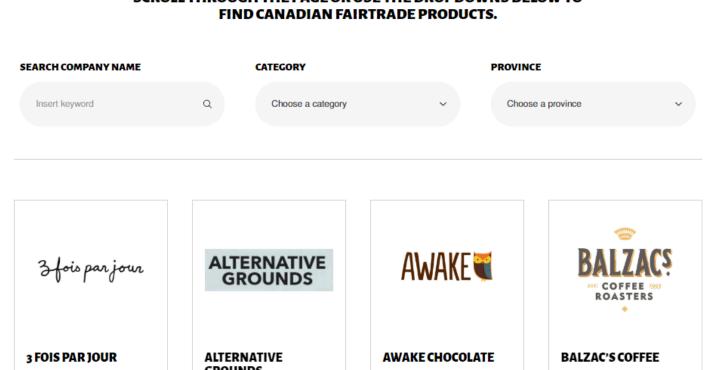
We also launched a new online store for our promotional materials, making ordering materials much easier for our business partners and advocacy groups. It also vastly simplified the store and inventory management processes for our staff, significantly improved the shipping process, and resulted in increased orders for both free materials and paid promotional items such as T-shirts and tote bags.

SHOP FAIRTRADE LOCAL

All of your favourite Canadian Fairtrade products in one spot.

We're proud to work with Canadian companies who choose to source Fairtrade. Now you can support your local brands dedicated to making trade fair by shopping Fairtrade local.

SCROLL THROUGH THE PAGE OR USE THE DROPDOWNS BELOW TO

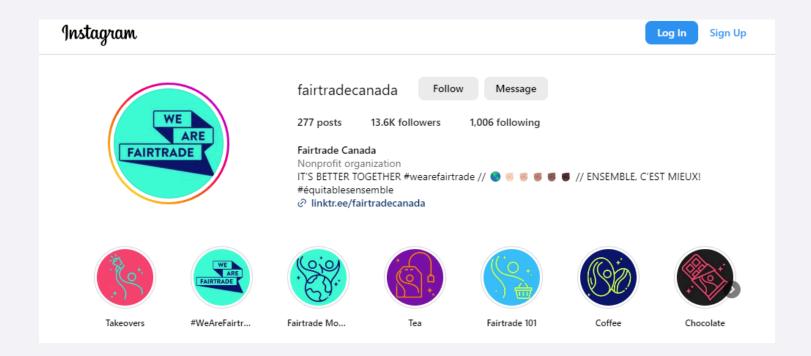


SHOP NOW →

GROUNDS SHOP NOW →







Social Media

Our social media campaigns focus on <u>Instagram</u> and <u>LinkedIn</u>, with both platforms seeing approximately 20% growth in followers during 2023. To better reach Francophone audiences, we launched a series of campaigns across Meta platforms to test what messaging, creative and CTAs most resonated with this segment. This data will allow us to tailor our messaging and ads to better reach this segment.

We spent considerable time managing our various email newsletter lists - commercial partners (B2B), retailers, prospects, consumers (B2C), and advocacy groups – to ensure they were as clean as possible, to maximize engagement. The number of subscribers to the B2C list grew significantly, especially during Fairtrade Month.

Newsletters and email marketing

We spent considerable time optimizing our newsletter and email marketing strategy by building and cleaning our email lists and testing content. Our coffee newsletter and consumer newsletter performed particularly well, with click-through rates exceeding our goals by 112% and 69% respectively. We were able to build our consumer email list by 63%, growing the list to almost 11k subscribers.

Highlights of Our Advocacy and Programs Work

2023 saw us complete the transition of the Fair Trade Programs management to Fairtrade Canada, following a 'reset' after the pandemic. We also built out our advocacy strategy and worked to have farmer and worker voices heard in the development of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (Bill S-211), which aims to eliminate forced labour and child labour in Canadian supply chains.

Fair Trade Programs

In 2023, we completed the transition of the Fair Trade Programs management from the Canadian Fair Trade Network to Fairtrade Canada. As part of this process, a **Fair Trade Programs Advisory Committee** was created, composed of seven people jointly nominated by the two organizations. The Committee met three times during the year. In consultation with the Committee, we decided to remove communities that have not fulfilled their annual renewal at least once in the past three years (post-pandemic) from the list of active designations. This has resulted in an overall drop in designations when compared to previous years, but it more accurately reflects the current state of active groups across Canada.

In September, we launched new Fair Trade Programs branding, with a new logo, as well as new seals and icons for each program, plus new certificates.

For the first time, Programs were able to submit their annual renewal report via an online form. The simplified renewal process allowed us to produce a detailed Fair Trade Programs annual report for the period of July 2022 to June 2023, presented to the internal team, the board of directors, and the Advisory Committee.

FairTrade Programs Data (Dec 31,2023)

- Towns: 16 active towns
- Campuses: 46 active campuses, 3 new in 2023:
 - Cégep de Lévis (QC)
 - Saint Mary's University (NS)
 - Ontario Tech University (ON)
- Schools: 17 active schools, 1 new in 2023:
 - École secondaire de l'Escale (QC)
- Faith Groups : 6 active groups
- Workplaces: 54 active workplaces, 3 new in 2023:
 - Martket Branding (BC)
 - Planet Bean (ON)
 - Entreprendre Sherbrooke (QC)
- Events: 18 events, gathering 17 390 people, including the biggest Fair Trade Event in Canadian history with 10 310 participants: CONGRESS 2023 at York University



Ontario Tech University Fair Trade Campus Designation

A decision had been made to postpone the 9th National Fair Trade Conference to March 2024, so two webinars were organized for Programs groups in 2023:

On March 8th, we hosted a **Fair Trade Campus Get-Together** online event. More than 50 people from 22 different campuses attended. The event included:

- A panel discussion on Campus-led Fair Trade Ambassadors programs, during which 3 campuses shared their experiences.
- Two breakout sessions led by Fairtrade Canada staff: one on Fairtrade product offerings, and the other on communication and promotion assisted by Aramark Canada.
- The requirements for Silver and Gold status were re-introduced to the participants.

On September 6^{th,} we held a **Fairtrade Month info session** for the whole Fair Trade Programs community. We introduced the Fairtrade Month campaign assets and action guide, then the new Fair Trade Campus Challenge was presented by Madison Hopper from Equifruit.

In 2023, we also participated remotely in the **International Fair Trade Towns Conference** and started planning for the **2024 National Fair Trade Conference**.

Advocacy

Our main focus in 2023 was to build our advocacy strategy. We led a research project with a group of four Master's students from the School of Public Policy and Global Affairs of the University of British Columbia to identify best practices in international fair trade policy advocacy. Their report titled "Advancing trade justice advocacy in Canada" was presented in April 2023. This research, along with the work already undertaken by Fairtrade International, other NFOs, and the Fair Trade Advocacy Office, will help Fairtrade Canada define its advocacy objectives and strategy for the next few years.

We continued our **advocacy efforts in favour of human rights due diligence legislation** in Canada that actually benefits farmers and workers at the start of supply chains. Although Fairtrade Canada's proposed amendments to Bill S-211 on eliminating forced labour and child labour in Canadian supply chains were not integrated, we supported the Bill's adoption by the House of Commons, as a first step in the right direction. This helped us develop relationships with Senator Julie Miville-Dechêne, as well as the Labour Minister's office.

The Fairtrade Canada Team

Staff Members

In 2023, the Fairtrade Canada team added four new staff members (indicated in the highlighted boxes below) to increase our customer service capacity, expand our marketing and communications capabilities, and improve organizational efficiency.



It's not all hard work! Here's a sneak peek of what our Fairtrade banana-crazy team got up to in 2024!

Catherine Vidal

Senior Editorial and Campaigns
Manager - to lead campaigns and editorial

Debbie Kealey

Bookkeeper

Gariné Aintablian

Senior Business Partnerships Manager

Helen Reimer

Director of
Business
Development

lan Brown

Digital Manager

Idir Fenek

Business
Partnerships
Manager

Janet Riehm

Director of
Finance and
Administration

John Marron

Director of Commercial Relations

John Young

Director of Licensing & Compliance

Julie Francoeur

Chief Executive
Officer

Kathryn Derkatz

Commercial Relations

Laurence Molina-Guérette

Executive
Assistant - the
CEO's right hand
and coordinator
of team
collaboration and
efficiency

Loïc de Fabritus Gautier

Senior Manager of Advocacy and Citizen Engagement

Maria Gallardo

Marketing and Communications Coordinator

Mikaila Boyd

Business
Partnerships
Manager dedicated to
cocoa, sweets,
snacks, and
composite
products

Nicholas Raymond

Business
Engagement
Coordinator - for
additional
licensee support
and business
development
engagement

Pippa Rogers

Director of Marketing and Communications

Rob Desson

Senior Business
Partnerships Manager Fresh Produce (North
America)

Stilyana Stoimenova

Licensing Manager

We also said goodbye to Fan Olhats, a valued member of the Communications team, who we wish well in their future endeavours.

New Employee Manual

The executive team, with the assistance of external consultants, spent considerable time over the past two years developing a new Employee Manual, which was presented to all staff in late 2023. The process included an employee survey, a full review of our compensation structure, a comparison to similar organizations in the sector, and many other factors. A number of staff members participated in a review process to ensure their viewpoints were taken into account.

The new manual formalizes many areas which had previously been missing, vague, or out-of-date, and adds several sections to reflect the realities of a 21st century workplace. Since developing positive telework techniques during the pandemic, we have formally become a fully remote workplace, with co-working office space available if needed by any staff members.

The manual also covers in detail policies around workplace health and safety, professional conduct standards, diversity and inclusion, anti-workplace harassment and violence, whistleblowing, complaints, and social media usage.



Our team took an afternoon at the end of the year to unwind and enjoy each others' company by preparing and sharing a delicious meal under the guidance of chef Georges.

Board of Directors

Five new people have joined the board over the last two years, so it was a natural point in time for us to engage in deeper reflection on governance and board processes. After discussions on these topics, the board updated the Terms of Reference for all its committees, improved the structure of board meetings to allow for more time for dialogue and discussion, and improved coordination between the work of the board and staff.

Due to recent changes, including the increase in the Fairtrade Minimum Price for coffee, and updated licensee fees, commercial prospects and risks were key discussion topics during several of our board meetings. After these discussions, the board is satisfied that Fairtrade Canada continues to meet or surpass its targets under the current strategic plan.

Other key items that were reviewed and approved by the board over the past year include Fairtrade Canada's new Human Resource policy and Fairtrade Canada's first formalized risk register. In addition, the board undertook staff and board surveys for the first time in many years as part of its updated CEO review process.

We have also continued to take steps to strengthen our relationship with the board of Fairtrade America, with a view to having greater coordination between the two countries, as well as greater alignment of our positions regarding Fairtrade International. The board is excited about the current trajectory of Fairtrade Canada and is well-positioned to develop the next five-year strategic plan over the next year.

Valantina Amalraj

Chair (CSO - Fair Trade Toronto)

Kuljit Rakhra

Vice Chair (Licensee -Takasa)

Eugene Ellmen

Treasurer (Independent)

Madison Hopper

Secretary (Licensee -Equifruit)

Vera Belazelkoska

Director (Independent)

Oliver Bertrand Fontaine

Director (Licensee - Café Faro)

Claudette Torbey

Director (CSO -Concordia University)

Mike Yarymowich

Director (Aramark)

Zack Gross and Imran Kaderdina departed the board in 2023. We thank them for their time and commitment to trade justice.

Board Committee Updates

Human Resource committee:

- Reviewed and approved the new Human
 Resource policy for Fairtrade Canada staff.
- Developed and implemented a new CEO review process.

Risk committee:

 Developed a risk register and assigned responsibility for various risk factors to committees, board members, or staff, as appropriate.

Finance committee:

- Approved the use of unrestricted reserve funds for new programs and services that will enable the Fairtrade system in Canada to grow, resulting in increased economic and social impact for farmers and workers.
- Reviewed and approved the 2024 budget, using new forecasting tools to conservatively pinpoint new revenue opportunities, risks posed by some modest and badly overdue fee increases, and growing demands for new and expanded services.

Governance committee:

- Arranged external training for the board on best practices for good governance.
- Continued reflection on DEI principles and practices.

Fairtrade Canada's Role in the Global Fairtrade System

The Fairtrade Canada team takes an active role in helping to shape the global Fairtrade system through our participation in a wide range of working groups and committees.

Julie Francoeur, our Chief Executive Officer, is part of:

- Fairtrade Executive Team guides Members in the operational delivery of Fairtrade 2025 strategic ambitions through effective implementation, prompt decision making, and a solution-oriented mentality. The FET makes decisions on innovations, operationalization of our business model, and the execution of the strategy.
- Global Coffee Group provides a critical advisory role in the development of the Fairtrade Global Coffee Strategy and subsequent coffee-related work activity, providing innovative thought leadership, regional perspective, and stakeholder representation through a process that is designed to be both inclusive and democratic.

Julie, along with Janet Riehm, our Director of Finance and Administration, are both members of:

• Global Finance Directors Working Group – works on a variety of global finance issues and contributes to financial data collection, which informs the financial health of the Fairtrade system.

John Young, our Director of Licensing and Compliance participates as:

• Chair of the Fairtrade International Exceptions Committee

- Chair of the **Oversight Committee** (until term limit reached in late 2023)
- Licensing Allocation Committee **Global Account Management** Sub-Group

Members of our Commercial Relations and Business Development teams are part of:

- Growth Taskforce Global Commercial Strategy Group provides guidance on the most important strategic activities to deliver growth in sales volumes and license fee income.
- Coffee Working Group
- Coffee Trader Working Group
- Traceability and Transparency Working Group helps in identifying and deciding on activities related to traceability and associated transparency.
- Specialty Coffee Association (SCA) Planning Group
- Banana Integrated Team a strategic group of banana leads that guides the implementation of Fairtrade International's banana strategy through greater system alignment and collaboration.
- Banana Commercial Working Subgroup supports national banana leads to implement Fairtrade International's banana strategy, strategizes global account engagement, and fosters more cross-border collaboration.
- Cocoa Working Group
- Sugar Working Group
- Human Rights and Environmental Due Diligence (HREDD) Working Group –
 supports the HREDD Centre of Excellence in developing policies, key processes, services, and
 messaging, and supports members in their HREDD-related work. The focus is on developing
 a unique proposition that addresses the needs of farmers, workers, and our commercial
 partners.
- HREDD Offer to Business Subgroup supports the development of HREDD tools and services for business partners.
- International Cotton Working Group
- International Small Products and Cosmetics Working Group
- Wine Working Group

Our Marketing and Communications team participates in:

- Global MarComms Strategy Pillar Lead tracking system collaboration and measuring KPIs.
- Fairtrade of the Americas building collaboration with Fairtrade America and CLAC.
- Visuals Community of Practice Working Group collaborates on visual creation and brand identity with other national MarComms teams.
- **Digital Community of Practice Working Group** supports international MarComms teams with content creation and management, plus all aspects of social media, websites, and other online content.
- World Fair Trade Day Campaign a global campaign to strengthen and unify our brand.
- Vertical Video/Global TikTok Working Group building a vertical video content strategy for the system.
- Media Working Group
- Digital Working Group
- Business to Business (B2B) Working Group

Loïc de Fabritus Gautier, our Senior Manager of Advocacy and Citizen Engagement, represents Fairtrade Canada in:

- Fairtrade International's Global Advocacy Hub works on fair trade advocacy campaigns globally.
- Advocacy Subgroup of Fairtrade International's Center of Excellence on HREDD works on issues related to HREDD policy advocacy.
- International Fair Trade Towns (IFTT) National Coordinators Group meets once a year during the IFTT Conference and leads the IFTT annual survey.
- International Fair Trade Schools and Universities Group a place to share good practices, resources, and information about Fair Trade Schools and Universities campaigns.

Notable Fairtrade Developments in 2023

Global Monitoring Report

In May 2023, Fairtrade International published its <u>14th annual Monitoring Report</u>, which summarizes data on Fairtrade certified organisations, farmers and workers, production, and Fairtrade Premium earned across all products

Regional reports are also available highlighting the field support, market development, and other extensive work of the three Producer Networks: <u>Latin America and Caribbean (CLAC)</u>, <u>Fairtrade Africa</u>, and <u>Asia / Pacific (NAPP)</u>.

Digital Tools

Fairtrade International has introduced several unique and innovative digital tools, aimed at enhancing supply chain transparency and risk mitigation.

These tools can offer commercial partners more insight into Fairtrade's impact, and can be leveraged to start addressing Human Rights and Environmental Due Diligence (HREDD) concerns at a country- or commodity-specific level:



<u>Top 7 Products Dashboard</u> – an interactive tool presenting data about the top 7 Fairtrade products (coffee, cocoa, bananas, tea, cotton, flowers, sugar), such as the number of farmers and workers, sales, and Fairtrade Premium investments.

<u>Fairtrade Risk Map</u> - offers extensive insights on a country-by-country or product-by-product basis. This tool helps partners analyze salient supply chain risks and highlights areas for remediation.

<u>Fairtrade Impact Map</u> (*right*) - provides a comprehensive overview of various projects, programs, and studies delivered by Fairtrade to producer organizations around the world, covering many social and economic objectives.



Satelligence Partnership

In November 2023, Fairtrade International announced a <u>new partnership with Satelligence</u> to scale up satellite monitoring of forested areas and farms to all certified cocoa and coffee producer organizations globally. The initiative aims to connect Fairtrade cooperatives with data on their members' farms and their deforestation risks, so the cooperatives can share this data with their commercial partners and better manage forest landscapes.

The Fairtrade-Satelligence partnership and expansion plan will also support producer organizations – representing more than one million coffee and cocoa farmers cultivating 2.5 million hectares – to meet the European Union Deforestation Regulation requirements so they can maintain access to important markets in Europe and beyond.

UNIDO Joint Declaration

Fairtrade International demonstrated a firm commitment to fostering sustainable supply chains by signing a **joint declaration** with the United Nations Industrial Development Organization (UNIDO). The declaration, signed on December 10 by Gunther Beger, Managing Director of UNIDO, and Sandra Uwera Murasa, Global CEO of Fairtrade International, marks a promising step in addressing the growing challenges facing global supply chains.

In the joint declaration, UNIDO and Fairtrade emphasize their shared commitment to promoting sustainable supply chains and enhancing the value addition of small- and medium-sized enterprises (SMEs), smallholder farmers, and workers. The partnership will prioritize supporting suppliers in producer countries in key areas such as market access, impact investment, corporate sustainability, and the implementation of human rights and environmental due diligence - including technical support to transition to agroecology and build climate resilience.





HREDD Guide – Partnership with B Lab

Fairtrade International and B Lab, a global network of organizations dedicated to transforming the economic system to be inclusive, equitable, and regenerative, jointly published a new guide to support small companies in their human rights and environmental due diligence. "People and planet in business - A simple guide to how small and micro companies can start or strengthen their due diligence" offers tailored guidance on how small and micro companies in all sectors can identify, prevent, mitigate, and account for the negative impact of their business on human rights and the environment.

Cool Farm Alliance Best-in-Class

Fairtrade has been selected among best-in-class organizations on farm-level climate action to be featured in the **Cool Farm Alliance's Impact Report 2023** (PDF).

Fairtrade has been using the Cool Farm Tool for carbon footprint studies, initially in sugar, then in cotton and tea, and more recently in oranges. New carbon footprint studies using the Cool Farm Tool are underway in coffee and cotton. The report highlights how carbon footprint studies can improve the market competitiveness of Fairtrade farmers and ensure the adoption of agroecological practices is fairly compensated.



Fairtrade Canada 2023 Financial Statements

You can find the full audited financial statements from 2023 in the Resource Library on our website.

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