



Social Accounts
Year Ended: **September 2023**

Investing in a Fairer World.

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ACKNOWLEDGEMENTS

Drafting of this report was undertaken by the Social Reporting Team at Shared Interest: Kerrey Baker, Joshua Betts, Laura Gabriele, Andy Jones, Kodzo Korkortsi, Andrew Ridley, Sally Seddon, Denise Sumner, Arjun Tada and Harriet Urwin. We are grateful to Liz Allen (Chair), Malcolm Curtis, Joe Osman and Anne Tallontire for providing independent verification this year. We also appreciate the support of a number of volunteers whose data entry, research and translation activity has been included in this report. They are: Alejandra, Colin, Elody, Elsa, Feima, Janice, Leyla, Neville, Nick, Peter and Stephen.

Front and back cover images: CAYAT co-operative cocoa producers in Ivory Coast

Front: CAYAT farmers and husband-and-wife Soumia Affouo and Dominique K. Kouame on their cocoa farm in Abidjan, Ivory Coast. Back: A CAYAT farmer holds a cocoa pod.

Welcome to our 2023 Social Accounts

As we compile this set of Social Accounts, we recognise the evolving challenges that are facing farmers and artisans. The aftermath of the Covid-19 pandemic, along with the triple crises of climate change, biodiversity loss and pollution has left a lasting and devastating impact on many lives. According to The Sustainable Development Goals Report 2023 from the United Nations (Appendix 3), this situation has been further influenced by Russia's invasion of Ukraine, leading to increased food and energy prices, as well as higher costs to access finance. The global cost-of-living crisis has clearly affected many people around the world, but we know that developing countries are particularly affected.

In the face of these formidable challenges, Shared Interest Society and Shared Interest Foundation have played a pivotal role in supporting those communities most severely impacted. As our late Founder, Mark Hayes said, "*Shared Interest means solidarity*", and our unwavering focus remains on working hand in hand with smaller, more vulnerable groups who are often unable to access finance elsewhere. Through our financial support, these businesses have not only increased their income but have also made meaningful strides towards poverty alleviation within their communities.

At the heart of our organisation is a community of members united by a shared goal of investing in a fairer world.

Over the past year, we have seen a significant slowdown in the number of new investment enquiries, which we believe is directly related to UK economic conditions, and the associated increased household expenditure. Investment decreased by £0.7m, leaving us with a Share Capital total of £51.6m. Despite these challenging times, our members remain loyal and engaged, with an average membership duration of 16 years. Earlier this year, we had the pleasure to meet face-to-face with 181 supporters at our UK events. As one of our investors aptly expressed: "In a fairer world, Shared Interest might not be needed but it is needed more now than ever."

I am delighted to report that over the last year, we disbursed a total of £49.2m to 173 organisations, supporting the livelihoods of over 412,620 farmers and artisans in 45 countries. Our regional teams in Costa Rica, Ghana, Kenya, and Peru have continued to meet with producers in person, visiting farms and production facilities to gain a comprehensive understanding of the true impact of our support as well as attending multiple industry events and trade fairs to gather market knowledge and business intelligence.

This impact extends far beyond the businesses we support to encompass their communities and the broader environment. The case studies woven throughout this report illustrate the lasting effect our finance can have for farmers and their families.

In South East Ivory Coast, cocoa co-operative CAYAT is leading the way in promoting gender equality, and addressing the region's deep socio-economic challenges. A notable achievement in a traditionally male dominated industry. Director General Awa Traoré said, "*Our objective is that the women within the community become 100% autonomous so that we achieve our main goal, which is the wellbeing of the producers' families.*"

Meanwhile, in the Yucatán Peninsula of Mexico, EDUCE co-operative is supporting 800 beekeepers who depend on honey production for their livelihoods. Facing the challenge of fluctuating demand and prices for their product, EDUCE is able to offer beekeepers a steady income and a stable price for their honey. The co-operative is utilising Shared Interest finance to enable them to prefinance the honey harvest. EDUCE Plant Manager Juan Carlos Munguía said: "*The investors can be sure that for the last 25 years EDUCE has been working in the Maya communities, meaning the very rural, very isolated traditional communities to support a better standard of living for them.... It is consolidating and keeping together families and communities and giving them options for living.*"

While our primary aim remains on lending directly to producers wherever possible, our buyer lending serves as a vital means of indirectly supporting smallholder farmers and artisans in regions that we are otherwise unable to reach.

This year, a large proportion of this finance went to Asia, including India and Bangladesh, where political and economic constraints necessitate a relationship with buyers, as we are unable to support these producers directly.

We remain committed to supporting a wide range of products, including fruit, seeds, sugar, honey, herbs and nuts. Handcraft and textile products continue to hold an important place in our lending, as we maintain our focus on small and disadvantaged producer groups. Notably, we believe that we remain the only social lender to provide finance to this sector. Our support to coffee producers has experienced a slight reduction this year, while finance to cocoa producers has increased to almost 30%. Nevertheless, coffee continues to dominate the portfolio, representing just under half of all finance provision, reflective of the social lender financing landscape as a whole. In the past year, coffee production has been higher than demand, which resulted in a substantial drop in prices between harvesting and selling the coffee. Many customers delayed exports and some sold their produce as non-Fairtrade at a lower price and without the benefit of the Fairtrade Premium. As a result, some customers incurred losses.

Our customers bear witness to the effects of climate change on agricultural production. Farmers, who are already suffering from volatile market prices and rising production costs, face the additional burden of climate change, manifested in extraordinary weather conditions, the prevalence of plant diseases and pests in their crops, variable productivity and harvest cycles. Our Lending Team

has also observed first-hand how even small changes in temperature and precipitation have led to reduced crop yields. The higher average temperatures have also caused an increase in demand for water and a reduction in soil moisture, a particularly concerning issue as most farmers lack irrigation systems.

Our charity, Shared Interest Foundation, has continued its vital work in supporting organisations to develop sustainable enterprises, empowering women and youth, and building climate resilience in remote communities in Africa and Latin America. These projects have enabled us to establish seven new enterprises providing a source of income to 705 farmers (69% women). Moreover, over 800 women received training in a range of topics including agro-processing, soilless farming, Climate Smart Agriculture (CSA), business skills and leadership. We provided training, tools and farming inputs to help over 200 young farmers establish sustainable cocoa and coffee farms. Additionally, 143,269 trees were planted, including coffee seedlings, agroforestry trees and fruit trees, supporting 1,423 coffee farmers.

As I embark on my term as Chair of Shared Interest, I feel immensely privileged to take on this role within such a unique organisation, which I believe stands as an exemplar in social justice. The comprehensive data presented in this report underscores the remarkable impact our finance has had, and we take immense pride in our achievements this year as we continue our mission to foster a world where justice is at the heart of trade finance.



Dr Yvonne Gale
SHARED INTEREST CHAIR

Social Audit Statement

The Social Audit Panel has examined the draft Social Accounts submitted to us and discussed them in detail with Patricia Alexander, Kerrey Baker, Kodzo Korkortsi, Tim Morgan and other members of the Shared Interest Team at the Social Audit Panel meeting held on 23rd November 2023. I have examined the revised Social Accounts which were prepared following the Social Audit Panel meeting and which have considered various points identified in the notes* of the Social Audit Panel Meeting. We also examined a sample of the data and the sources of information on which the Social Accounts have been based.

We believe that the process outlined above has given us sufficient information on which to base our opinion. We are satisfied that, given the scope of the social accounting explained in the revised draft and given the limitations of time available to us, the Social Accounts are free from material misstatement and present a fair and balanced view of the performance and impact of Shared Interest as measured against its stated values and aims and the views of the stakeholders who were consulted.

The Social Audit Panel was unanimous in affirming that the accounts were clear, comprehensive, and thorough, and that much progress had been made in responding to the Panel's recommendations from the previous year. We identified three key points to be taken into consideration during the next social audit cycle:

- i) We would encourage Shared Interest to review the impact on producer groups as the organisation grapples with the dynamics of the fair trade marketplace.
- ii) Consider the number of years of experience lost and gained through staff turnover each year and the opportunities you are offering for purpose driven employment.
- iii) Consider including the start date of the 'offset' fund and including the projects that have benefitted to date.

The members of the Social Audit Panel were:

1. Liz Allen (Chair & SAN Approved Auditor)
2. Malcolm Curtis, retired Head of Lending at Shared Interest
3. Prof. Anne Tallontire, Professor in the Faculty of Environment, University of Leeds
4. Joe Osman, experienced fair trade practitioner

Signed: 
Chair of the Social Audit Panel

Dated: 30th November 2023



* the notes of the Social Audit Panel meeting form part of the social accounting and auditing process and may, by arrangement, be inspected along with the full social accounts at the offices of Shared Interest offices, Pearl Assurance House, 7 New Bridge Street West, Newcastle upon Tyne, NE1 8AQ. Members of the Social Audit Panel have acted in an individual capacity.

Introduction

THESE SOCIAL ACCOUNTS COVER SHARED INTEREST'S FINANCIAL YEAR FROM 1 OCTOBER 2022 TO 30 SEPTEMBER 2023. REFERENCES TO 'THIS YEAR' AND '2023' SHOULD THEREFORE BE READ AS THE ABOVE 12-MONTH PERIOD.

The present set of Social Accounts align with our Theory of Change (ToC) and the report is divided into two parts: Part I describes our activities and operations and Part II covers our impact.

A full picture of our work can be gained by reading these accounts in conjunction with our Director's Report and Financial Statements, which are available for both Shared Interest Society and Shared Interest Foundation (Appendix 1 and 2).

These Social Accounts were produced in accordance with the process recommended by the Social Audit Network UK (SAN). This includes an audit by an independent panel, chaired by a SAN qualified social auditor, members of which are listed on page 3.

In accordance with this approach, we compile these accounts using a combination of internally generated data and consultations with key stakeholders. Full details of our stakeholders and our methods of consultation can be found on pages 65-69.

Where we have quoted comments in the Social Accounts, we have selected these to be an illustrative sample of the balance of opinions from the consultations conducted.

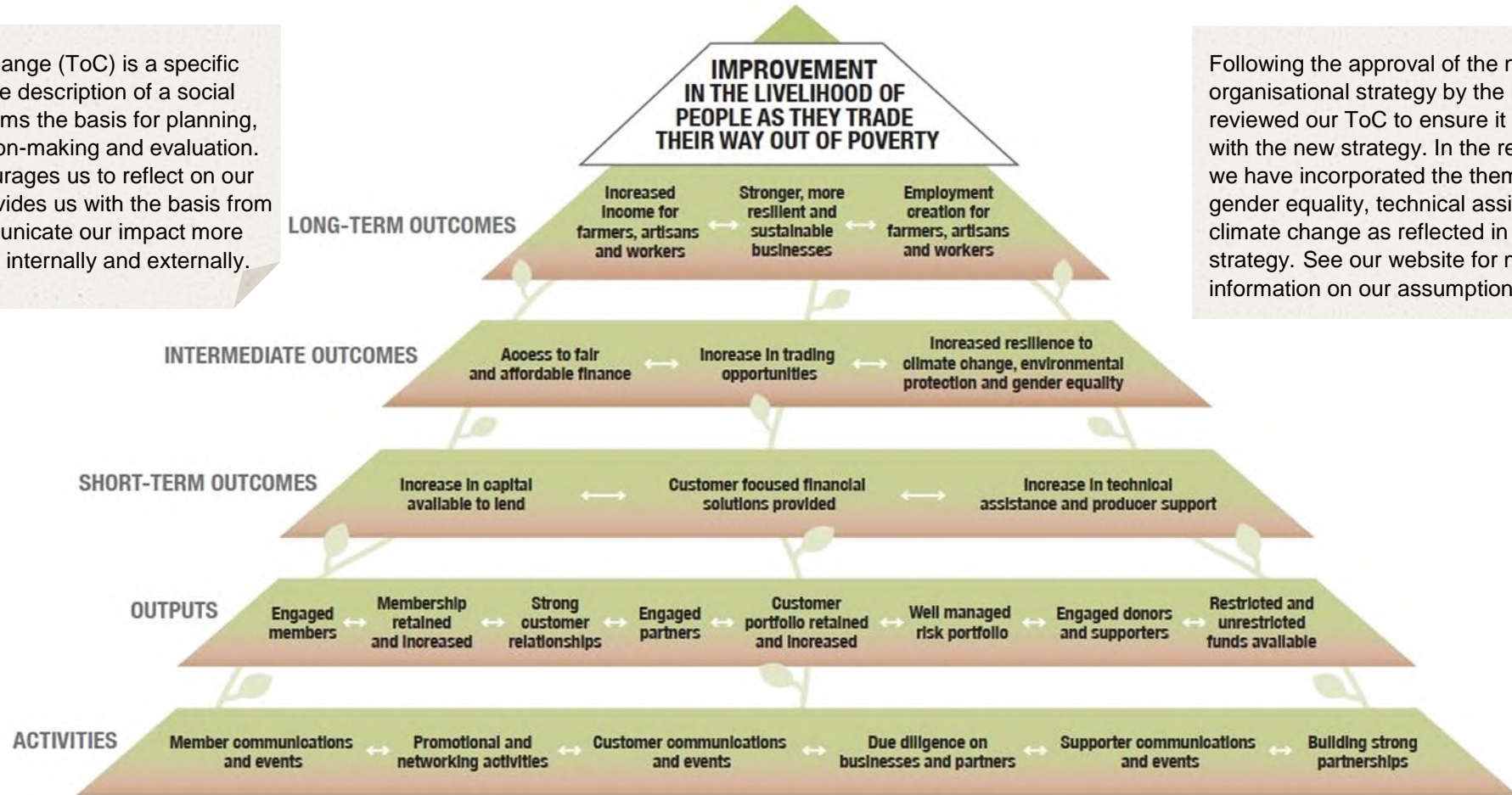


Esmiker de la Peña Huanuire, left, finishes gathering Brazil nuts from the rainforest in Peru while being accompanied by Candela representatives Odeon Cirilo Sanchez Cruz for Candela Peru.

Our Theory of Change

A Theory of Change (ToC) is a specific and measurable description of a social change that forms the basis for planning, ongoing decision-making and evaluation. Our ToC encourages us to reflect on our strategy. It provides us with the basis from which to communicate our impact more effectively both internally and externally.

Following the approval of the new organisational strategy by the Board, we reviewed our ToC to ensure it aligns well with the new strategy. In the revised ToC, we have incorporated the themes of gender equality, technical assistance and climate change as reflected in our new strategy. See our website for more information on our assumptions.



GLOSSARY Member: Shared Interest Society investors Customer: Borrower organisations which enter into a business contract with Shared Interest Society
 Other organisations that receive or make payments via Shared Interest Society Donor: Shared Interest Foundation donors Partner: An organisation we work in partnership with to achieve a specific goal, event or activity
 Supporter: People who help us achieve our goals such as colleagues and volunteers, together with potential members and future donors

Our outcomes

SHORT-TERM

- Increase in capital available to lend.
- Customer focused financial solutions provided.
- Increase in technical assistance and producer support.

INTERMEDIATE

- Access to fair and affordable finance
- Increase in trading opportunities.
- Increased resilience to climate change, environmental protection and gender equality.

LONG-TERM

- Increased income for farmers, artisans and workers.
- Stronger, more resilient and sustainable businesses.
- Employment creation for farmers, artisans and workers.



COOPARM Farmer Maria Acosta holds a sack of coffee beans in the province of Rodríguez de Mendoza, Peruvian Amazon.



CAYAT General Manager Awa Traore with employees at their headquarters in Yakassé-Attobrou, Ivory Coast.



Cuencas del Huallaga members using the AGROS application software to increase the efficiency of their operations, Peru.

The Sustainable Development Goals

In 2015, the United Nations released its blueprint to achieve a more sustainable future for all. The subsequent Sustainable Development Goals (SDGs) are a framework for peace and prosperity for people and the planet. We believe our work contributes to the attainment of specific SDGs from the 17 agreed goals for building a better world by 2030.

Overall, we believe that seven of the SDGs are embedded in Shared Interest's mission and values:

- 1. No Poverty
- 5. Gender Equality
- 8. Decent work and Economic Growth
- 9. Industry, Innovation and Infrastructure
- 12. Responsible Consumption and Production
- 13. Climate Action
- 17. Partnerships for the Goals



About Shared Interest

History

Our journey started in 1986 when development agency Traidcraft Exchange sponsored research into the role of banking and investment within the fair trade movement. It was discovered that the main challenges faced by fair trade producers was access to working capital and buyers struggling to make pre-payments for goods. It was out of this that Shared Interest was created - a unique financial organisation aiming to do business for mutual service rather than for investor profit. The Society was publicly launched in October 1990 with the financial backing of the Joseph Rowntree Charitable Trust and Oikocredit, formerly, the Ecumenical Development Co-operative Society (EDCS). Within a year, we had attracted £750,000 of Share Capital and 600 members.

Today, we have 10,259 members in the UK, each investing between £100 and £100,000. This provides Share Capital of £51.6m. In 2004, Shared Interest established a subsidiary, Shared Interest Foundation. The charity delivers practical business support in the developing world, helping fair trade businesses to improve their governance systems and financial management as well as other business skills. The story of our past 33 years is detailed at shared-interest.com.

Ownership and governance

Shared Interest is an independent organisation with its headquarters in the UK and further team members based in Costa Rica, Ghana, Kenya and Peru. Shared Interest consists of Shared Interest Society and a charitable subsidiary, Shared Interest Foundation. Shared Interest Society is owned and controlled by its membership. It is the sole member of Shared Interest Foundation. Shared Interest Society is governed by a Board of Directors, which is currently made up of nine members; three executives and six non-executives.

In October 2023, Kerrey Baker was co-opted to the Board as Member Engagement Director, taking the Board of Directors from eight to nine members. This appointment represents a significant reinforcement of our Executive Team, placing the members' perspective at the heart of all Board discussions.

Seven of these nine Directors also form the Trustee Board, which governs Shared Interest Foundation. A Council of eight Society members monitors the work of the Society's Board of Directors. The Council has the power to question the Directors and Management Team and, if it sees fit, to address the membership independently.

To ensure the Council is a representative body, four members have been randomly selected for nomination, while the other four members applied for their roles; all were subject to a ballot of members. We hold annual producer committee meetings to ensure the producer voice remains within our governance and decision-making. The meetings were held physically or virtually with producers in all our four lending regions.

Legal Structure and reporting

Shared Interest Society is incorporated with limited liability under the Co-operative and Community Benefit Societies Act 2014, Number 27093R. The Society has submitted timely annual returns to the Financial Conduct Authority as its registrar.

Shared Interest Foundation is registered as a company limited by guarantee in England, Number 4833073, and is a registered charity, Number 1102375. It has submitted timely annual returns to the Charity Commission and to the Registrar of Companies.

Shared Interest has an annual compliance action plan, ensuring a regular routine of internal reviews and external audits against the relevant statutory and voluntary codes. This covers areas such as money laundering and bribery checks; health and safety compliance; risk reviews and data protection.

These topics are also included in induction schedules for all new members of the Shared Interest team. In addition, a key aspects checklist is produced by the Social Audit Network to enable standardised reporting on areas such as human resources (HR), governance, finance, and environmental / economic aspects.

Our Mission

Our mission is to provide financial services and business support to make livelihoods and living standards better for people as they trade their way out of poverty.

We work collaboratively and innovatively with those who share our commitment to fair and just trade.

With a community of investors and the support of donors and volunteers, we seek to contribute to a world where justice is at the heart of trade finance.

The investment of our members enables us to lend money to businesses across the world that follow fair trade principles. (See www.wfto.com/our-fair-trade-system/our-10-principles-of-fair-trade) With the support of our stakeholders, we are able to contribute towards building stronger, more sustainable businesses and improving the livelihoods of people in some of the world's most disadvantaged communities.

The businesses we support range from small producer organisations to large scale coffee and cocoa

co-operatives and buyers. We offer a variety of lending options that enable our customers to finance orders, access working capital, purchase essential machinery and infrastructure, and make advance payments to farmers and artisans.

In addition to finance provided by Shared Interest Society, Shared Interest Foundation provides technical assistance and business support to fair trade producers. They work with community-based groups to develop income-generating activities to support their livelihoods.

We report on our performance during the year under the main activity areas and outcomes detailed on pages 69 - 70. These activities and outcomes contribute to the achievement of our mission.

The Society and Foundation have a shared mission and set of values, which is to conduct our business in a manner, which reflects the principles of love, justice and stewardship. We will:

- ***Work co-operatively with our members as we take and share risk***
- ***Value and engage our donors and supporters***
- ***Encourage the commitment, talents and energy of our staff in an environment of mutual respect***
- ***Work to recognised fair trade standards***
- ***Respect the diversity of different cultures***
- ***Place partnership at the heart of what we do***

All activities and outcomes are reviewed annually by the Social Reporting Team and approved by the Board of Directors.

The key stakeholder groups within each activity area are listed but a full stakeholder list is available on page 65. Read in conjunction with our Directors' Report and Accounts (Appendix 1) and Trustees Report for Shared Interest Foundation (Appendix 2), these activities and operations, as well as our impact, cover all areas of our organisation.



Cuencas del Huallaga farmer Noemi Llano Fernandes holds cocoa pods on her farm in San Martin, Peru.

Part I: Our activities and operations

We engage in various activities to fulfil the mission of Shared Interest. This section describes how our members, volunteers, donors, customers and colleagues contribute towards reaching our operational goals, and highlights key results achieved during the year.

Our members, donors and supporters

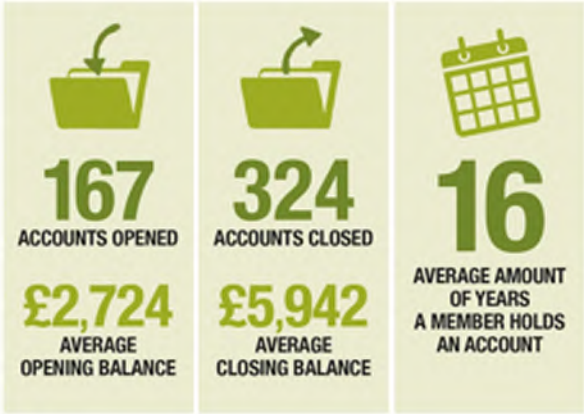
In order to fulfil our mission, Shared Interest depends on the support of members, donors, volunteers and partners. Their contribution, alongside our International Team of colleagues and the producers and buyers we support, enables us to carry out award-winning work in 45 countries.



This year, Shared Interest Managing Director, Patricia Alexander was named as one of the top 100 women leading social enterprise and impact investing across the UK in the NatWest WISE (Women in Social Enterprise) Awards.

Shared Interest Society also proudly continues to hold the Queen's (now King's) Award in Sustainable Development, which we achieved for the third time in 2020. These awards provide us with opportunities to raise the profile of our work, show our impact, and enhance our credibility to existing and potential supporters.

MEMBERSHIP



Society membership

Society membership includes faith groups, fair trade partnerships, small businesses, schools and community organisations. However, 82% of Share Accounts are held by individuals. We closed the year with 10,259 members and investment decreased by £0.7m. A total of £350k was invested online, 11% of overall investments made (2022: £836k) and Share Capital totalled £51.6m at the end of the year.

The average age of a member is 67. The average age of a new member as they open a Share Account is 65 (2022: 59). The median age of a member is 70 (2022: 69). We have a very loyal and supportive membership and the average length of time a member holds a Share Account is 16 years. We were saddened by the passing of Roger Sawtell, aged 95, a long-term supporter of Shared Interest. Roger was one of our founder members and served on our Council from 1990-1997.

Communicating with members

At the core of Shared Interest is a community of members coming together to achieve a shared goal. Although our communications activity is divided into two strands: recruitment and retention, the messaging remains consistent across both: how we can stand together to make positive change.

We communicate with our members in a number of different ways to help them understand the impact of our work. This impact does not just focus on the outcomes of the businesses we support, but also the people involved, and their wider community, as well as broader global issues in line with the SDGs.

Member recruitment

Our analysis shows that new members require a multi-channel approach to communication before opening a Share Account. For example, to see an insert, attend an event and hear about us through word of mouth. In summary, they generally receive at least three forms of communication before taking action to invest. Enquiries tend to be converted in the first seven months after initial contact. For the past year, we have seen the number of new enquiries slow significantly, and we believe that this is directly related to UK economic conditions, causing increased household expenditure, although this is difficult to substantiate.

This echoes our results and over the year, we attracted 167 new members to the Society (2022: 200) with an average opening balance of £2,724 (2022: £2,008). Due to account closures, we saw a net reduction of 157 Share Accounts compared to a net reduction of 31 last year. Although we are not always able to identify why members close their Share Accounts, over the year, 25% said the funds were needed for a project or personal expense, 18% said they were investing elsewhere, 15% closed after the member passed away and the remaining 42% gave no explanation.

Promotional activity

National newspapers and magazines continue to increase their focus on online subscription, registration, and membership. Readership across the publications we work with has remained steady this year and our efforts have been concentrated on titles that have shown a positive impact on increasing membership.

In line with this, we have expanded our online advertising presence and arranged packages that include online exposure through magazine-associated websites and social media channels. We have also continued with our insert campaigns in subscription-

based magazines such as Amnesty and New Internationalist while maintaining our relationships with The Big Issue and Guardian Weekend magazine. Our data indicates that we recover the expenditure on such promotional activity within two years.

Additionally, we have also conducted research on new titles, using insights from our Member Survey conducted in 2021. This year, we ran insert campaigns in magazines such as The Walk, Earthmatters and Clean Slate magazines.

In February, we commissioned a cover wrap and online homepage takeover with The Big Issue magazine during Fairtrade Fortnight. These activities provided an opportunity to shed light on the message of food insecurity while reaffirming our support of fair trade.



Our 2023 Big Issue cover wrap featuring Fiorella Anchiraico Montalvo, Inka Moss harvester (left) and our feature in the Newcastle Journal (right).

The theme of climate resilience was also prominent across our insert campaigns, which is focusing on Inka Moss. This social enterprise supports sphagnum moss farmers in Peru, and our publicity explained how Shared Interest finance enables farmers to supplement their income by sustainably collecting moss in a way that complements the natural ecosystem.

In summary, our efforts continue to encourage potential members to be part of our global community, involving both our customers and International Team. In other words, our messaging promotes the concept of global citizenship.

‘Promoting global citizenship in sustainable development will allow individuals to embrace their social responsibility to act for the benefit of all societies, not just their own.’ (Source: United Nations Academic Impact Report 2022)

Every year, we produce an Annual Review for both the Society and our charity, Shared Interest Foundation, and include a summary of these documents within the winter issue of QR. To reinforce the message of global citizenship, this year, we developed a centre-spread within our Annual Review that connects our customers, colleagues and volunteers, using authentic quotes and accompanying photography.



Our 2023 Annual Review (left) and Ordinary Share Account brochure (right)

For our younger investors, we produce a ‘Little Book of Fairness’ as part of our efforts to engage members under the age of 16. Targeted at primary school children, this publication continues to evolve and is now part of a comprehensive set of resources.



Our Little Book of Fairness

This year, we refreshed the design of our Ordinary Share Account brochure and application form, bringing messaging in line with evolving language as well as updating customer case studies.

In-line with this we refreshed the look and feel of our Midi Enquiry Pack alongside an edition for a faith-based audience. Our Midi Enquiry Pack is a condensed version of our full Ordinary Share Account brochure, and is often used by volunteers at events. We have also developed a ‘Resource Pack’ for supporters to use, which contains a suite of materials specifically aimed to provide information about what we do, and the positive impact of our work.

Online promotion

The ability to apply for a Share Account online is a crucial tool for attracting new members. Typically, Share Accounts are opened with a modest minimum investment of £100, with members gradually increasing their investments in the subsequent months. We are continuously streamlining our online application process to enhance conversion rates, and this year we have enhanced the user experience for our online Member Portal. We have also introduced the functionality to access accounts in EUR and USD, building on the progress made last year.

This year, we carried out a comprehensive review of the Shared Interest website. We updated images and content to align with our revised ethical content gathering procedure. Collaborating closely with the Lending Team, we developed content for the blog section, addressing key themes like climate resilience and certifications. In response to member feedback, we introduced a new commodities index on our website, promoting products that have a direct connection to the farmers and artisans we support.

We also updated our ‘What we do’ animation, to align with website development and external marketing activity. Additionally, we expanded our collection of film content by working with Translators including volunteers, to create captions in French, Spanish and Kinyarwanda. This content was integrated into our YouTube channel, website and shared via social media, to enrich our storytelling.

To monitor website activity, we utilise Google Analytics, and in July 2023, we transitioned to Google Analytics 4 (GA4), a next-generation analytics platform. This new version collects event-based data from websites and apps, allowing us to understand the visitor journey as online media consumption evolves. Since the data

collected in 2022 is not directly comparable to that of 2023, we cannot provide a year-on-year figure for website traffic for this specific period. However, we will be able to report this figure in the upcoming year.

Based on the new data available from GA4 since July 1, 2023, the Shared Interest website has welcomed 1.9k individual visitors, with over 56% accessing it through desktop devices. These analytics enable us to analyse user behaviour, including how users arrive at our site and which pages they visit.

Additionally, we have gained the capability to target our online advertising to specific audience segments based on their search activity. Our team underwent training on how to use this feature, and we will report on the data collected in the Social Accounts for 2024. This year, we maintained a higher percentage of our marketing budget for online activities while ensuring brand security and avoiding association with unsuitable websites.

Social media

In 2023, we strengthened our presence on social media. YouTube views rose by 105% (2,061) with a 13% increase in subscribers compared to 2022. Our Facebook content was viewed by 35% more accounts (8,320) due to varied formats and frequent posts. Additionally, LinkedIn followers increased by 27% (888), attributed to enhanced collaboration with our Lending Managers.

We diversified content with infographics, direct customer quotes, blog updates, and publication features. Our relationship with the Lending Team brought real-time content from our colleagues in the field. Collaborating with our Partnership Manager, we expanded our 'Feed Me Fairtrade' YouTube series, broadening our outreach.

Lightful remains a key tool for scheduling authentic content across Facebook, LinkedIn and X (formerly Twitter), enabling us to post content outside of working hours, and ultimately reach more users. We have begun using YouTube's scheduling feature to post weekly videos to a growing audience. In the coming year, we plan to utilise Instagram's new publishing feature with the aim to enhance interactions. We have also created a LinkTree account, consolidating the links to our Instagram, Facebook, LinkedIn, X and YouTube channels, resulting in a 24% click-through rate, streamlining the user journey and optimising calls-to-action.

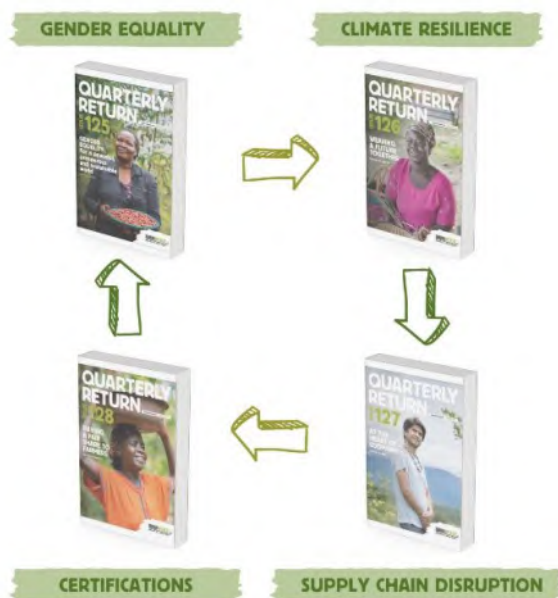
Member retention

In the last Member Survey, members commented on our excellent customer service. Over the past year, we continued our focus on improving our levels of engagement, building up members' understanding and knowledge of their investment and impact through our quarterly magazine, e-newsletters and phone calls.

Quarterly Return (QR) magazine remains our predominant tool to engage with current members. It has developed in line with our brand over the past 33 years, however, its main objective has remained the same: to inform and engage individuals on the impact of their investment.



This year we have continued to feature themes in our member magazine as set out in our Strategic Review, connecting these themes with the challenges faced implement. We have also begun to add more interactive content using QR codes, signposting members to engage with content online such as films, social media and information that is more detailed.



Over a third of our membership reads our member magazine online, via a quarterly email, which achieves an average open rate of 66%, compared to the Email Marketing Benchmark Report, which found the average email open rate was 21.5%, across all industries in 2021.

We continued to enhance readers' online experience with the use of new page-turning software and an ability to embed films as well as links to related content on our website. We further developed the use of this platform this year including additional interactive content. This continues to improve the Search Engine Optimisation (SEO) of our website, an ongoing activity, which involves several elements, including making our content richer through features such as a blog and information on more general topics related to our work.

We continue to promote both online and postal management of Share Accounts dependent upon member preference. We now have 45% of our members using the Member Portal (2022: 48%), which is a slight fall from last year as some members have switched back to postal communication, stating they felt fatigued with the volume of online communication generally.

Events

Our Annual General Meeting (AGM) has been held online since 2021. This year's event took place on Friday 17 March 2023, with an audience of 145, lower than the 249 attendees in 2022, but still higher than we have previously seen in physical face-to-face AGMs. Fewer members also took part in our AGM voting process (1,003 compared to 1,311). The number of members voting online increased to 406 in 2023 (2022: 338), and as an overall percentage of votes taken, 41% of votes were placed using the online system compared to 30% last year.

The following comments are a selection taken from online feedback forms provided to members:

"I felt the AGM was excellent - both content and presentation - thank you to all involved."

"The meeting was conducted very well and the answers to the questions asked were full and informative, particularly on the relationship with the Foundation. As a long-term though modest investor I am full of admiration for what Share Interest achieves."

For the first year since the pandemic, we held our supporter events in-person, and in May and June, we visited Edinburgh, London and York to meet with members. We also welcomed guest speakers to each event from Just Trading Scotland, Zaytoun and customer Inka Moss. Across all three events, 181 members and supporters attended.



Our London supporter event, held June 21st 2023

The following comments are taken from feedback forms provided to attendees:

"I felt very much in need of hearing some positive news and I wanted to be inspired-which I have."

"I attended the event to find out more and meet fellow supporters."

"I always find your meetings encouraging and positive- It's great to know that we are achieving something."

"Shared Interest local meetings are always interesting and worthwhile. I am always encouraged to know that my money is helping people to be employed."

"I wanted to feel more engaged with Shared Interest after investing during the pandemic."



Cuencas del Huallaga members retrieve and split cocoa pods open on their plantation in Peru.

Ethical content gathering

The support of interpreters and translators (as described within 'Our team') has become more prevalent this year as we continue with our aim to bring the voice of producers to the centre of our storytelling. By sharing their experiences and perspectives, producers help make our communications more powerful and effective by bringing the impact and importance of our work to life. In return, we have a responsibility to tell their stories authentically and manage their contributions ethically across all types of content – words, photography and film.

At the core of this process is our ongoing contact with producers to explain the purpose and outcomes of our storytelling, which is an important part of achieving their informed consent. Through our participation in the People in the Pictures group and Communications Working Group, (run by Bond, a UK network for organisations working in international development), we have been able to share and discuss good practice guidelines.

This year, we also joined Mile 91. Set up in 2006, Mile 91 support international development charities to develop their storytelling strategies, through collaboration and training. These connections enable us to continue to develop our content gathering process to ensure that it supports contributors' rights to participation and protection. With a wide range of different languages involved and varying levels of accessibility, we work with organisations to understand how best to achieve this and adapt our approach accordingly. We have developed a portfolio of approved in-country photographers and filmmakers, which enables us to produce more accurate and authentic content for use in our promotional materials. Film and photography took place with the support of COOPARM coffee farmers in Peru, CAYAT cocoa farmers in Ivory Coast,

EDUCE honey producers in Mexico and Cuencas del Huallaga cocoa farmers in Peru. This content will be featured across our online channels and print publications such as QR. In areas where we do not have a prior connection or areas we assess as higher risk, we work with Fair Picture who provide access to an approved global network of professional visual creators. This year we worked with Fair Picture to gather photography for EDUCE.

Our Longitudinal Case Studies, featured in this report, form a large part of our content gathering activity. This involves interviewing, photographing and filming people at all levels of the supply chain. The interviews are carried out by the Shared Interest Team (with the aforementioned translation and interpretation support where necessary).



Bond is the UK network for civil society organisations working to eradicate global poverty, inequality and injustice.

We are members of Bond and this gives us opportunities to network with other organisations working in international development as well as staying up to date with national and international news from the sector.

We have engaged with their work on ethical content gathering, both learning and sharing to build our knowledge in this important topic.

Supporting our charity

Our charity, Shared Interest Foundation, is supported by donations from 2,089 donors (1,548: 2022), and grants from Trusts and Foundations. The majority of these donors (1,833) are members of the Society. Unrestricted income totalled £393,071 (£217,034: 2022) and restricted income totalled £142,921 for 2023 (£93,496:2022).



Image of our Legacy booklet.

The high level of unrestricted income was largely due to an increase in large donations from members who have left a legacy or closed their Share Accounts and donated their investment. This money is used to implement projects aimed at the development of sustainable enterprises, empowering women and youth, and building climate resilience in remote communities within Africa and Latin America.

In 2021, we reported that our Member Survey showed that 57% of respondents said they were aware of the Foundation and 68% said they would consider donating in the future. Members were also asked if they had signed a Legacy form in favour of Shared Interest Foundation; 92% said they had not. In October, we ran a Legacy campaign within QR, receiving a positive response. We repeat this exercise biennially.

During Fairtrade Fortnight, Shared Interest Foundation held an online event focusing on the future of food. The event involved Foundation Manager Kodzo Korkortsi and Foundation Development Officer Harriet Urwin giving an account of the Foundation soilless farming project in Burkina Faso, alongside project partner PNCE-B and Dr Salifou Ouédraogo at Nazi Boni University.

We will continue to inform members of the options available in addition to holding a Share Account, such as making a donation to our charity. Last year, we integrated the donor database with our investor database, which has helped streamline communications. Using clear messaging at supporter events, in newsletters, via the online Member Portal, and through additional information about their interest donation, we hope to upscale those who already donate, encourage more members to donate on closure, and attract legacy income.



Members of our soilless farming project refill plastic buckets with substrate as they adopt new techniques.



A soilless farming project participant applies organic pesticide to treat her farm.

Our lending

A recent report published by the Smallholder and Agri-SME Finance and Investment Network (SAFIN), stated 'Recent years have presented shock after shock, not only to the agriculture sector but to the global economy as a whole. From restrictions on labour movement, steep increases in input prices, logistical bottlenecks, and falls in market demand, global crises have threatened the livelihoods of agripreneurs everywhere.' (Appendix 4)

This backdrop emphasises how the need for our finance is increasingly important. Our aim is to continue to be a trustworthy and respected social finance provider, with a special focus on supporting smaller, more vulnerable groups often unsupported by other lenders. As these groups grow their businesses, they can increase their income and make meaningful contributions to poverty alleviation in their communities.

Covid-19, global inflation and recessionary pressures, exacerbated by some political instability in certain countries, have disrupted economies worldwide over the past three years. This has resulted in reduced demand for products like coffee and cocoa while input prices have risen, partly due to the Ukraine conflict. Consequently, borrowers from Shared Interest now have the challenge of shrinking profit margins due to lower product demand and higher input costs.

Weak governance and poor financial management by customers are constant challenges when managing our lending portfolio. We encounter this more often in the southern hemisphere section of our lending but at times, in the north too. These issues carry significant consequences, as inadequate business management ultimately leads to loan defaults if left unaddressed.

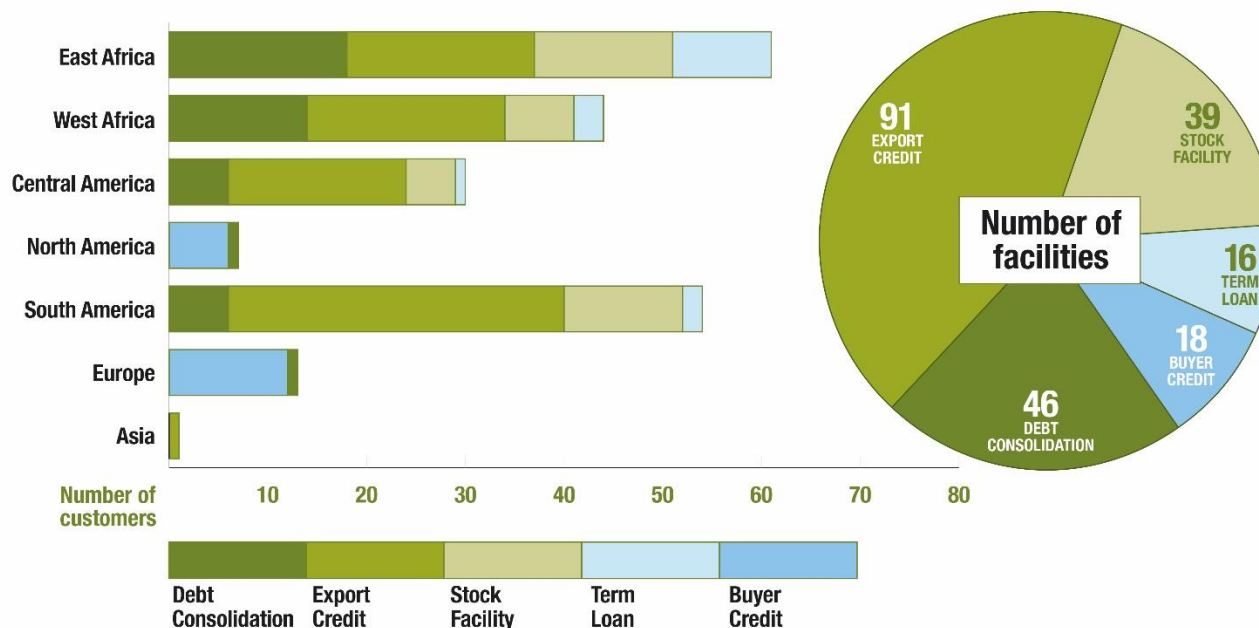
While we have achieved notable success in recovering longstanding doubtful debts, ongoing disruptions to trading conditions have compelled us to make the prudent decision to allocate provisions for a higher number and value of customer accounts than usual this year (£1.45m).

To mitigate the risk to our members' investment and provide effective finance, we are committed to learning and understanding the circumstances of the people and products we support and believe that communication with actors throughout the supply chain is vital.

Our monitoring and evaluation process involves portfolio-wide social and financial due diligence on new and renewing customers as well as careful consideration of all disbursement requests.

In July 2022, our Board made the landmark decision to pass lending approval for all applications from the Board to members of our Senior Management Team within a Credit Committee, which strengthened the internal process as it has led to shared knowledge and a more agile approach to decision making.

Type of facilities per region



Providing a reliable source of finance

We continue to support fair trade organisations through two channels: direct lending to producer groups in Africa and Latin America (producer lending) and indirect lending to fair trade wholesalers, FLO Traders, and retail businesses in the Northern Hemisphere (buyer lending), which indirectly benefits producers in Asia.

Our lending solutions encompass both short-term and medium-term options. Short-term lending includes Export Credit, Buyer Credit, and a Stock Facility (similar to working capital). These options provide upfront funding for order fulfilment and stock procurement. On the other hand, our medium-term lending, known as a Term Loan, aids in infrastructure development and equipment acquisition. Appendix 5 offers a more detailed overview of our lending products.

Export Credit and Buyer Credit are revolving lines of credit, tied to contractual agreements that are repaid as contracts are fulfilled. This approach allows us to lend over the course of a year, more than the total of our Share Capital. Stock Facilities help customers to access finance when contracts are unavailable at that point in the harvest cycle.

Term Loans are instrumental in supporting our customers' infrastructure improvement projects, enabling them to acquire necessary materials and machinery to enhance their production capacity and the construction of buildings to assist in their growth and longer term plans.

Some of our customers manage multiple facilities, such as Export Credit and Term Loans. Globally, we currently oversee 210 facilities allocated to 173 customers (230 facilities and 185 customers in 2022). Short-term financing via Export Credit continues to be the predominant borrowing choice. This mix of facility types has remained stable throughout the year.

Currently, 22% of our total portfolio consists of debt consolidations (21%: 2022). These are accounts that have defaulted but have since been restructured over a new term. The higher number of consolidations reflects the increased default rates we have encountered over the past 24 months.

Historically, debt consolidations have primarily occurred within our African portfolio. It is crucial to recognise that we are dealing with organisations in a vulnerable state. Consequently, our plans are meticulously constructed, accounting for slim profit margins, the dedication of their members in supplying products, and securing a trusted buyer's commitment to purchase their products and offer a viable route to market. Given the market challenges described above for several of our customers we are working with, it can take some time to reach a mutually agreeable repayment plan.

The majority of our committed lending (91%) supports producer groups, the same percentage as 2022. We also assist buyer organisations, but this has reduced lately due to challenges in the handcraft market. Despite this, lending to buyers is crucial in fair trade, as they must provide a 50% upfront payment to producers per WFTO Fair Trade Principles. Shared Interest helps by facilitating 'recipient producer payments.'

In India, Bangladesh, Nepal, and Pakistan we are unable to lend and get our money back due to financial regulations. By offering credit to buyers, often based in Europe and North America, we indirectly help these producers access working capital, enabling buyers to pay artisans and secure raw materials for timely order fulfilment.

Customer and portfolio development

It is crucial for our organisation to continually improve and diversify our lending portfolio to maintain a healthy risk balance. Equally, we must prioritise the

development and support of our existing borrowers within the Society.

As per the 2022 Social Accounts report, numerous organisations faced export delays attributed to the global logistical crisis and the limited availability of sea freight containers. These challenges primarily led to extended contract delivery times, elevated operational expenses, and postponed payments from buyers. We also reported supply chain delays, along with a shortage of fertilisers and other essential agricultural inputs, which led to a surge in prices, often making them unattainable. This was exacerbated by the conflict in Ukraine, as a significant portion of fertiliser is produced in Eastern Europe.



Honey and blueberry co-operative Apicoop, located in Chile faced logistical challenges.

Shared Interest is one of the founding members of the Council on Smallholder Agricultural Finance (CSAF). Within CSAF, members gather to exchange insights, establish industry norms, and promote good practices. They also work collaboratively with other stakeholders to address challenges hindering market growth and overall impact. This collaboration and its contributions are detailed in the CSAF State of the Sector 2023 report, which covers the period January to December 2022

(Appendix 6). This report states that one of the prevalent risks faced by members relates to organisational challenges within small and marginalised producer organisations, often characterised by inadequate governance and subpar financial management. This issue is especially pronounced among emerging enterprises, and it may have contributed to the trend of some CSAF lenders gravitating towards larger loan sizes in the past decade. Shared Interest is committed to lending to the more marginalised smallholder farmers and artisans despite the below-market financial returns, and we are hoping to continue to deepen our impact.



Council on Smallholder Agricultural Finance (CSAF)

<https://csaf.org/>

SDG – 8, 10, 13, 17

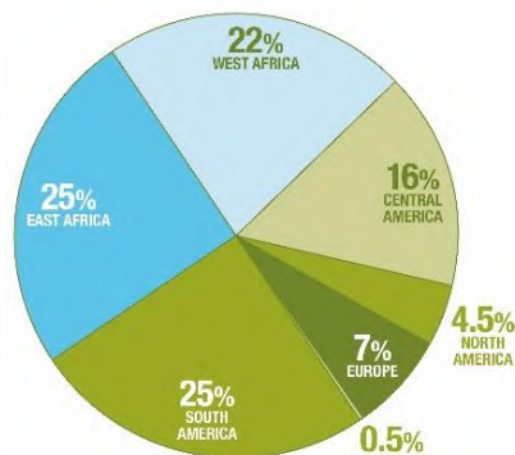
The leading global network of lending practitioners promoting an inclusive finance market for agricultural SMEs.

For the second consecutive year, we have seen a reduction in our total number of customers. By the end of September 2023, there were 173 Shared Interest customers, consisting of 153 producer groups (2022: 165), 70 in Latin America, 82 in Africa, and one in Asia, together with 20 buyers (2022: 20) 13 in Europe and seven in North America.

The number of customer accounts that have been closed has exceeded the number of new customers added, resulting in a net reduction in the portfolio of 12 accounts. In total, 15 customer accounts were closed in

the last financial year. Reasons for closure include but are not limited to, poor management of our funds resulting in unreasonable delays in repaying our lending, uncertainty about the future use of funds due to poor performance on managing the market volatilities, key changes to decision makers making operations too risky, poor financial performance including high losses almost leading to insolvency and high debt defaults, an unwillingness to provide security even if this is available, and lower interest rates elsewhere. Only three new customers were added as the Lending Team temporarily focused their attention on the management of existing accounts, annual reviews and debt recovery. There was also staff rotation in the South American region which also had an impact. The low level of new accounts is something we are mindful of, as it is important for us to replenish the portfolio. We continue to work in line with our strategic plan, which emphasises the need to look for innovative ways to support producers in adapting to climate change, reaching new markets, and further diversifying our portfolio.

Customers per Region in 2023



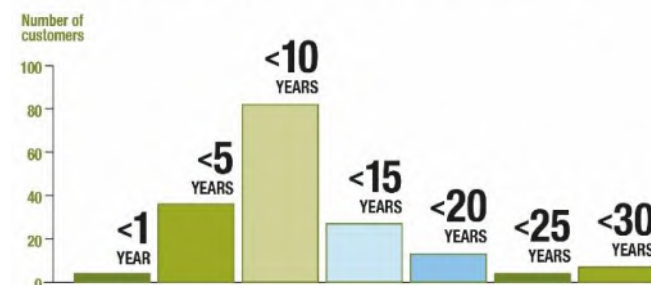
Customer relationships, communication and events

Shared Interest celebrated its 33rd anniversary in 2023, and we want to acknowledge our commitment to our customers. One notable aspect is our long-standing relationships with four customers who have been with us for over 25 years building their capacity and facilitating trade. Maintaining these relationships has been significant; thanks to the dedication of our team and the trust we have built over three decades. We are very proud of our record over this time and have seen a great number of organisations achieve growth and success.

Maintaining a consistent message in communication with all our customers is crucial to effective lending portfolio management. However, it is important to recognise that not all customers have reliable access to communication channels, particularly those residing in remote rural areas. This emphasises a need to ensure that our messaging is tailored, clear and concise to meet the needs of our customers.

Our regional representatives attended many meetings, workshops and over 10 international events during 2023, including; Fair Trade Ghana Network Annual Congress, Association of Soya bean exporters producers in Togo, Alliance For a Green Revolution in Rwanda, AFCA (African Fine Coffees Conference & Exhibition), the Specialty Coffee Expo in US and BIOFACH in Germany.

Length of relationship with Shared Interest customers



Products financed

The chart below shows the split of lending for different types of products as a percentage of overall disbursements made.

Coffee

Coffee continues to represent the largest of our value chain exposures. This simply reflects the size of the fair trade and organic coffee market and its need for trade finance. It also mirrors the impact of the financing sphere as a whole and we experienced a very small reduction in disbursements from 49.4% (2022) to 48.3%.

This is a result of the closure of some unutilised and high-risk accounts, along with some additional accounts borrowing at lower levels than we anticipated as part of our annual business planning.

Last year saw an excess level of coffee production when compared to the level of demand. This oversupply led to a substantial drop in prices during the period between the harvest and sale. Many customers were forced to postpone their exports and/or sell their produce as non-Fairtrade, commanding a lower price and without the additional Fairtrade Premium. Some incurred losses. Predictably, this financial pressure had an adverse impact on customers, many of whom were already experiencing heightened expenses for agricultural inputs and ongoing logistical disruptions. We have seen buyers delay orders and this could lead to the potential loss in sales for Fairtrade farmers, but it is believed that this will settle and the higher price will gain market acceptance.

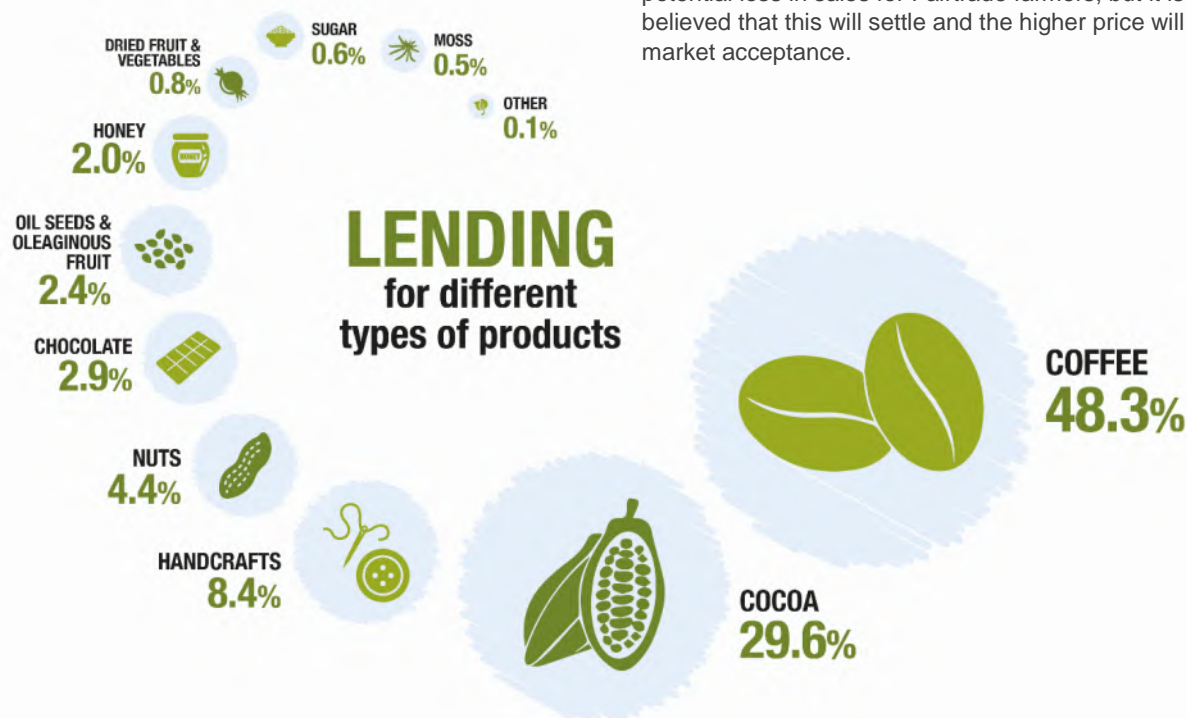
Arabica accounts for 75% of the world's coffee production, and is mostly cultivated in Brazil (40% of the world's total supply) and Colombia. Robusta accounts for the remaining 25%. Robusta is the coffee bean that is popular in Europe and espresso coffees, while Arabica beans are popular in the US.

In the past 12 months, the C price – the benchmark price for commodity-grade Arabica coffee on the New York International Commodity Exchange and the world benchmark for coffee futures contracts – has been falling. For most of 2022, the price enjoyed highs of over \$2 per pound, but a combination of overly optimistic production figures and weaker economic conditions dampened demand and caused the price to tumble to \$1.47 per pound at the end of September 2023. Prices have averaged \$1.42 per pound over the past decade.

The Fairtrade Minimum Price is an important safety net for coffee farmers, protecting them against the volatile nature of coffee prices. Since the current Fairtrade Minimum Price came into effect in 2011, it has been above the global market price 52% of the time. During the most recent low point in 2019, where the C price dropped to 87 cents per pound, the Fairtrade Minimum Price was 52 cents higher than the market price (not including Premium) – a 60% benefit for farmer co-ops.

In addition to the protective support of the Fairtrade Minimum Price, Fairtrade-certified farmers also receive a \$0.20 per pound social premium. This is an additional sum of money that is collectively invested in projects decided by the producers themselves, to improve productivity, climate adaptation, quality, infrastructure, and basic community services as decided by producer groups themselves, identified as priorities by the farmers and their organisations.

This year we saw the Fairtrade Minimum Price for Arabica beans increase on the 1 August, to \$1.80 per pound, an increase from \$1.40 per pound. (More than 80% of all Fairtrade coffee sold is washed Arabica). Producers holding Fairtrade certification often do so for the consistent price floor and differential that enable capacity-building and environmental protection.



Cocoa

The amount disbursed in cocoa has increased from 21.8% to 29.6%, largely due to the increase in the selling price of cocoa in West Africa following the introduction of the living income differential (LID), see page 46. In line with the global market, some disbursements are made to producers in East Africa (23%) and South America (18%), but the majority are made in West Africa, specifically Ivory Coast.



Annita Akkafou (top) splits a cocoa pod, whilst cocoa beans are processed (below), CAYAT, Ivory Coast.

The world's cocoa supply is mostly concentrated in tropical zones around the Equator, where climate conditions are well suited for growing cocoa trees. Seventy percent of the world's cocoa beans come from four West African countries: Ivory Coast, Ghana, Nigeria and Cameroon. Latin America produces 16% of the world's cocoa beans. Research by Oxfam in May 2023 found that nine out of 10 cocoa farmers said they are worse off since the pandemic. They also revealed that 90% of Ghanaian cocoa farmers do not earn a living income, with many of the 800,000 farmers in the country surviving on just \$2 a day. Overall, they estimated that net incomes had fallen by 16% since 2020 despite the chocolate industry's estimated annual worth increasing to \$130 billion.

Studies show that only 6% of the retail price of a bar of chocolate goes to the cocoa farmer in West Africa. Farmers selling on Fairtrade terms are guaranteed minimum price for their cocoa beans and an extra premium. This currently stands at a minimum price of \$2.4 plus a premium of \$0.24 per Kg of cocoa beans. However even in the Fairtrade system, African cocoa farmers find it hard to make a decent, living income with farmers typically only selling half of their cocoa production under Fairtrade terms, as Fairtrade cocoa production exceeds worldwide demand for Fairtrade cocoa.

One of the main advantages for farmers who work in Fairtrade certified organisations is the support they get from their co-operative. They receive training and can split costs and expenses, such as trucks, agricultural equipment and storage space. Being in a group also gives them more negotiating power. These farmers can offer guarantees to buyers in terms of both quantity and quality, which allows them to negotiate better contracts.

The farmers can also learn from one another and share best practices.

Handcraft and textiles

Handcraft and textile products continue to have an important place in our lending, accounting for 8.4% of our lending. This has reduced from 12.5% in 2022 due to a reduction in global demand for handcrafts including textiles, due to the worldwide recession. We however maintain our focus on small and disadvantaged producer groups, and believe that we are the only social lender to provide finance to this sector. Additionally, it is worth noting that disbursements for handcrafts are made mostly through buyer lending.



The women of Amongtaaba Basket Weavers Group (working with TradeAID) weave ornate straw baskets in Bolgatanga District, Ghana.

Due diligence and management of our risk portfolio

We provide support to businesses operating in vulnerable areas, often facing challenges posed by climate change and fluctuations in commodity prices. Our commitment is to extend financial services to these businesses while safeguarding the capital invested by our members from undue risk. To achieve this, we have established a detailed due diligence process, which has proven even more crucial given the supply chain disruptions and many other challenges witnessed this year.

Our standard process includes an on-site visit to the business premises, allowing us to assess and gather valuable insights. However, we understand that certain locations may pose logistical challenges, making physical visits unfeasible. In such cases, we accept virtual due diligence reports, which include video evidence, provided they are comprehensive and accurate. These virtual assessments are followed up with a physical visit when possible, ensuring that our lending decisions are well-informed.

Our lending decisions are guided by our credit policies, which play a crucial role in mitigating risk exposure. The Board has approved prudential lending limits that clearly outline the allowable proportion of our Share Capital that can be extended as loans, categorised by commodity and country risk. These limits are not static; instead, they are subject to periodic revisions. These revisions are driven by our continuous assessment of lending outcomes and a meticulous evaluation of associated risks.

As our Share Capital fluctuates, we simultaneously adapt the availability of funds that customers can borrow for specific commodities or in particular countries. This expansion of lending capacity becomes possible because it ensures that we do not breach the prudential lending limits that would otherwise constrain our lending activities in those areas.

Due to the elevated default rates, we have taken a series of actions in the past year to mitigate the potential impact. Out of a portfolio consisting of 173 customers, regrettably, 102 of them currently have varying levels of arrears. Among these accounts, 68 have been in arrears for three years or more. It is essential to note that we only write off an account when we have confirmed that the associated business has ceased to exist, and there are no means for the signatories or guarantors to make repayments. As of now, the arrears committee consider many of the accounts in arrears to be recoverable.

Over the past year, our utilisation of third-party services such as debt collectors and legal professionals has increased although we have been very careful to appoint professionals that follow our ethical code of conduct. Given the associated costs, we exercise extreme diligence when deciding whether to take such action. In some cases, a business may still be operational but lack of saleable assets makes the cost of collection impractical. However, our decision-making process becomes more straightforward when we hold security of some kind. This security can take various forms, including a land title, a mortgage on a property, a lien on stock, a personal guarantee, or a promissory note (commonly used in Latin America).

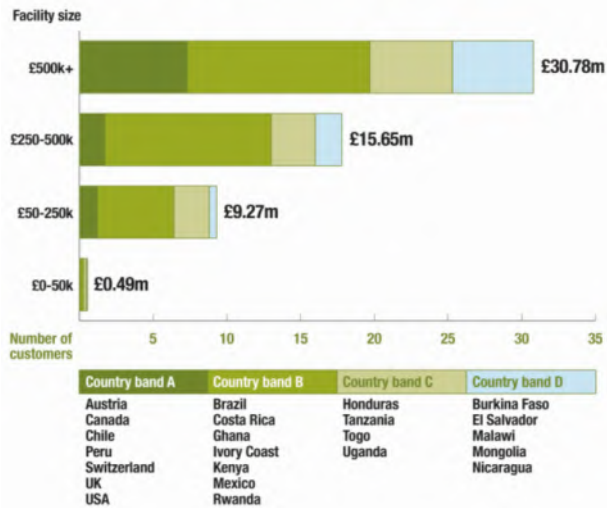
As part of our annual financial reporting, we are obligated to calculate an allocation for doubtful debt for the year and then create a provision for these amounts. This calculation involves reviewing the outstanding balance of customers in arrears and determining how

much of that debt we believe is recoverable. Currently, the arrears portfolio includes 20 customers for whom we have made 100% provision. This means that if we were to make the decision to write off these accounts, we would not incur any financial loss. However, it is important to note that all 20 of these businesses are still actively trading. Any funds recovered from these accounts would be considered a gain against our overall annual doubtful debt expenses, providing us with an opportunity to allocate less than initially budgeted for doubtful debt costs this year. For a more comprehensive breakdown of the figures and the profile of our doubtful debt provisions, we encourage you to refer to our Directors' Report and Financial Statements for the fiscal year 2022/23, which can be found in Appendix 1.

To effectively manage the risk associated with our country-related operations, we have established a detailed risk assessment system together with an independent organisation known as Coface. This allows us to categorise countries into eight distinct risk bands, providing us valuable insights and data to make informed decisions. For a more thorough understanding of country risk and its intricacies, please refer to Appendix 7, where you will find a detailed explanation.

These country band risks fall into categories A to D, with A being the lowest risk and D being the highest. In order to mitigate risk, we have prudential limits specifically tailored to control our exposure to countries falling within the C and D risk categories. These limits play a crucial role in safeguarding our interests and ensuring a well-balanced risk profile in our operations. The following graph is a good representation of this, with exposures in category A and B outweighing the perceived riskier lending done in category C and D risk countries.

Facility Size vs Country Band: Committed GBP



This graph also illustrates our lending distribution across different country risk categories and the size of their facility. It is worth noting that a significant majority, specifically 83%, of our producer customers operate with lending facilities totalling less than £500k, the same as 2022. This figure stands in stark contrast to the broader landscape among social lenders within CSAF, who generally have much larger facilities and where only 35% of facility limits total less than USD 500k (equivalent to £446k). This contrast emphasises Shared Interest's unwavering commitment to our aim of supporting smallholder farmers and small artisan groups where we know our finance will have the biggest impact.

In addition, we use a risk scorecard matrix for each customer, which consists of both quantitative and qualitative indicators, weighted according to their potential impact on the performance of a business.

This then allows us to fairly and consistently evaluate the potential risk to our capital, allowing us to calculate a risk premium, which is reviewed annually.

Disbursements

When we refer to disbursements, we are encompassing any funds sent as part of an Export Credit payment (prefinance request), Buyer Credit payments made to suppliers, or the release of a Stock Facility or Term Loan.

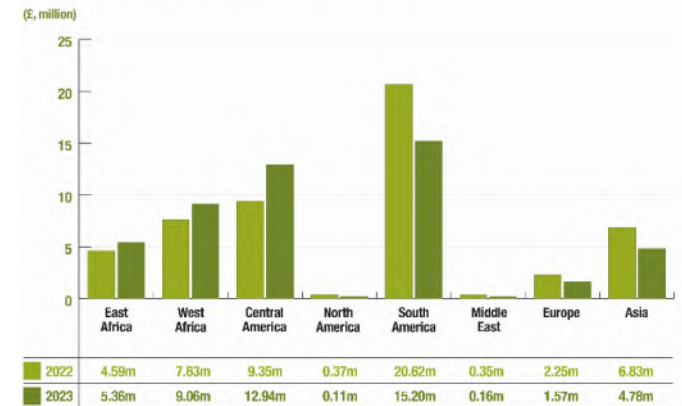
During 2023, a total of £49.2m was disbursed compared to £51.9m in the prior year. This reduction was driven almost exclusively by lower levels of disbursement in South America. In this region, we saw a closure of five accounts whose total facility value reach was USD 2.25m. In addition, South America is the region mainly affected by the effects of the new Fairtrade Minimum Price in coffee, due to this announcement occurring as the harvest started in this region. An increase in Central America was not anticipated to be at this level and driven predominantly through logistical challenges.

Disbursements in Africa remained stable year on year. The graphs (right) show where the funds were disbursed by region, including funds sent on behalf of our buyers customers.

Due to political and economic constraints, it is not possible for us to lend directly in some of these regions, therefore our relationship with buyers is essential in reaching disadvantaged communities in those areas. For example, we made 429 payments to organisations in India for a total of £2.7m, a country in which we cannot lend directly. A proportion of payments were also sent on behalf of buyers to other fair trade organisations in Europe and North America. In addition, we also make payments to other social lenders in different parts of the world, on behalf of producers we both support. The

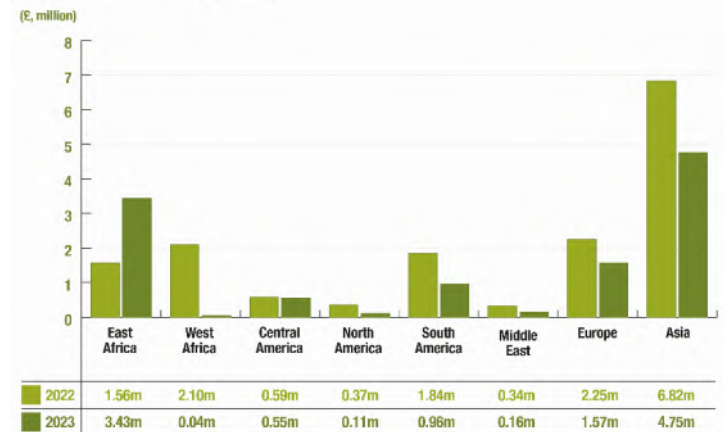
disbursements made to Europe relate to an Austrian based food buyer who manages their account via reimbursements for invoices paid, £670k of the £1.57m paid to Europe in 2023 was paid to their farmers in Uzbekistan.

Disbursements made per region to producer customers and recipient producers



Disbursements made on behalf of buyer organisations

(this data is a subset of the graph above)



Lending per region

This section will look at the funds borrowed by producer customers in disbursements, categorised by region. Asia comprises one producer based in Mongolia, which is excluded from this analysis.



Angel Felting workers in their production facility wearing PPE, Mongolia.



Angel Felting workers sew together footwear.

Latin America

In 2022, our coffee customers in Latin America experienced exceptional disbursements due to historically high coffee prices, increased liquidity needs driven by an international logistics crisis, and strong demand for contracts. However, in 2023, international coffee prices plummeted, some customers' accounts closed due to financial troubles, and coffee contracts became scarcer due to a higher Fairtrade Minimum Price and excess buyer stock. These changes brought significant challenges to the region's economic landscape. In addition, although honey production in Central America grew due to an expanded beekeepers' network they faced lower international prices, which reduced their financial needs.

Africa

In East Africa, the primary reason for growth in 2023 stemmed from resolving arrears and approving limit increases that were drawn down in the same year.

In West Africa, there was a slight increase in cocoa disbursements as cocoa is currently experiencing high prices not seen for over a decade. The farm gate price for the new cocoa season (October to March) was set at \$1.6 per kg, with the current market price around \$3.5 per kg. In addition to this, the farm gate price in the region dictates that the producer should also be paid a Living Income Differential (LID). The LID can however be counterproductive as buyers are hesitant to offer fair trade contracts, preferring conventional contracts, which command a lower premium. In Ivory Coast, production delays caused by irregular rain patterns and reduced yields have resulted in customers needing more time to gather sufficient produce for international orders, prolonging the use of their trade facilities.



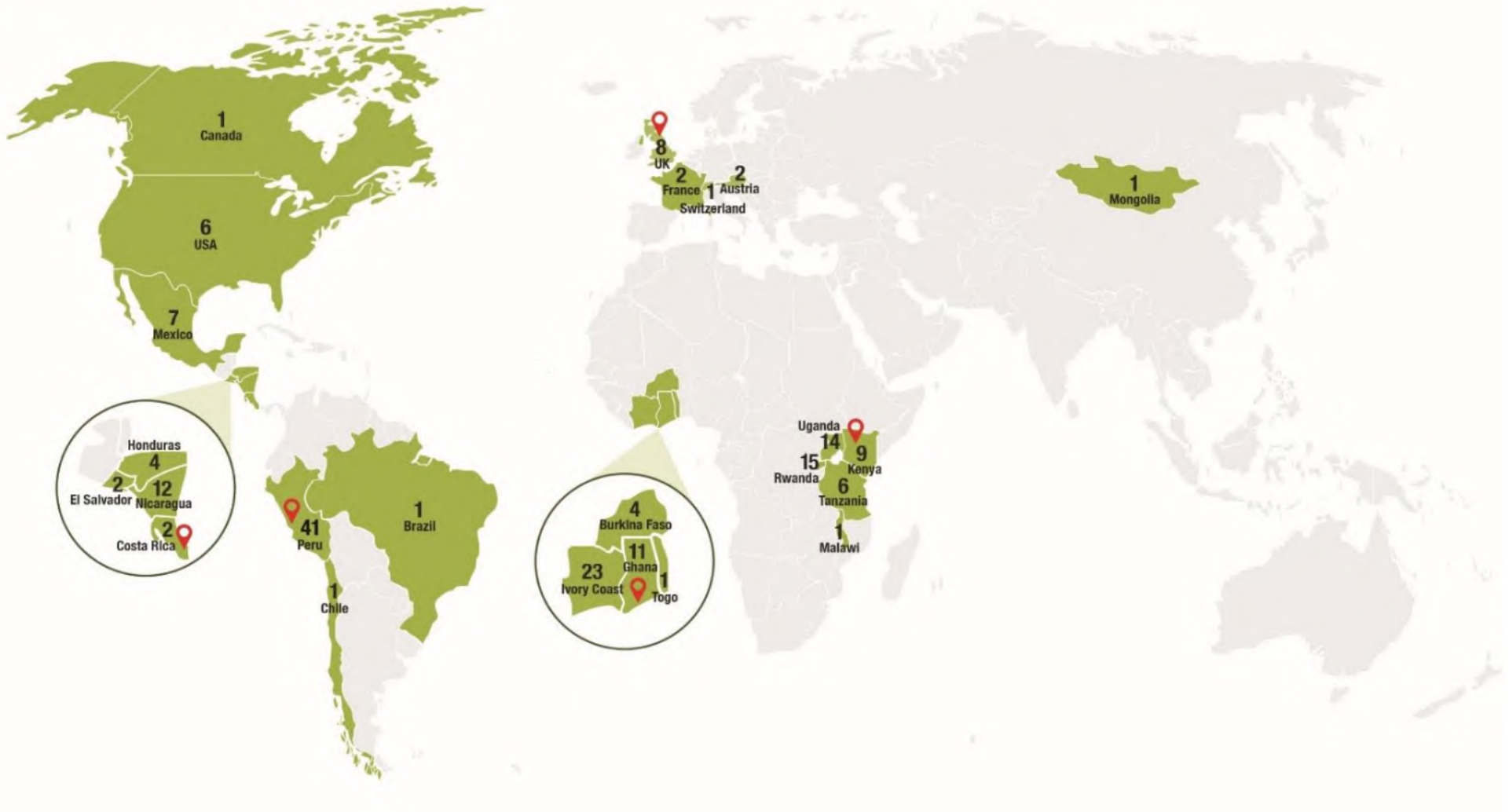
CAYAT members in the co-operative's warehouse facility in Ivory Coast.



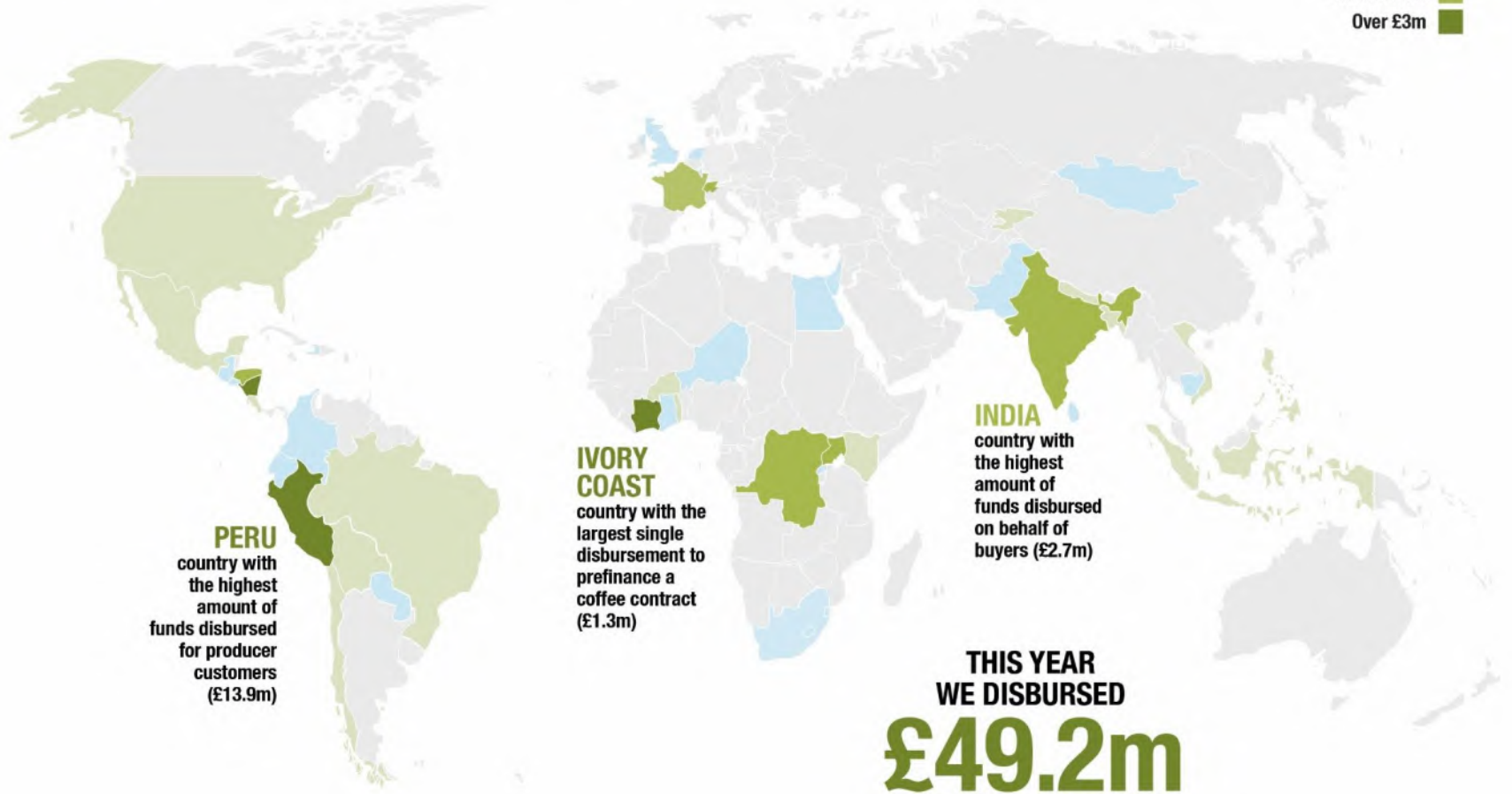
COOPARM members at the co-operative's coffee cupping laboratory in Peru.

Number of customers per country in 2023

📍 Location of Shared Interest team



Where we made disbursements in 2023



PERU
country with the highest amount of funds disbursed for producer customers (£13.9m)

IVORY COAST
country with the largest single disbursement to prefinance a coffee contract (£1.3m)

INDIA
country with the highest amount of funds disbursed on behalf of buyers (£2.7m)

THIS YEAR WE DISBURSED
£49.2m
TO 173 ORGANISATIONS
IN 45 COUNTRIES

Our projects

Our charitable arm, Shared Interest Foundation aims to improve livelihoods through the development of sustainable businesses and income generation initiatives across Sub-Saharan Africa and Latin America.

Working in partnership with local organisations, we implement projects that aim to:

1

Support the **development of sustainable income generating enterprises** to improve livelihoods and contribute towards a reduction in poverty

2

Economically **empower women and youth** to play an active role in supply chains and earn a meaningful income

3

Support farmers to implement climate adaption techniques **to build their climate resilience** and increase environmental protection

Over the past year, we delivered 14 projects, which supported the development of innovative solutions to strengthen the climate resilience of producers, created income-generating opportunities for women and young people, and established enterprises, which generate vital income for rural communities.

While we support all SDGs, we feel our projects align closest with No Poverty (1), Gender Equality (5), Decent Work and Economic Growth (8), Climate Action (13) and Partnerships for the Goals (17). These areas are represented in our ongoing projects along with an additional theme of 'Youth Engagement'.

This year we launched four new projects:

- Growing fairer futures: Rwanda (Expansion) funded by Charles Hayward Foundation
- Bees for business: Dakoro Solar Panels in Burkina Faso funded by a Shared Interest Society Member
- Building resilience of coffee farmers in western Uganda through agroforestry funded from designated unrestricted funds
- The Brian's Legacy SEED Project: Sustainable empowerment through enterprise development in Uganda funded by an individual donor

During the year, we concluded seven projects:

- Growing fairer futures: Rwanda funded from designated unrestricted funds
- Soilless farming: Ghana funded from designated unrestricted funds
- Soilless farming: Ghana (Drip irrigation) funded by The Peter Stebbing's Memorial Charity
- Improving livelihoods through agro-processing in Burkina Faso funded from designated unrestricted funds
- Seed to stall: Increasing self-sustainability through soilless vegetable farming in Burkina Faso funded by Guernsey Overseas Aid
- Seed to stall: Increasing self-sustainability through domestic soilless vegetable farming in Burkina Faso funded by Evan Cornish Foundation
- Ensuring environmental protection and biodiversity conservation through income diversification in Peru funded from designated unrestricted funds

During the year, we continued to manage two projects in East Africa supporting coffee farmers, and our Growing fairer futures project in Ivory Coast. Details of all these projects and their impact is found in Part II of the Social Accounts, page 39.

This year, we secured a grant with a total value of £120,000 from an individual donor who wanted to mark the passing of her husband with a project in Uganda. We will report fully on this project in Social Accounts 23/24.

In addition, we received funds as unrestricted income through individual donations. The Trustees designated a proportion of this income to launch one new project: Building resilience of coffee farmers in western Uganda through agroforestry and set aside a further £200k for designated projects in 2024.

This year, the Foundation Team had the opportunity to visit projects in East and West Africa to monitor ongoing activities and conduct impact assessments. They also performed due diligence checks on potential partners, and conducted needs assessments to inform our work and priorities.



A participant in our Bees for Business project prepares and cleans their hives in Burkina Faso.

Our team

The basis of our Theory of Change (ToC) is a motivated, engaged and skilled team, who are instrumental in implementing the activities needed to bring about desired change.

Our team includes 34 colleagues and 92 volunteers who work together towards our mission. Colleagues and volunteers support each other to enable us to achieve our aims as an organisation.

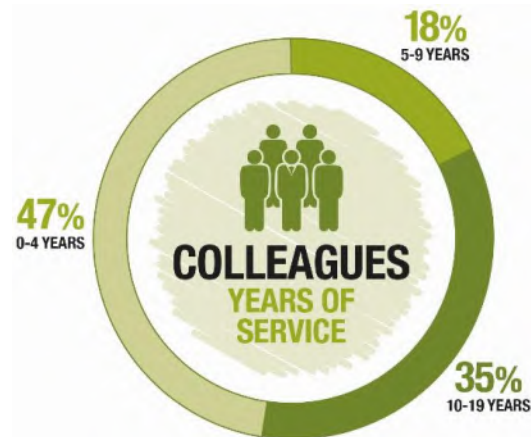
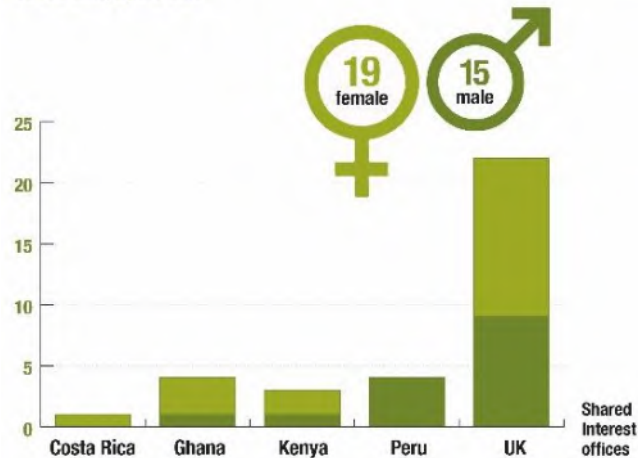
During the year, there were five new colleagues and seven people left the organisation. These posts have since been filled after the year-end.

Retaining positive and engaged people is a significant contributor to Shared Interest's continued growth and success. The diagram adjacent shows that 47% of the team have been with the organisation four years or less, 18% between five and nine years and 35% between 10 and 19 years.

The language skills of our colleagues and volunteers enable us to build relationships, gather content and communicate effectively with stakeholders worldwide. In addition to English, our team consistently employ languages such as French, Spanish and Portuguese.

The number of absence days due to sickness decreased this year, totalling 132 days or 1.6% of working days, compared to last year's figures of 164 or 1.8% (with half of this absence attributed to one colleague's extended sickness absence). It is worth noting that this absence figure falls below the national average for the UK.

Number of colleagues
32 full-time, 2 part-time



14
NUMBER OF LANGUAGES SPOKEN

15
NUMBER OF COLLEAGUES WHO SPEAK MORE THAN ONE LANGUAGE

LANGUAGES
English, Ewe, Fante, French, Hindu, Kiswahili, Nzema, Portuguese, Spanish, Taita, Telugu, Turkish, Twi, Yoruba

Training

We calculate our training costs by taking the average salary band rate and multiplying it by the number of hours spent training. The majority of training our team undertook occurred online, and overall training costs decreased due to fewer professional and certified courses being undertaken. Both our Board and colleagues completed Insights training, which focuses on different working styles based on personality traits. Colleagues also engaged in valuable team building sessions during the year. The recent recruitment of five new team members led to a slight increase in induction costs.

To maintain and improve team knowledge, we have consistently offered a range of online training courses from external providers including KnowB4 and Skillcast. Additionally, individual colleagues have actively pursued personal development and training opportunities including Portuguese language lessons, a Certificate of Volunteer Administration, Advanced Excel Formulas and Functions, Digital Marketing in Practice, Talking Carbon – Carbon Literacy training, participation in a Fundraising Convention and training on Impact Assessment and Measurement.



Overall, our colleagues participated in 70 conferences and seminars, covering notable events like BIOFACH, WFTO Asia Fair Trade B2B Virtual Expo, Bank of England quarterly updates and CSAF and Aceli webinars.

To gauge effectiveness of training initiatives, we employ a structured evaluation process. Colleagues complete evaluation forms shortly after the training event, followed by a review six months later. These evaluations serve as a foundation for constructive discussions between attendees and their line managers, allowing us to assess whether training objectives were achieved and how newly acquired knowledge can be applied in the

working environment. Moreover, they aid in evaluating the quality and relevance of training for others. Ad hoc seminars and webinars are also recorded in our training records.

The duration of training courses varied, with most spanning half a day to four days, while some extend over longer timeframes. Encouragingly feedback from 21 respondents indicates that 19 found the training to be at the right level of information, highlighting the alignment between training attended and our colleagues' needs.

When asked how they would apply their new knowledge, colleagues' comments included:

"The knowledge gained has enabled me to develop my skills in leading projects."

"Some of the knowledge has supported me to develop internal comms initiatives with the team."

"In developing policies and initiatives in the workplace."

"To be more effective in communication and to be more effective in my duties. It was a wonderful training."

"The training helped in making well informed decisions for customers seeking lending. It has helped me to understand challenges faced by businesses and how we can provide suitable financing."



Recruitment

During the past financial year, we successfully onboarded five new colleagues, though we regrettably said goodbye to seven colleagues. The reasons for their departure were diverse and included relocation overseas, health, career progression and the inability to complete probationary period. Sadly, some were long serving colleagues however, as a small organisation, there are limited opportunities for career progression and we appreciate this can have a negative effect on colleague retention. Positively, we have been able to promote internally in some cases, enabling us to nurture our existing talent and foster growth.

Hybrid working

Our hybrid working arrangements were successfully trialled and reviewed in November 2022. The Senior Management Team (SMT) agreed to continue these arrangements, with flexibility to review and make adjustments in the interests of the organisation. A newly implemented Hybrid Working Policy consolidates all of the arrangements. Colleagues at the Newcastle office have the choice to work from home, the office or a blend of both, while overseas colleagues work fully remotely. We consistently bring our colleagues together to maintain the organisational culture, boost morale and ensure the benefits of teamwork, communication and innovation.

We retained our flexible working system while in the office for Newcastle-based colleagues, with the option to opt in or out of the scheme. This resulted in 43% choosing to opt in, while 57% opted out. In the competitive recruitment market, our hybrid working approach has been positively received by candidates, aligning with the expectation of flexible working options. This has proven advantageous in attracting talent.

Internal communication

We utilise platforms such as Microsoft Teams and Zoom for weekly one-to-one and team meetings, project collaboration and social interaction. Additionally, we host virtual monthly updates for the entire Shared Interest Team, as well as sessions, which focus on different teams within the organisation. This approach enables colleagues to understand how their role fits in achieving the overall goals of the organisation.

Wellbeing, social events and culture

We prioritise our team's wellbeing with emails, covering wellbeing events, raising awareness and offering tips for general wellbeing. A wellness channel on Teams encourages colleagues to prioritise mental health and share wellbeing and mindfulness advice. Our Health and Safety Committee produced a newsletter, focusing on understanding and managing stress, including strategies for wellbeing and remote working.

We have enhanced workplace safety by purchasing a defibrillator for the Newcastle office and providing training on its use. Colleagues in the UK continue to benefit from the Aviva DigiCare+ Workplace app introduced in 2021, offering a range of services including an annual health check, digital GP and mental health and nutritional consultations.

Our 'Coffee and Learn' sessions provide opportunities for continuous learning on various topics including learning about the Sustainable Development Goals with Jenny Foster from Bristol based Global Goals Centre, as well as hearing from UK based Fairtrade nut company, Liberation, a long-standing customer of Shared Interest. Furthermore, our team have also been engaged in an online game called 'Stop the bus', which enables colleagues to enhance communication and encourage awareness of the different languages spoken by our team. Festive celebrations brought our regional teams

together for a Christmas lunch and online activities. We also send colleagues and volunteers' birthday cards, and celebratory messages via Zoom and email.

One of the year's standout moments was the heart-warming reunion with our overseas colleagues, for the first time since 2019. This experience left a remarkably positive impact on all involved. It not only allowed for valuable face-to-face meetings and discussions in the Newcastle office but also provided an opportunity to foster connections with fellow team members, including those who have recently joined us.

We took advantage of this occasion to organise a team-building event, aimed at enhancing communication, promoting collaboration, and strengthening relationships, while partaking in interactive activities. Additionally, the team came together for a dinner at a hotel in Newcastle, further strengthening our bonds in a relaxed setting. The Lending Team also organised several social and team-building events during the week, reinforcing the spirit of unity and camaraderie.

Benefits and salary

Salaries are reviewed annually with the cost of living, individual performance, and a benchmarking exercise all part of the process. We treat all colleagues equally and undertake a comparison of the highest against the lowest salaries in the UK which remains at a ratio of 3.96 to 1. We aim to provide job satisfaction by offering interesting and varied work combined with generous and flexible benefits for all as shown in the image below.



The Shared Interest team together in June 2023.

Engagement Survey

Throughout this period, we have remained committed to fostering positive engagement among our colleagues.

In July 2023, we circulated online Engagement Survey gathering responses anonymously via the People Gauge online tool. A total of 34 colleagues out of 36 participated, resulting in a response rate of 94.4%, consistent with last year. While there have been fluctuations in engagement levels, it is particularly encouraging to see that 99.4% of respondents were either 'engaged' (44.2%) or 'actively engaged' (55.2%). This is a stark contrast to Gallup's State of the Global Workplace 2023 Report (Appendix 8), which found that nearly 77% of UK employees are disengaged from their job. It also reaffirms our ongoing dedication to maintaining a motivated and committed team.

ENGAGEMENT



Development Value Stretch



Recognition Pride My View



Team Communication



Manager Feedback Support



Time Expectations Confidence



Two open questions were asked in the survey and responses are shown below.

One thing I feel we could do better as an organisation would be if:

"We all communicated better with each other."

"...we all understood that before cold calling someone on Teams; please send them a message first, especially if you want to add them to a group call."

"I believe there are areas where we can better walk our talk, especially when it comes to environmental impact and efficiency."

"Taking care and understand colleague's needs."

"Understand the unique challenges of producers in different regions."

One thing I feel we do well as an organisation is:

"Allowing colleagues to work flexibly around the needs of the business, helps to have a better work/life balance."

"Collaborate and support each other within our teams."

"I am proud to work for Shared Interest and I feel we work towards our mission very well. I feel colleagues align to our mission well, thanks to a robust recruitment procedure. I also feel we have a great culture and support one another."

"We care of our customers and our colleagues, and we seek to take fair decisions."

"Improving livelihoods to producers."

The team was asked to provide three words to describe what it is like to work at Shared Interest and the results create the word cloud below. The word size corresponds to frequency of use.

Many colleagues used similar words to describe their feelings as in previous surveys. In September 2022, the top words were 'challenging', 'flexible', 'busy' and 'varied.' However, the survey in July 2023 revealed the top words were 'challenging', 'rewarding', 'interesting' and 'varied'. Interestingly, the terms 'difficult' and 'wearing' were introduced for the first time and stated both once.



Our volunteers

A team of dedicated volunteers help us achieve our mission by bringing their skills, knowledge, enthusiasm and passion to the roles they carry out with us. “I am happy that my work will be useful.” – feedback from a volunteer supporting with a research task. Currently, 92 individuals have chosen to volunteer with Shared Interest in one or more of our volunteer roles, 74 of whom are currently active. Sadly, two of our longstanding volunteers, Ashley and Richard passed away. Both were strong supporters of Shared Interest and Ashley was a previous member of Council. We welcomed one new volunteer to the team this year and had seven leavers. You can read more about the volunteer roles we offer in Appendix 9 as well as through the case studies below.

In our commitment to acknowledging and appreciating the invaluable contribution of our volunteers, we mark the occasion of Volunteers’ Week (1-7 June). During the week, all volunteers, including members of Council, received a gift box of wildflower seed balls and thank you card from Shared Interest.

We hosted our third online Volunteer Festival at the end of Volunteers’ Week (6th and 7th June). This Festival encompassed five sessions, each conducted via Zoom, catering to a diverse range of topics and content to engage our volunteers and colleagues.

Notably, the Festival saw participation from 19 individuals, comprising 12 dedicated volunteers and seven colleagues.

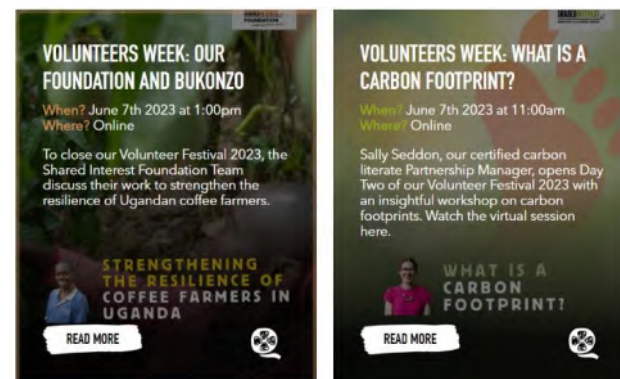
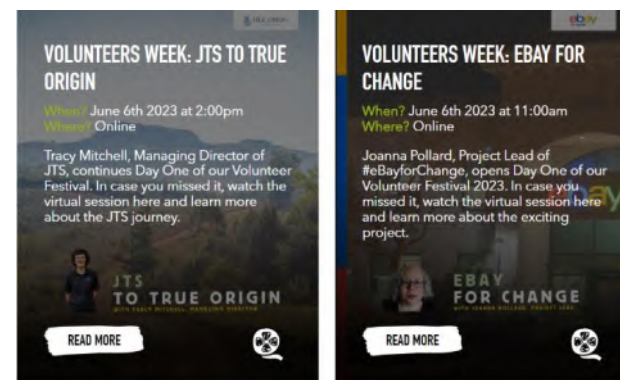
Although this figure was slightly lower than in 2022, it is important to note that many attendees participated in multiple sessions, underlining the widespread interest and engagement. To ensure that this enriching experience reaches a broader audience, all Festival sessions were recorded and are now readily accessible

via our YouTube channel. To date these recordings have received 65 views. This initiative serves as a testament to our ongoing commitment to celebrating and nurturing the remarkable spirit of volunteerism within our Shared Interest community.

Feedback from volunteers following our Volunteer Festival.

“The two sessions I was able to attend today were SO interesting and helpful. I really appreciate the time and effort put into them.”

“I just wanted to say how much I enjoyed the three interesting presentations that I listened to today.”



Screenshots of our website 'past events' page featuring Volunteer Festival session recordings.



Case Study: Stephen Thomas

Stephen Thomas has been an Ambassador with Shared Interest since 2011; he is also currently a member of Council. In July, Stephen represented Shared Interest at the Fair Trade Wales celebrations marking 15 years of Wales as a Fairtrade Nation. He ran a Shared Interest stall, one of eight stalls at the event, to engage attendees about our role in the Fairtrade movement. Following the event Stephen said, *“This was a nice opportunity for my first non-virtual Shared Interest ambassadorial outing since pre-Covid. Buoyant and well run, with a good cross-section of the converted and the increasingly curious.”*



Case Study: Elody Alcaraz

Elody Alcaraz has been volunteering with Shared Interest since 2021. Her main role is as a Translator where she supports us with English to French translation activity. However, in February 2023 she took up the opportunity to support us with online research to assist the development of our Longitudinal Case Studies. She said: *“It was a great learning opportunity and very interesting to conduct the research.”*



Case Study: Janice Long

Member, Janice Long has been supporting Shared Interest since 2015 and, following her attendance at our London event in June, she got in touch. Janice was attending a local event with her Fairtrade network, and she was keen to ensure Shared Interest was included. She contacted us to send her some resources to share on the stall and inviting us along to engage with visitors on the day.



Case Study: Neville Hallam

Neville Hallam has been interested in the work of Shared Interest since 2019 and was delighted to be given the opportunity to learn more and represent the views of members by being selected as a random member of Council. Neville joined Council in March 2023 and spoke of his experience so far. *“Going through the induction process for new Council members, which has entailed detailed briefings from the different parts of Shared Interest team, have given a wonderful perspective to the organisation, and allowed me share what my perspective is, as a member. Attending the first in-person supporter event, in Edinburgh was a highlight.”*



Thank you card and seed box gift sent to volunteers during Volunteers' Week



Stall set up at Good Money event in Lincoln by volunteers Ruth and Mike

Environment

We recognise that our activities have a local, regional and global environmental impact and we are committed to continuous improvements in sustainability. Based on this conviction, Shared Interest created an Environment Team in 2008, to act as internal sustainability champions and support colleagues' engagement with these issues.

The guiding principles of our Environment Team, also highlighted in our 'Green Policy' (Appendix 10), are:

- To encourage environmental responsibility amongst our colleagues, volunteers, contractors and suppliers.
- To conduct our operations in a manner which minimises our consumption of natural resources and manages waste through responsible disposal and the reuse and recycling of materials where economically feasible.
- To include environmental considerations in our purchasing and procurement processes.
- To regularly review our Green Policy and keep the team up to date on changes to policy and procedure.

One member of the Environment Team is Certified Carbon Literate having successfully completed Carbon Literacy training in the year. So far, she has delivered a session titled 'What is a Carbon Footprint?' to colleagues and volunteers as well as a 'Sustainability 101' discussion, which included the opportunity to discuss some common sustainability terms within our sector. With the new knowledge gained, she is also

exploring the requirements of net zero and what this journey could look like for our organisation.

As members of World Fair Trade Organisation (WFTO), we follow their 10 Principles of Fair Trade, which include the recently updated Principle 10 'Climate Action and Protection of the Environment'. This revision, from 'Respect for the Environment' was made to 'strengthen the original criteria on protecting the environment and give more attention to cutting down CO2 emissions... (and) promoting sustainable production and eliminating waste and plastics.' and was formally adopted by WFTO in early 2023. As a member of WFTO, we are working towards Principle 10 'reducing the greenhouse gas emissions of their operations and we are currently considering our role in the drive for net zero.

Our 'Green Policy', referenced above, includes our Environmental Action Plan, which is split into five sections, and is illustrated on this page, with an example of how we have taken action on each section this year.

We measure the carbon footprint of our travel over the year and calculate the value of CO₂e, which is then offset. For more information about the environmental impact of our travel, Shared Interest Foundation projects and detail of the impacts of climate change experienced by our customers, please read on to Part II.



Financial stewardship

The financial statements for Shared Interest Society and Shared Interest Foundation can be found in Appendix 1 and 2 and on our website (shared-interest.com). All of the information that was available in previous versions of this section, and considerably more is included in the reports mentioned above. As the funds are almost exclusively held with our principal banker, Santander UK plc, this was deemed not to be providing any further useful information. The financial statements are comprehensive reports subject to statutory external audit and within them; the Report of the Directors in the Society's financial statements includes an overview of results for the year and details our approach to the following key stewardship elements:

- Going concern
- Reserves
- Risk
- Corporate governance
- Board Committees
- There is a significant overlap in the membership of the two Boards, apart from our Finance Director and Member Engagement Director who are not Trustees for the Foundation. So much of what is reported in relation to corporate governance and committees for the Society applies equally to the Foundation. Shared Interest Foundation's financial statements also give a report of each project that the charity manages (this is not possible of course at the scale of the Society).



Moss harvester María Mendoza Ramos prepares food for her family at her home in Tambillo.



Moss harvesters in the Tambillo region of the Peruvian highlands.



Moss harvesters gathering moss in the Incaocha region of Peru for our customer Inka Moss

Part II: Our impact

Through Shared Interest Society and Shared Interest Foundation, we provide financial services and business support to producer groups to increase their income, to help them build more resilient and sustainable businesses, to create more employment opportunities, and to improve their living conditions. A large proportion of our support is provided to smallholder farmers and artisans, to help in working towards a better quality of life, the promotion of economic growth and social development for their communities.

The current global economic climate has disrupted economies worldwide, resulting in various challenges for producers. Through investment from our members, and the support of donors and partners, we are able to support fair trade businesses and their surrounding communities throughout these difficult times.

Our internal Monitoring and Evaluation Committee works to continually develop and improve methodology and appropriate tools to observe and track the impact of our lending, and the support we offer to businesses across the globe. In addition, through various data collection methods, we aim to demonstrate the effect of our financial support over the year.

These include a Customer Social Impact Survey, refined in the light of our ToC, interviews, focus groups (including Producer Committee meetings) and case studies to collect our impact data. Throughout our reporting, we recognise that there are also many

external factors, which contribute to and affect the businesses we work with.

As part of our consultation process, and to ensure we listen to the collective producer voice, four Producer Committees were held in 2023 (Appendix 13). Participants were invited to provide their views on the successes and challenges faced during the year, access to finance, climate challenges and responses, technical assistance needs and efforts towards gender equality.

Central America: A virtual meeting took place with six customers harvesting coffee and honey. (Nicaragua (3), Honduras (1) and Mexico (2),

South America: A virtual meeting took place with six customers located in Peru, representing products such as brown sugar, coffee and cocoa.

East Africa: Individual telephone interviews were held with four customers located in Rwanda (3) and Uganda (1), all producing coffee.

West Africa: A meeting took place in person with seven organisations in Ivory Coast, growing cocoa and coffee.

In addition, a Customer Social Impact Survey (Appendix 11) was sent with the purpose of monitoring our progress towards the outcomes outlined in our Theory of Change, and to better understand the impact of our activities and operations. We received 51 responses out of the 79 producer groups surveyed (a 65% response rate compared to 36% response rate in 2022). This increase is thought to be due to the use of a more user-friendly survey (using Microsoft Forms), reminder emails and tailored communications about the survey sent by customer account managers.

In 2023 we lent money to...



Improvement in the livelihood of people as they trade their way out of poverty

Eradicating extreme poverty for all people everywhere by 2030 is a pivotal goal of the 2030 Agenda for Sustainable Development. The United Nations estimates that more than 700 million people, or 10% of the world population, still live in extreme poverty today. The majority of people living on less than \$1.90 a day live in sub-Saharan Africa (the threshold defined by the international community as constituting extreme poverty).

Our main aim is to support people in remote and disadvantaged communities to trade and earn a living. However, our work is not just about providing finance. The producers we support say that we have helped transform their communities. Each year, we explore this wider impact of our lending by carrying out a selection of Longitudinal Case Studies, which can be viewed in Appendix 14 and 15.

As part of the Customer Social Impact Survey, producer groups were asked whether they carried out any organisational development projects over the past 12 months and 80% responded yes. These projects were in the areas of infrastructure, equipment and tools, market research and expansion, as well as e-commerce. The category 'other' includes projects such as plantation renewal, quality inputs and agroforestry as seen in the first graph adjacent.

In addition to organisational development projects, we also asked producers if their organisation was involved with any community development projects in the last 12 months and 76% said they were. Most of these projects concentrated on environment, education, water and

sanitation, and health, as seen in the second graph below.

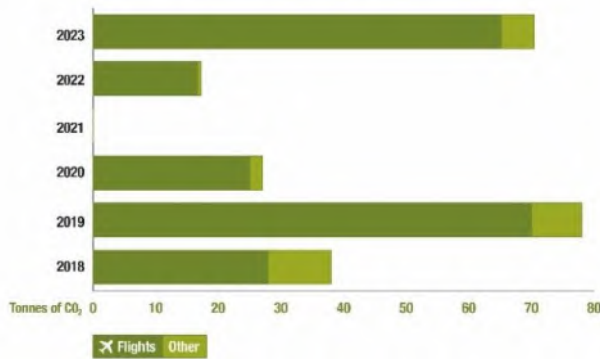


In the survey sent to producers, we also asked open questions to help us understand the challenges experienced by artisans, farmers, employees and workers in the last 12 months and the actions they had taken to mitigate these challenges. The most common challenges faced were linked to climate change, increased cost of living for individuals, but also the impact of increased costs of inputs and fertilisers, which affects production. Fluctuations in market price were also mentioned as well as access to finance and low demands for commodities, particularly in the case of honey. Many respondents mentioned that these challenges were ongoing but by providing some training and more frequent visits to the farms, they are reducing the impact. Training to farmers included climate resilience, reforestation projects, training in organic and GAP, as well as environmental conservation.

Increased resilience to climate change, environmental protection

We currently measure the carbon footprint of all our travel. Our Finance team collects this data on a monthly basis from across the organisation to calculate the CO₂e. Travel continues to increase and will always be a key part of our activities due to the importance of meeting with potential and existing customers in person as well as enabling colleagues to meet together. Our records show that in the year 2022-23 our travel resulted in CO₂e emissions of 70.46 tonnes, 65.1 tonnes of this was a result of air travel. This has been converted, using the online calculator at [Climate Impact](#) into a value of £215, which has been added to our carbon offset fund which is disbursed regularly. To maximise the impact of our offset fund, which currently stands at £1,866, and to progress in the direction of net zero, which requires reduction of carbon not offsetting, we are exploring options for spending these funds in line with our mission.

CO₂ emissions from business travel by year



The previous graph shows the CO₂ emissions from our business travel over the past five years for comparison. The impact of travel restrictions during the global pandemic is evident but we are starting to see the increase in travel again.

We are seeking to understand how we can best play our part in the national net zero strategy and how this can reduce our environmental impact and provide focus for our sustainability efforts as an organisation. As noted by Planet Mark, a sustainability certification aligned with the UN's SDGs, net zero 'occurs when the total Greenhouse Gas (GHG) emissions released into the atmosphere and the total amount of GHG emissions removed from the atmosphere annually are equal.' The UK government updated the Climate Change Act in 2019 legally requires UK businesses to achieve net zero by 2050. Achieving net zero involves measuring and reducing our emissions across the three scopes of net zero (see below table), adapted from Planet Mark
<https://www.planetmark.com/scope-3-carbon-footprint-guidelines/>

Scope 1	Direct emissions from operations due to owned or controlled site and vehicle fuel consumption.
Scope 2	Indirect emissions from the generation of purchased electricity and steam.
Scope 3	All other indirect sources of emissions that are within a company's value chain.

Our customers have seen the effects of climate change on agricultural production, although it varies considerably across different regions. Farmers, who are already impacted by volatile market prices, and rising production costs, feel the impact of climate change with unusual weather conditions, extreme rainfall, prolonged dry seasons, and the prevalence of plant diseases in their crops.

Our Lending Team have seen first-hand how even small changes in temperature and precipitation have led to reduced crop yields. Higher average temperatures have also caused an increase in demand for water and a reduction in soil moisture; this is particularly significant, as most of the farmers do not have irrigation systems in place.

Juan Pablo Solís, Fairtrade International's Senior Advisor for Climate and Environment said in a 2021 Fairtrade and Climate Change report - *"The international community must rally around farmers and engage head-on in climate action... And this must be done through supporting climate adaptation and resilience measures to ensure that both farmers' livelihoods are protected and the environment is preserved."* Source: https://files.fairtrade.net/publications/Fairtrade-and-climate-change_October2021.pdf

In our Customer Social Impact Survey, we found evidence of many such measures with producer groups introducing climate resilience training and the process for compliance with the EU Deforestation Regulation (EUDR), management of irrigation systems and reforestation plans together with the implementation of biological pest control techniques.

Examples of this include Nicaraguan coffee co-operative Flor de Café who are carrying out a project with the UN World Food Program (WFP) aimed at training farmers on climate resilience, reforestation activities, water harvesting and living fences. Mexican honey producer, Najil Cab promotes good beekeeping practices for sustainable apiculture, and they run their processing plant with clean energy technologies such as a solar photovoltaic system. Another customer, Peruvian coffee organisation Asociacion Valle Grande, has developed a project named Climate-Smart Coffee to measure carbon dioxide levels within production and are currently working on a reforestation project, which starts with a nursery of seedlings. Meanwhile new farming methods are also increasing biodiversity, which is improving the long-term sustainability of their businesses and livelihoods. Peruvian coffee co-operative, La Florida, highlighted that 109 producers have been certified as Bird Friendly in order to conserve biodiversity. They are also using the coffee husk to prevent it ending up poorly composted and emitting greenhouse gases. In addition, it represents another source of income for the producer. They have indicated that there is a need for irrigation system investments because this year there has been lower rain in the region.

"Bukonzo has been teaching us different methods of growing coffee, like using a greenhouse, which prevents pests from the crops (and) also how to sell coffee seasonally."



Baluku Amindabu, Bukonzo Farmer Watch our conversation [here](#).



Jorge Alberto Chan López - Beekeeper at EDUCE

“EDUCE has provided training, particularly about how to face the problems of climate change. In particular, here in Yucatán we are very exposed in our area. We’re very exposed to hurricanes and natural disasters, which you can’t avoid, but they’ve taught us how to plan in advance for when there might be a big one. EDUCE is very good and very aware of the wellbeing of the bees and also the members of the co-operative.”

Gender Equality

Gender equality has an extremely significant part to play in strengthening communities. By supporting women who live in remote and rural regions, we can facilitate increased productivity and promote economic growth.

Narrowing the gender gap not only helps women prosper, it helps their families and communities thrive. We therefore continue to support producer organisations that meet our lending criteria and create opportunities for women’s empowerment.

Goal 5 of the SDGs proposed the ambitious target of empowering women and girls everywhere by 2030. As we approach this deadline, although progress has been made, large gender gaps remain across the world, and research shows that these have been intensified by the pandemic. The positive news is that, in line with Fair Trade Principles, we can see growing examples of women’s empowerment initiatives within the organisations we support. This means that female farmers and artisans are receiving recognition for the valuable part they already play in supply chains, with growing opportunities for career development or autonomy within their roles.

According to Food and Agriculture Organization of the United Nations (FAO), globally, women make up 43% of the agricultural labour force, yet they face significant discrimination when it comes to land ownership, equal pay, participation in decision-making entities and access to credit and financial services. Recent figures from Fairtrade International suggest that women make up just 25% of the smallholder farmers and workers involved directly in Fairtrade. In our portfolio women account for 32%. Although these figures do not account for the many women who work the land that is owned by their husbands or other male relatives. Examples of women leaders are detailed in the following case studies.

In the Amazonas region of South America, Elizabeth Arista Salazar is President of COOPARM coffee co-operative women’s committee. COOPARM has 500 members, who work to Fairtrade and organic standards.

Elizabeth said: “The main vision for the Women’s Committee is that we are given visibility of women’s issues and women’s needs - as mothers as well as producers. Women are responsible for bringing up the children and organising the household. Some are single mothers.

“We don’t have much in the way of resources ourselves. At home, I have three daughters..... The focus is on education for our children so that they do not suffer the way we did, that our parents did.”

“A small amount of Fairtrade Premium is given to the Women’s Committee. We meet to decide what to do with it. We might buy seeds. We might use the money to support a female member who is ill or who is in particular need at any time.”



Elizabeth Arista Salazar, COOPARM farmer, Peru

Meanwhile at Nicaraguan coffee co-operative PRODECOOP they are committed to raising awareness of women's rights – not just within the organisation itself but also throughout coffee-growing communities. PRODECOOP was created in 1997 under the leadership of Merling Preza, now General Manager.



Merling Preza, General Manager of PRODECOOP

Merling also sits on Fairtrade International's General Assembly and Board and she is also Vice President of the Latin American and Caribbean Network of Fair Trade Small Producers and Workers (CLAC).

Merling said: *"We work on the issue of the Land Fund - a fund that uses the Fairtrade Premium - with the aim that women can have greater access to land. That is one of the challenges we face, even though we do have 854 women, the majority of these women have less than two hectares...."*

"Women are trained directly in both the value chain of coffee and also on issues in leadership, finance, management of credit, the whole issue of legalisation of land, access to resources etc., also with the aim that by developing their skills they can access leadership roles."

Awa Traoré, General Manager at CAYAT featured previously told us: *"We have demonstrated the important role women play in society. We have demonstrated that women must take a leading position in order to change things in our society."*

The co-operative created a Women's Society in 2015 to support female farmers to play a greater role in business and community development. Today, CAYAT refers to this as the Women's Union and it has 500 participants, including wives of male farmers, carrying out various income-generating activities, such as growing cassava and maize. Their dream is to have a production unit to mechanise this process, which is currently carried out manually.

Awa said: *"For us, it is important to create the Union to restore social justice first, and then women can play a role in community development, it is important for women to have autonomy so that they can work alongside their husbands and provide for the needs of their family."*



CAYAT General Manager Awa Traore with associates at their headquarters in Abidjan, Ivory Coast.

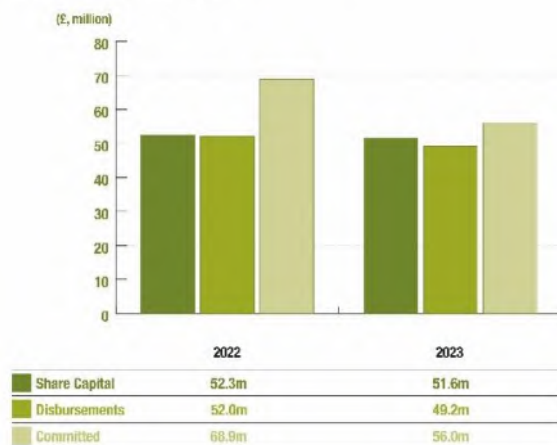
To achieve this impact we have set three long-term outcomes as detailed in our ToC on page 8.

Long-term outcome 1: Increased income for farmers, artisans and workers

Increase in capital available to lend

Share Capital provides the key source of funds for our lending services, and at 30 September 2023, we held a total of £51.6m in invested funds (a net decrease of £0.7m on 2022) (see Part I for more detail). These funds have helped us continue to support farmers and artisans who either hold a recognised Fairtrade membership or follow the 10 Principles of Fair Trade.

Committed lending to all customers in relation to Share Capital



The graph adjacent shows that the committed value of lending is higher than the value of Share Capital held. This is because not all customers borrow at the same time due to the different harvest periods across regions. To mitigate risk further, we have set a limit to ensure that the total committed value is never above 135% of our Share Capital. The committed value represents facilities where funds are ready to be drawn by the customer (short-term lending) and the remaining balance of Term Loans.

Over the course of the year, we saw a net reduction of 12 customers across the portfolio. Three of those who closed accounts due to high-risk factors had combined facilities of USD 2m. This sharp reduction in customer numbers resulted in the value of committed facilities reducing to £56m.

Access to fair and affordable finance

With 33 years of working collaboratively with farmers and artisans, we have developed a deep understanding of the challenges faced by producer groups. We have fostered strong relationships, based on two-way communication and trust, which has enabled us to find the best possible financial solution while considering customers' harvest time and cash flow limitations. By carefully monitoring the market volatility and increasing our visits to customers, we have been able to continue working with organisations struggling to meet their repayments. In some instances we have extended the lending terms and as a result of this and other interventions, some producers were able to see an improvement in their business trading conditions, restart their repayments, and ultimately reduce their outstanding debt.

This applied when a Ugandan coffee co-operative faced financial difficulties after their Egyptian buyer ceased coffee imports due to foreign exchange challenges. This

situation led to a three-month arrears period but the co-operative was proactive and secured a new buyer in Europe. Following payment from their new buyer, they successfully cleared their arrears.

In Rwanda, a coffee co-operative received financial support from Shared Interest, during a period when they awaited the government to establish a fixed farm gate price. Our working capital enabled the co-operative to provide advance payments to their farmers, which were used to pay their children's school fees.

The co-operative and the farmers then worked together to determine a fair price for their coffee. Taking the government's minimum price into account, the final agreed price exceeded the government's minimum increasing the farmers income overall.

"Shared Interest started supporting us when we had no relationship with any other financial institution, it shows the confidence they had in us. Now a lot of other partners are chasing us up for collaboration every day."
 ~ Ivorian cocoa co-operative Cadesa Managing Director, Esther N'goran.

A fixed farm gate price applies in Ghana and Ivory Coast in cocoa production. It is an agreed-upon, unchanging rate that cocoa farmers receive for their beans upon delivery at their farms' entrances. This price remains constant, shielding farmers from market price fluctuations and providing a degree of financial security.

Small-scale cocoa growers, particularly, benefit from this stability, as it enables them to plan their finances and investments with more confidence. However, it has some drawbacks. Fixed prices may disincentivise farmers from improving cocoa quality or seeking better market opportunities since they do not directly profit from premium prices for high-quality beans.

With over 30 years' experience working in these communities, our team understands the complex and diverse factors affecting customers and their ability to make repayments. It is vital, therefore that we continue to maintain regular communication during these challenging times and the trusted relationships we have built enable us to work together through these times of adversity and develop the most effective plan going forward.

One of the foremost challenges our organisation faces is maintaining competitiveness in a broad market, characterised by the presence of both social lenders and more commercially-oriented lenders showing increased interest in agricultural lending. Currently, our lending interest rates are higher than the average across most regions. The exceptions are in North America where exposure is relatively low compared to our overall portfolio and in East Africa, where we are slightly below the average rate offered by local lenders.

The majority of our lending is denominated in EUR and USD, with only a small portion in GBP. Since we hold the majority of our capital in GBP, we are compelled to absorb the expenses associated with foreign exchange management, which is inevitably reflected in the rates we charge our customers. It should be noted that the Society amended its Rules in March 2019, which allowed members to invest in USD and EUR, in order to reduce expenses associated with foreign exchange management. As a result, we currently have £73.7k invested in EUR, and we hope this value will continue to grow in the coming years.

These above-average rates reflect the risk we take with our members capital, working with more vulnerable groups compared to other social lenders, and they are also influenced by the number of accounts in default, as customers in this category are often subject to higher rates due to the elevated risk they present. It should be

noted that our rates are not always comparable on a like for like basis, in respect to annual renewal fees, security and our lending terms.

In response to these challenges, we have taken proactive measures. We have enhanced our security requirements for new and reviewed facilities, resulting in some instances in reduced interest rates for customers. Additionally, we continue to offer some customers the option to pay an upfront annual fee in exchange for lower interest rates, which is in line with lending practices of CSAF members. These initiatives aim to improve our competitiveness and provide more attractive options to our customers.

As per the latest CSAF report, only 27% of all the organisations who received funds do so from multiple CSAF members. These are also generally larger sized customers with a lower perceived risk but in most cases, Shared Interest is the sole lender working with the organisation.

Our customers have consistently expressed their high satisfaction with the efficiency of our disbursement service.

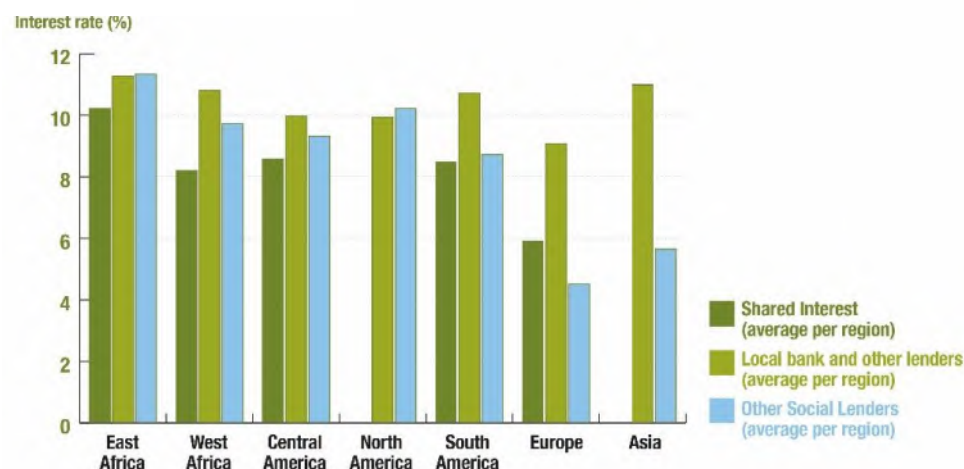
Furthermore, they have praised our diligent monitoring and effective communication throughout our relationship, particularly the customer's ability to track and monitor their orders.

One customer in our East Africa Producer Committee said: *"Producers are appreciative that Shared Interest finance is provided in a timely manner either at the start of the harvest or to finance contracts. This has helped them to buy good quality coffee during peak harvest seasons."*

Moreover, our customers have emphasised the importance of access to funding year-round, and they appreciate that we offer this flexibility. In contrast, some other social lenders require full repayment of existing exposures before considering new disbursements, which can be limiting and burdensome for our customers.

During customer consultations, one of the main advantages mentioned across all regions was the speed of disbursements, as well as the flexibility of the finance. It was also recognised that Shared Interest provides better credit conditions than local banks.

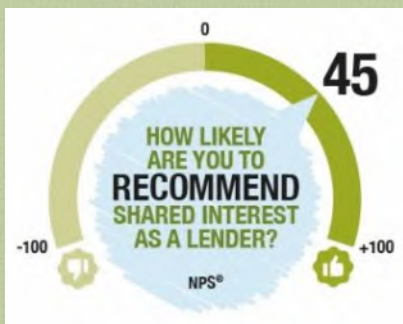
Average interest charged



In Ivory Coast, cocoa co-operative CAYAT explained how the support from Shared Interest made them more attractive to local banks despite being hesitant to work with them in the past.

“The co-operative can now receive more financing with the reduced interest rates, which has meant that they have increased their income overall and the co-operative has higher levels of trust from their export partners....

It's easier to make those transactions and have a smooth relationship with those partners, and it has allowed the co-operative to diversify their clients while knowing that Shared Interest continues to support the co-operative, which is reassuring to the co-operative and to its members.” ~ Awa Traoré, Director General of CAYAT



Net Promoter Score (NPS) is a measure used to gauge customer loyalty, satisfaction, and enthusiasm with a company that is calculated by asking customers one question about recommending the organisation.

The creators of the NPS metric, Bain & Company, state that an NPS score above 0 is good, above 20 is great and above 50 is excellent.

In Rwanda, the participants emphasised the critical timing of receiving funds due to high farm gate prices driven by the local competition. When they receive finance on time, they can buy coffee from their farmers before the competitors.

In Uganda, there is also stiff competition, and timely disbursements help fulfil contracts with buyers on time.

“Shared Interest had provided prefinance to fulfil a contract with a buyer in Egypt, but eventually the buyer was unable to take the coffee, due to USD currency challenges. Shared Interest was flexible enough to allow us replace the contract with a new buyer in Switzerland and sell our coffee.”

It is clear that we cannot achieve this aspect of our mission in isolation, and we place this aspect of partnership at the heart of everything we do. Working in collaboration with a peer network of like-minded organisations with shared goals and objectives, we know we can work more effectively, broaden our impact and progress towards our mission and in line with our Theory of Change. A map of our partners, and networks we are members of, can be found in Appendix 12 and details of a selection of our partners appear throughout this document.

As reported last year, we recruited a Partnership Manager to develop our strategic partnerships. This has involved working to build relationships to support our work in the key themes of our Strategic Review, climate change, initially focussing on coffee in Peru and cocoa in Ivory Coast, gender equality and technical assistance. This cultivation of partnerships is taking place at a national and international level and is supporting activity across Shared Interest, by identifying and engaging with organisations who have experience and expertise in these areas, and who are also seeking to learn from our areas of expertise. Taking the theme of climate change, it is beneficial for us to build partnerships with

organisations who have knowledge and expertise of this so we can better understand the needs our customers may have as they respond to the impact of climate change on their supply chains. Partnerships with local delivery partners are also key to Shared Interest Foundation’s project activity, which takes a locally led development approach. Working with local partners also supports the sustainability of the projects beyond their conclusion.

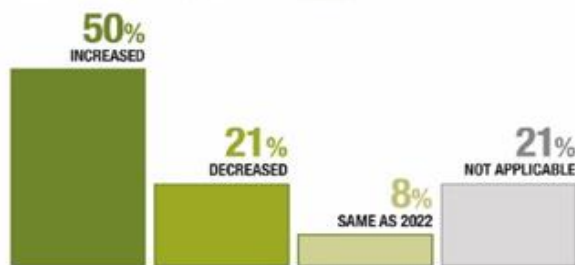
As mentioned earlier, Shared Interest is a founding member of CSAF. In addition to financial institutions, CSAF works with 'Field Building Partners', to support their work in building a responsible financial market for agricultural SMEs.

Aceli Africa (Aceli) is one of these partners, who we are working with to support our lending in East Africa. Aceli evolved out of conversations and research conducted by CSAF and is symbolic of the role that CSAF plays in the market, offering lenders incentives and support to work with the agricultural business sector.

Sixty-five per cent of the population in East Africa depends on agriculture for their livelihood, yet only 5% of bank lending goes to the sector. SMEs have the potential to drive inclusive agricultural growth - but three-in four lack reliable access to finance. Aceli aims to bridge that gap by facilitating lending to smaller, more vulnerable groups, in areas where lenders are less keen to operate.

As part of the Customer Social Impact Survey, almost half of the respondents reported an increase in their farmers' income over the past 12 months, with a noteworthy 22% reporting a decline. These fluctuations are expected, given our involvement in diverse value chains and the volatile nature of coffee and cocoa prices during the past year.

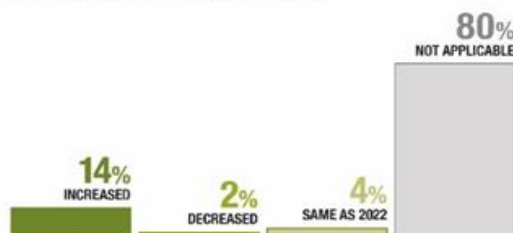
FARMERS' income in 2023



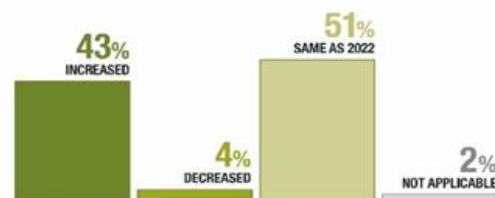
The primary factor driving both upward and downward income shifts is price, but there are additional significant factors to consider. Those who experienced income growth attributed it to abundant harvests and improved access to essential inputs. Conversely, those who witnessed a reduction in income faced contrasting circumstances, including lower prices, low harvest yields, and limited access to necessary inputs such as fertiliser.

Survey respondents confirmed that over the last 12 months, 50% of farmers' income had increased but 21% had decreased. 43% of employees' income increased and 51% remained the same. 57% of workers' income increased and 29% stayed the same. This reflects some of the challenges discussed in Part I.

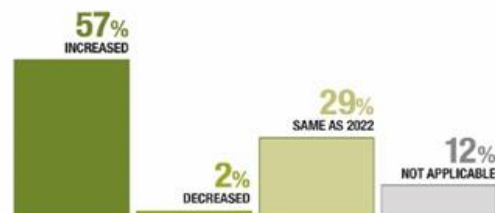
ARTISANS' income in 2023



EMPLOYEES' income in 2023



WORKERS' income in 2023



“The credit from Shared Interest is very beneficial because it's timely, we can get it to the producers quickly to allow them to gather to harvest the honey and for them to be paid. The benefit goes straight to the producer and the timeliness of the payment allows better results.” ~ Miguel Díaz Blasque works with EDUCE in Internal Controls

“The first financial facilities were given when I first started at CAYAT and the support provided by Shared Interest was extremely helpful because in Ivory Coast, the truth of the matter is that access to financial institutions is very difficult, especially for co-operatives. The support of Shared Interest allowed us to pay our producers because the financial facility came at a specifically difficult time.” ~ Awa Traoré Director General of CAYAT

The majority of our finance was lent on short-term basis, helping with the purchase of raw materials, also known as inputs, and providing an income to farmers and artisans before the harvest or production of goods.

The Customer Social Impact Survey also revealed an increase in the average price per unit paid to producers in the majority of cases. The reasons for this increase include improved access to better markets, a focus on enhancing quality for specialty markets, a 20% rise in the purchase price of cocoa, diversification of clients and activities, easy access to finance, higher selling prices, increase in production volumes, heightened competition and the improved product quality, all facilitating the ability to obtain finance. In contrast, 18 producer groups reported a decrease in the average price paid. This decrease was attributed to the fall in commodity market prices, the adverse impacts of climate change, the presence of diseases, as well as the decline in international prices and price differentials.

“The market is unequal... If a country has had good weather there's a lot of money on offer. And in a year when the weather is bad in particular countries and the climate there effects, production reduces. So with lower production the price goes up. This year there's been a lot of Ukrainian honey on the market with lower, lower taxes applied to it, and so when a lot of honey floods the market, that affects the price.” ~ Juan Orcanza, Finance Manager at EDUCE.

Case Study – CAYAT

Globally, it is estimated that there are around six million cocoa farmers and between 40 and 50 million people who depend on cocoa for their livelihood (World Cocoa Foundation). CacaoNet estimate 70% of total cocoa production comes from Africa (predominantly Ghana and Ivory Coast in West Africa). Europe is the largest importer of cocoa beans worldwide, with 56% of global imports (CBI Ministry of Foreign Affairs 2022).

On the surface, the cocoa sector appears to be male dominated as the majority of farms are owned by men (the Fairtrade Foundation reported in 2020 that only 25% of women cocoa farmers in Ivory Coast own their land), and it is the landowners who bring the beans to the collection sites and receive the payment.

However, according to a report by Fairtrade Foundation titled 'The Invisible Women Behind our Chocolate', women account for two thirds of the labour force. Many co-operatives have now established women focussed initiatives to improve access to training, inputs including seedlings and financial services in order to strengthen women's involvement in the cocoa sector and reduce gender inequalities.

CAYAT is a cocoa and coffee farming co-operative, based around the towns of Adzopé and Yakassé-Attobrou in the South East of Ivory Coast. Like many areas across Ivory Coast, the La Mé region where CAYAT is located is home to many cocoa farmers who depend on the crop to earn a sustainable income.

CAYAT was founded by a group of farmers whose aim was to bring cocoa farmers together and address the region's deep socio-economic challenges, while advancing sustainable agriculture and increasing farmers' incomes.

The co-operative started with 283 members and has since grown to over 3,300 members. Through their range of social impact projects, commitment to fair trade, environmental conservation and innovation, CAYAT have positioned themselves as a leader in the sector.

"We do everything to assure our producers that we can go far together." ~ Yao N'guettia, General Secretary of the Board of CAYAT.

In 2012, CAYAT received Fairtrade certification for their cocoa. In 2013, they were certified by Rainforest Alliance and UTZ. CAYAT are also certified by 4C Association for their coffee and are in the process of obtaining organic certification.

In 2015, CAYAT created an 'Association of Women' in order to train women farmers to play a more important role in the co-operative. Since then, the Association has grown to over 500 members.

Awa Traoré (pictured right) has been the Director General of CAYAT since 2017. Awa is also a graduate of Fairtrade Africa's Women's School of Leadership (WSOL) established to support more women to take on leadership roles within their local economies and societies.

She told us: *"We have demonstrated the important role women play in society. We have demonstrated that women must take a leading position in order to change things in our society."* CAYAT became a customer of Shared Interest in 2016 with an Export Credit (COEC) facility to enable them to purchase cocoa beans from their members. This facility has been steadily increased in line with the growth of the business.

Awa said: *"For us, it is important to create the Union to restore social justice first, and then women can play a role in the community development, it is important for*

women to have autonomy so that they can work alongside their husbands and provide for the needs of their family."

CAYAT has used the premium received from the sales of their Fairtrade cocoa to implement social impact projects supporting employees, their members and the wider community.



Awa Traoré, Director General of CAYAT, Abidjan, Ivory Coast



Yao N'guettia, General Secretary of the Board of CAYAT, Abidjan, Ivory Coast.

Rosine (pictured right) has been a cocoa farmer since 2000. She received two hectares of land from her grandmother to start her cocoa farm. Access to land is a great challenge for women living in the rural communities, especially land to grow cocoa, which is a long-term production crop.

Rosine was motivated by the support CAYAT could provide to her, which she described as: “first, a guaranteed market, but also training, quality improvement, premiums, and equipment”. Since joining CAYAT, Rosine has received training in Good Agricultural Practices (GAP), and participated in the Women School of Leadership, a programme coordinated by Fairtrade Africa and funded by ‘Équité.

Rosine explained the impact of this training: “Many of us were illiterate but with the training offered by CAYAT, we can now read and write a little. Thanks to the CAYAT training, I now know how to save, engage in agricultural good practices, and help others.”

Rosine has also been able to increase her production from 250kg to 2,000kg. In addition to farming cocoa, Rosine also grows cassava, which she sells on the local market. She is also employed by CAYAT as a Nursery Attendant where, together with three other women, she oversees the development of the shade trees before they are distributed to the farmers.

Rosine’s ambition is to support the women at CAYAT to go into full-time agro-processing and value addition, she also wants to create a brand, which is recognised across the whole country. Her personal ambition is to become a processor or even the director of a processing company.

She said: “Here, after harvesting the cacao, men often find themselves without money, so women help them by working, to bring money into the household and pay for the children’s education. The situation can sometimes be difficult.”

“Thanks to these jobs, all the women involved in CAYAT have been able to put their children in school and to take decision for themselves. Without this, we’re nothing. Today, we put oil in our husband’s motorbikes when they go into the fields. This wasn’t the case before. We used to have to save up individually, but we now also have our own savings and loans association exclusively for women, in addition to the scheme for both men and women. We contribute to it and can take out loans and use them as we please.”

You can read the full Longitudinal Case Study on CAYAT in Appendix 14.



Rosine Aké Bekoin, General Secretary of the CAYAT Women's Association.



A Presenter of Radio CAYAT, a show that is the 'voice of the producer', focusing on health, agribusiness and more.



Sustainability and Export Manager Aboudramane Traoré holds cocoa beans at CAYAT's warehouse facility.

Long-term outcome 2: Stronger, more resilient and sustainable businesses

Customer focused financial solutions provided

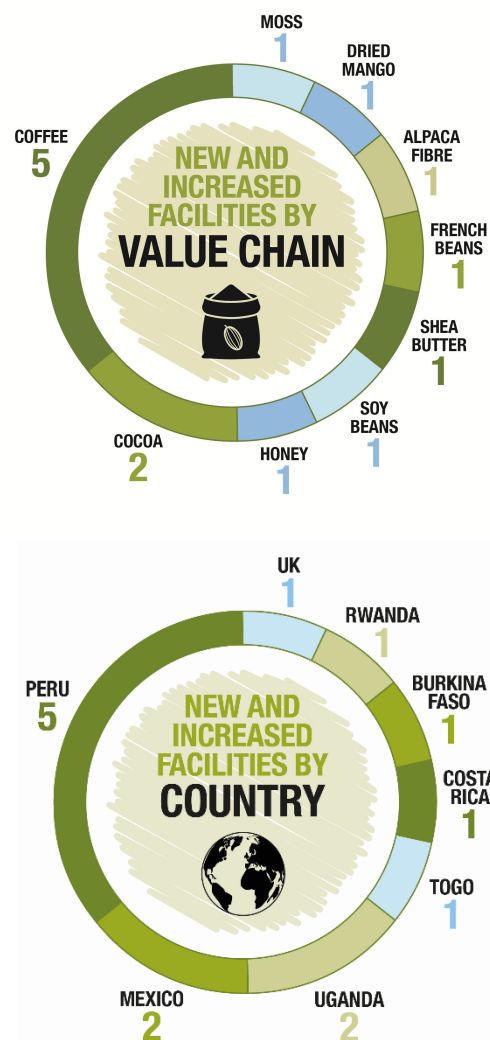
This year presented us with yet another set of challenges as we endeavoured to expand our lending portfolio, both by adding new facilities and increasing our existing customer base. We approved five new facilities, a decrease from the seven approved in the previous year. The total value of these new facilities amounted to £1.3m.

Out of these, four were related to coffee and involved Export Credit facilities. The fifth facility was extended to a French Bean producer in Rwanda who opted for a Stock Facility, a choice better aligned with their market needs. This type of facility does not restrict them to a contract and provides them with the entirety of the funds upfront, enabling them to purchase products as they become available for harvest.

In addition, as explained in Part I, we observed a reduction in the number of existing customer facility increases, with only eight recorded during the year, compared to the 18 achieved last year. These increases amounted to £721k, with an average of £90k. Out of these, four were in the form of working capital facilities, one in the form of Buyer Credit, and three as Stock facilities.

What is worth noting is the diversity in the value chains we served when it came to customer increases, with only two out of the eight relating to coffee. Apart from coffee and cocoa, we also extended our lending to a shea butter importer in the UK, a honey producer in

Mexico, a soybean producer in Togo, a sphagnum moss producer and an alpaca fibre producer, both in Peru.



Increase in trading opportunities

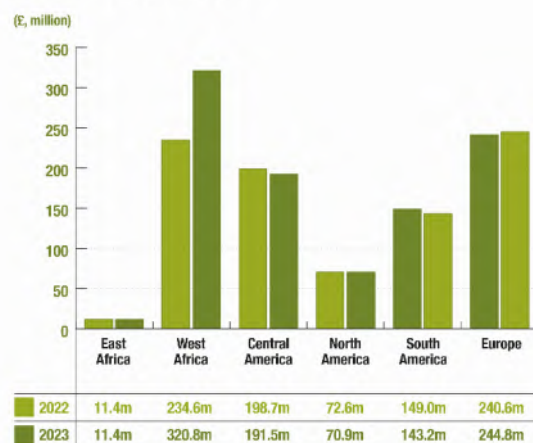
Over the year, we have closely observed the challenges faced by our customers and despite these difficulties, our survey revealed 49% of respondents had seen increased sales, while 35% mentioned a decrease and the remainder reported static sales. The primary reason for the increase was the uplift in sales price but this did result in additional pressure on their financial liquidity. It is worth noting that another significant factor contributing to higher sales was better access to finance, not limited to sources within Shared Interest. Some customers also mentioned an increase in the premiums they received.

As noted in Part I, our customers heavily depend on a reliable market channel. The increase in sales and their subsequent income is largely driven by a boost in buyer confidence. The first graph on page 47 shows the sales for all customers including buyer organisations in the Northern Hemisphere. As can be seen, most regions remained relatively static apart from West Africa, which saw sales increase by 37%, largely driven by the increase in price paid together with the Living Income Differential (LID).

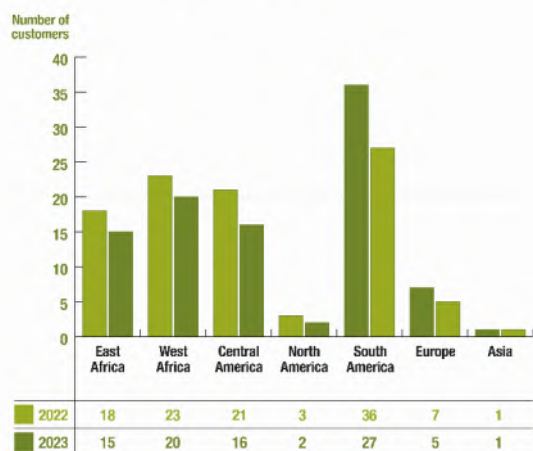
The Living Income Differential (LID) is a pricing mechanism in the global cocoa industry designed to address the economic challenges faced by cocoa farmers in Ghana and Ivory Coast, which came into effect on 1 October 2020. It is an additional sum of \$0.4 per Kg paid to cocoa producers on top of the prevailing market price for their beans. The purpose of the LID is to ensure that cocoa farmers receive a fair income that covers the cost of production and provides a reasonable standard of living for them and their families. The Fairtrade Minimum Price is currently higher than the farm-gate price of \$1.6 per Kg plus the LID set by the government, so producer organisations selling on Fairtrade terms will benefit from this and the additional Fairtrade Premium \$0.24 per Kg.

Based on the information obtained during our annual review process, we estimate that collectively these business have earned £982m, this is a slight increase from last year's total of £954m. Furthermore, 109 customers recorded a profit this year, with 86 of them having seen an increase in the level of profit compared to the previous year.

Customer Sales per Region



Number of customers in each region who achieved profitability



During the producer consultations, we asked participants to share their organisations achievements and the factors that contributed to improved trading opportunities.

In Rwanda, participants highlighted the critical importance of receiving funds promptly, especially in the face of rising farm gate prices driven by intense local competition. Securing timely finance enabled them to procure coffee from their farmers ahead of their competitors. Similarly, in Uganda, where competition is also intense, the punctual disbursement of funds played a pivotal role in meeting contractual obligations with buyers. Furthermore, these producers shared that access to finance not only allowed them to retain their existing producer members but also encouraged more farmers to join their organisations. This has not only increased their capacity to purchase larger quantities of coffee but has also broadened their market opportunities, as they have been able to engage with more buyers.

In Peru, one organisation highlighted a successful year for their primary product, brown sugar. Furthermore, they have made significant progress in their pre-feasibility study to incorporate technology into their production process, marking a crucial step in evaluating the potential investment for a new plant.

In Nicaragua, a coffee co-operative overcame local competition and coffee price speculation by maintaining strong communication with its members. They ensured members were well informed about the co-operative's performance, plans, and goals, and provided training in co-operative philosophy. Moreover, they enhanced their internal processes to boost operational efficiency. Additionally, they achieved a significant milestone by obtaining their own export license, which increased their independence and control over the exportation of their coffee products.

"My greatest pride is to have doubled our export volume of cocoa beans in four years, from 3,000 to 6,000 tonnes. We do not intend to stop there, because the vision is much bigger." ~ Aboudramane Traoré Sustainability and Export Manager of CAYAT

"In the time EDUCE has been formed, it has narrowed the space between the beekeepers, the producers and the clients. So the price we can get is as good as it can possibly be because there are no intermediaries. And then at the end of the year, we have a profit, a leftover amount that we can pass on to the beekeepers." ~ EDUCE Plant Manager Juan Carlos Munguía

Fairtrade

The Fairtrade certification system is rigorous, independent, and in line with best-in-class certification practice.

All producer organisations must go through an on-site audit before they can sell Fairtrade certified products. The Fairtrade Standards incorporate a holistic blend of social, economic and environmental criteria.

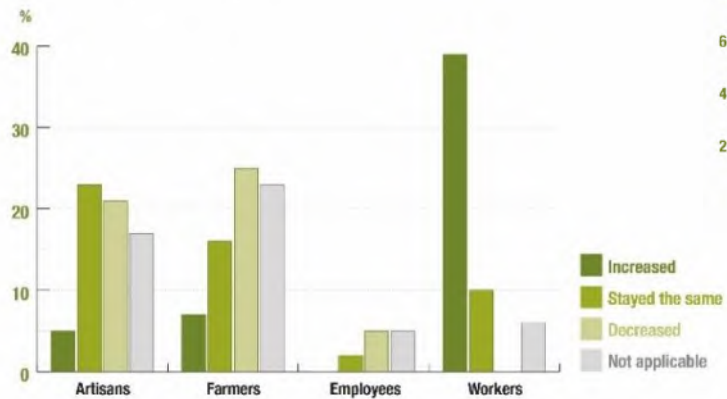
The key objectives of the Fairtrade Standards are to:

- Ensure that producers receive prices that cover their average costs of sustainable production.
- Provide an additional Fairtrade Premium, which can be invested in projects that enhance social, economic and environmental development.
- Enable pre-financing for producers who require it
- Facilitate long-term trading partnerships and enable greater producer control over the trading process
- Set clear core and development criteria to ensure that the conditions of production and trade of all Fairtrade certified products are both socially and economically fair as well as environmentally responsible.

Long-term outcome 3: Employment creation for farmers, artisans and workers

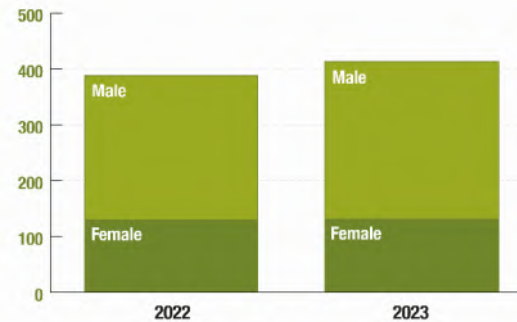
As part of our Customer Social Impact Survey, we asked producer groups to indicate if the number of people working in their organisation had changed over the past 12 months. We asked about their employees (individuals who have a permanent role within the organisation) and workers (casual or seasonal workers involved in the production of commodities during harvest and other occasional busy periods). Similar to 2022, the results showed that very few producers had seen a decrease. In fact, the vast majority had either seen an increase or maintained the same number of individuals working throughout different sections of their business (see graph below).

Changes in number of people involved in each organisation

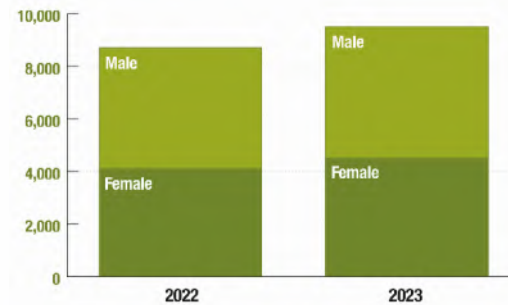


Based on our internal annual review data, the producer groups we finance support 412,628 farmers, artisans and workers (see graphs below and adjacent), an increase from last year due to changes in customer accounts and the type of business. From this year's overall figure, 32% are women.

Number of farmers and artisans



Number of workers



In terms of number of workers across both producer and buyer organisations, there was a 25% increase in 2023 compared to 2022; 9,519 workers, of which 4,500 are women (see graph above).



COOPARM farmer Wilmo Rodriguez holds a basket of coffee cherries, Peru.

Case Study – EDUCE

Established in 1997, Sociedad Cooperativa de Responsabilidad Limitada (EDUCE) is a co-operative dedicated to the production and export of Fairtrade honey. Today, EDUCE represents the voices and interests of 800 beekeepers in 40 co-operatives, across three states of the Yucatán Peninsula of Mexico. This area is known for its production of high-quality honey, particularly from the Melipona bee, which is native to the region. These bees are stingless and are known for their unique honey, which is prized for its medicinal properties and distinct flavour.

For Mayan communities, bees and honey have always been sacred. The honey produced in the region is harvested using traditional methods, which involve using small wooden boxes called “cajas” to house the bees and collect the honey. The cajas are placed in areas with abundant flowering plants, and the bees are left to forage and produce honey at their own pace. Once the honey is ready it is extracted using simple tools and techniques with minimal disruption to the bees and their habitat.

EDUCE General Manager Miguel Ángel Munguía (pictured below) states that for each kilo of honey marketed as Fairtrade, an additional 20 cents are paid to the farmer through the Fairtrade Premium.



This represents 1.50 to 2 pesos per kilo of honey, the equivalent of 0.07p to 0.09p. For many producers in the region, beekeeping is one of the main sources of income. Other activities such as cornfields and family gardens are present; however, they exist for subsistence. One of the key challenges that beekeepers face is the commercialisation of honey at low prices, combined with the impacts of climate change.

In Mexico, there are 40 UNESCO World Network Biosphere Reserves, which function as long-term refuges for biodiversity. According to the United Nations, climate change is playing an increasingly important role in the decline of biodiversity around the world. Specifically in beekeeping, alterations in rainfall patterns and drought events, interspersed with an increased frequency of natural phenomena such as hurricanes and storms, represent a destabilising factor for beekeeping because flowering periods are becoming increasingly unpredictable.

This unpredictability makes it increasingly difficult for beekeepers to harvest the same amount of honey each year, as they must coordinate and anticipate the flowering time to ensure that hives are ready for honey harvesting. This poses a serious challenge to the farmers, who are threatened with losing a significant portion of their income.

EDUCE first became a Shared Interest customer in 2002 when they received a loan to prefinance honey orders; they held this first facility until 2005. In 2015, we re-established contact with EDUCE and in 2016 they became a customer for the second time, receiving loans to prefinance their honey harvest.

EDUCE currently utilise the finance from Shared Interest to build stocks of honey and to prefinance honey contracts.

Since working with Shared Interest the number of producer groups has increased from 63 to 113. EDUCE General Manager Miguel, explained the size of these groups ranges from 10 members to 140 members. He said: “Financing (from Shared Interest) has been key to increasing volume and growing.”

Speaking about the benefits of the Shared Interest loan, Commercial Manager Leonor López Garduza (pictured below left) said: *“The money allows the beekeepers to continue with their work, maintain their families and be productive members of society. Without that money, the producers would be at the mercy of other traders who are less ethical.”*



Plant Manager Juan Carlos Munguía (pictured above right) said: *“The investors can be sure that for the last 25 years EDUCE has been working in the Maya communities, meaning the very rural, very isolated traditional communities to support a better standard of living for them. It enables them to conserve their communities and the environment and the earth, and always to benefit them. I would say it is a link in the supply chain, it strengthens and benefits the groups and the producers and their development.”*

“It is consolidating and keeping together families and communities and giving them options for living. It helps to avoid them having to fall into worse things like drugs trade or other things so as to make sure that they have good options. So those communities, small communities don't lose their essence as indigenous or Mayan people.”

By offering beekeepers a higher price for their product, they are incentivised to join EDUCE. Juan continued: “In the time EDUCE has been formed, it has narrowed the space between the beekeepers, the producers and the clients. So the price we can get is as good as it can possibly be because there are no intermediaries. And then at the end of the year, we have a profit, a leftover amount that we can pass on to the beekeepers.”

María Colli has been an organic beekeeper for four years. She lives in Izamal in the region of Yucatán, Mexico.



Beekeepers María and Diego Colli pictured together in María's apiary.

Maria said: “The motivation why I was interested in joining with EDUCE was the price. It's a good price for us. And the other thing is that they give us workshops, they run workshops for us on gender and on the environment... This is very small town village and with a fair bit of machoism, and so these workshops they've opened our eyes perhaps. It's a pleasure for myself and the other women to have them. We used to be embarrassed to voice opinions or to speak up or we were shy but not anymore.

“EDUCE have shown us how to diversify our products, make other uses of our products and more than anything, it's given an opportunity as women specifically, before you didn't see any, there was no such thing as a woman beekeeper. But now there's myself and my group, we've been the first and there's another group forming as well.”

You can read the full Longitudinal Case Study on EDUCE in Appendix 15.



Vitaliano Cahuich holds a bottle of the honey he produces with EDUCE.



When the honeycomb starts to lose its shape, the beekeeper reshapes it by manually cutting it.

Increase in technical assistance and producer support

Our charity, Shared Interest Foundation, also supports the creation of employment opportunities in communities, working with in-country partners and groups to establish income-generating enterprises and support co-operatives to increase their business resilience and sustainability.

Through working with in-country partners, this year Shared Interest Foundation delivered 14 projects focussed on improving the livelihoods of farmers and artisans through:

Key achievements from 2022/23 include:

- Seven new enterprises were established providing a source of income to 705 farmers (69% women).
- 832 women received training in a variety of topics including agro-processing, soilless farming, climate smart agriculture (CSA), business skills and leadership.
- 243 young people received training, tools and farming inputs to establish sustainable cocoa and coffee farms.
- 143,269 trees planted including coffee seedlings, agroforestry trees and fruit trees supporting 1,423 coffee farmers.

1 Enterprise development

2 Women and youth empowerment

3 Building climate resilience

SHARED INTEREST FOUNDATION IN 2023



With the support of
2,089 DONORS
& 7 GRANT MAKERS



We delivered
14 PROJECTS IN
6 COUNTRIES
across Africa and
Latin America



We worked with
11 LOCAL
PARTNERS
including nine
co-operatives



3,408 FARMERS
AND ARTISANS
(27% WOMEN)
accessed training



WE SUPPORTED
PRODUCERS OF 7
DIFFERENT COMMODITIES
(coffee, cocoa, groundnut,
shea, passion fruits,
vegetables and
sphagnum moss)

Enterprise Development

Locations: Uganda and Burkina Faso

Participants: 365 coffee farmers in Uganda (146 women) & 50 female shea nut collectors in Burkina Faso

SDGs: No Poverty (1), Gender Equality (5), Decent work and Economic Growth (8) Climate Action, (13), Partnerships for the Goals (17)



35 MANAGEMENT TEAM MEMBERS
from two co-operatives were trained in business and finance skills and rural entrepreneurship



705 PRODUCERS (486 WOMEN) INCREASED THEIR INCOME
through the development of new enterprises



7 NEW ENTERPRISES WERE DEVELOPED
including shea butter and passion fruit production, and production and sale of organic vegetables



PRODUCER INCOME INCREASED BY 170%
(on average) as a result of new enterprise development

Project 1: Increasing the resilience of coffee farming households through Income diversification

In rural Uganda, passion fruit farming has played an important role in supporting 365 coffee farmers, of whom 40% are women, by offering them a means to diversify their income sources. This diversification has not only increased household resilience but has also led to improvements in their coffee production. This two-year project was successfully delivered in partnership with local co-operative, Bukonzo Organic Coffee Co-operative (BOCU).

Under the initiative, participating farmers underwent training in passion fruit farm management. Additionally, each farmer was provided with 50 passion fruit plants for intercropping on their coffee farms, as well as essential farming tools. Furthermore, training in GAP, CSA and Organic Fertiliser Production equipped farmers with the knowledge and skills required to effectively manage their coffee farms.

The project also extended its support to financial empowerment by delivering training in Village Savings and Loan Association (VSLA) Management. This resulted in the formation of 10 savings groups, with a total of 151 active members, with women constituting a significant 70% of the membership. Each group member contributes on a weekly basis and between February and May 2023, a sum of £1,638 was disbursed in the form of loans. This initiative reflects our commitment to the holistic development of these communities, improving their livelihoods and strengthening their capacity for a sustainable future. The table below covers the period from November 21 to March 2023.

Number of fruits produced annually	Total annual group sales (£)	Average annual farmer income £ per farmer
4,501,755	96,355	263



Medius Masareka from Bukonzo on her passion fruit and vanilla farm, Western Uganda.

"The project has helped me obtain a second income in addition to coffee. I am able to cater for my basic needs. For example, I am able to pay school fees for my children, take care of other needs at home such as buying salt, soap and drinking juice as I wait for coffee to mature for sale." ~ Project participant

Project 2: Improving livelihoods through agro-processing in Burkina Faso

In partnership with Plateforme Nationale du Commerce Equitable Burkina Faso (PNCE-B) and COPRONOS, a local shea and nut co-operative, a 12-month value addition project was successfully implemented to enhance the resilience of 50 female shea nut collectors in southern Burkina Faso.

This project involved providing agro-processing training and tools to 40 participants, enabling them to transform shea nuts into butter and soap. These value-added products were then sold both locally and exported, contributing to increased household income. Additionally, the project extended support to a further

ten women in the production of soumbala, a popular local spice made from the seeds of the néré tree, renowned for its high protein and dietary mineral content.

- Before the project, 84% (42) reported having some knowledge in shea and local spice processing, but 82% (41) said they were not able to engage in it due to high cost of equipment, limited knowledge of business management and lack of materials.
- At the end of the project 100% (50) of the group said they now have the skills and equipment to enable them to continue engaging in agro-processing activities.

To aid the group’s sustainable management of their new enterprise, a dedicated consultant with expertise in employment and vocational training delivered training in agri-business and rural entrepreneurship. The training sessions covered a range of essential topics, including enterprise creation, marketing, accounting, financial management, and business planning. This comprehensive training equips the group with the knowledge and skills necessary to effectively manage their enterprise and supports its long-term viability.

“Before I was working but in a traditional method due to lack of equipment and kits. I was producing at home, I didn’t have the right kits but I was managing. I didn’t have a table or knives. I was moulding with bare hands and producing for home consumption. Today, we are able to produce in commercial quantity. It will improve local consumption. My vision is to see the project grow to cover all women in the community.” ~ Barro Salimata, Chairperson of COPRONOS women group and project participant

Project results and projections

Year	Shea butter		Shea soap		Soumbala (spice)	
	Production (kg)	Sales (£)	Production (cakes)	Sales (£)	Production (kg)	Sales (£)
22 – 23	2,000	2,700	500	45	200	522
Projected 23 - 24	8,000	10,977	2,000	174	1,500	3,920



Barro Salimata, Chairperson of COPRONOS women group and project participant.

Women and Youth Empowerment

Locations: Burkina Faso, Ivory Coast and Rwanda

Participants: 243 young coffee and cocoa farmers, plus 50 female beekeepers

SDGs: *No Poverty (1), Gender Equality (5), Decent Work and Economic Growth (8), Climate Action (13), Partnerships for the Goals (17)*



563 WOMEN WERE TRAINED
in leadership, entrepreneurship and business skills



348 WOMEN WERE SUPPORTED
to join a VSLA (savings group) saving on average £0.20 each week



234 YOUNG FARMERS WERE TRAINED
in agriculture and farm inputs to improve their farms and increase profitability



243 COCOA & COFFEE FARMS WERE BUILT
or expanded by young farmers in East & West Africa



A 125% INCREASE IN MONTHLY INCOME
was received by young farmers' (on average) due to the establishment of new farms

Focused on empowering young people to engage in agriculture, last year our Growing Fairer Futures projects supported 243 young people (50 in Ivory Coast and 193 in Rwanda) to establish their own coffee or cocoa farm to provide them with a sustainable source of income.

Project 3: Growing Fairer Futures ~ Ivory Coast

In Ivory Coast, this project, launched in 2020, is being delivered in partnership with local cocoa co-operative, CAYAT. During the first year, farmers received training in GAP, CSA and agri-business skills. They were also provided with 37,500 cocoa seedlings and 625 shade trees. Currently, we are in the third year of this project, and the young farmers continue to receive essential farming inputs to maintain their farms, along with ongoing support and guidance from extension officers at CAYAT. The first harvest is anticipated to commence in early November 2023, with each farm projected to yield between 35 and 50 kg of cocoa.

Anita Akaffou (*pictured right*) is a cocoa producer who, before joining this project, had been assisting her parents in their family cocoa farm. Securing land for women presents a significant challenge, as societal norms often dictate that women will marry and relocate, while land is traditionally given to male family members.

With the support Anita received through this project, she managed to establish her own cocoa farm on land given to her by her father. She planted 500 cocoa trees and banana trees to offer crucial shade. These trees are thriving, and Anita is expecting to see her first harvest in November 2023. Her plan is to reinvest the income earned from this harvest to expand her farm, thus increasing her household income.



Project participant, Anita Akaffou.

Projects 4 and 5: Growing Fairer Futures ~ Rwanda

In Rwanda, we worked in partnership with coffee co-operative KOPAKAMA, to support 193 young coffee farmers. Each participant underwent comprehensive training to improve their farm management skills, bolster climate resilience, and enable them to operate their businesses profitably. To facilitate practical group training, two demonstration plots were established. These plots, comprising 3,500 coffee trees, were strategically intercropped with soy beans, which the farmers sell on the local market for additional income. In total, 100,000 coffee seedlings were distributed to the farmers, and the first harvest is expected early 2024.

Moreover, as part of this project, all young farmers have become members of a savings group. These groups were established with elected leaders, fostering a sense of community and financial empowerment among the participants. This collaborative effort reflects our commitment to enhancing the livelihoods and entrepreneurial skills of young coffee farmers in Rwanda.

- Eighty percent of participants told us in the baseline survey that they had poor or very poor

access to tools and equipment. By the end of the project, 100% rated their access to tools as good or very good.

- At the project's start, 40% of participants rated their knowledge of land preparation techniques low or very low. By the end of the project, 60% rated their knowledge as high or very high. In the baseline survey 50% rated their knowledge of disease and pest control as low or very low. At the end of the project, 100% of participants rated their knowledge as average or above, with 42% rating their knowledge as high or very high.

Project 6: Bees for Business: Dakoro Solar Panels

In Burkina Faso, we have maintained our partnership with PNCE-B to continue supporting the Benkadi de Dakoro women's group, located in the rural community of Dakoro. This group initially participated in our Bees for Business project in 2018. As part of our ongoing support, we facilitated the installation of solar panels to enable the group to process honey after dark when the bees are less active. This not only marked the community's first access to electricity but also empowered the group to significantly increase their honey processing capacity, subsequently boosting their income from this venture.

Furthermore, this newfound access to electricity has prompted the group to diversify into the production and sale of fruit juice. They have also acquired a fridge to store their products, which is powered by the electricity generated from the solar panels. In addition to supporting the group's honey business, these solar panels are now supplying electricity to 20 households, benefitting 318 individuals including 201 children.

This continued partnership highlights our commitment to empowering local communities, enhancing economic opportunities, and improving the quality of life in Dakoro.

“With the electricity we have installed fans in the honey processing facility and the room is no longer warm. We are able to work there at any time.” ~ Massata Ouattara, member of Benkadi de Dakoro women’s group.

“We no longer fear to stay outside at night. The whole community is lit and we are able to stay out and do our chores.” ~ Djata Ouattara, member of Benkadi de Dakoro women’s group.

Increasing self-sustainability through soilless vegetable farming

Locations: Ghana and Burkina Faso

Participants: 290 women

SDGs: No Poverty (1), Gender Equality (5), Climate Action (13), Partnerships for the Goals (17)

In West Africa, innovative soilless farming is providing an opportunity for women to increase their income through the production and sale of organic vegetables, improving household food security. In this region, access to land, effects of climate change and limited knowledge of farming practices are barriers, preventing women from earning a meaningful income from agriculture. The soilless farming technique is practised on land unsuitable for traditional farming and requires less water enabling crops to be grown throughout the year, providing a sustainable and reliable source of income for women.

Project 7 and 8: Soilless farming: Ghana

In northern Ghana, in partnership with TradeAID Integrated, a handcraft producer and registered NGO located in the Bolgatanga region, we provided support to 60 economically vulnerable female basket weavers to establish a soilless farming enterprise. This initiative led to the creation of six farms, each equipped with drip

irrigation watering systems. Participants underwent training in soilless farming techniques, with guidance from the Crop Science Department of the University of Ghana. In addition, they received comprehensive training in agri-business skills, rural entrepreneurship and nutritional education.

Upon completion of the first harvest, these farms yielded 6,038 kg of vegetables, including lettuce, peppers and aubergine. These fresh produce items were sold to 206 customers, resulting in total sales amounting to £1,932. This project exemplifies our commitment to empowering economically vulnerable individuals, fostering economic sustainability, and enhancing livelihoods.



Women refill plastic buckets with substrate as part of the soilless farming project with TraidAid Integrated.

Project 9: Seed to stall: Increasing self-sustainability through soilless vegetable farming in Burkina Faso

In Burkina Faso, soilless farming has provided an opportunity for women residing in the semi-urban communities around the major city of Bobo-Dioulasso to engage in vegetable farming. This innovative approach has enabled them to cultivate organic vegetables for sale in the local market and for consumption at home,

thereby increasing household food security. Funded by Guernsey Overseas Aid, this project established two greenhouses with a combined area of 400m² supporting 200 women.

Each of the greenhouses has been equipped with a solar-powered drip irrigation system, connected to a borehole and water reservoir. Besides offering a sustainable water source for the farms, this borehole also addressed a longstanding need in the local community, which previously lacked consistent access to water. Groupe d’Action des Femmes pour la Relance Economique du Houet (GAFREH), is a women-led organisation based in Bobo-Dioulasso, which supports over 6,000 women to become economically empowered. GAFREH estimates that between 100 and 150 households have benefitted from this water source, with each household paying a nominal social fee of 250 XOF (£0.32) per 200 litres - this rate is half the price charged by the government.

The income generated from this borehole has enabled GAFREH to employ a security guard and farm manager, as well as construct a small storeroom for their farming equipment. This initiative reflects our dedication to fostering sustainable agriculture, empowering women, and contributing to the well-being of local communities in Burkina Faso.



Ami Sana, project participant

Badoua Agro-business International, an organisation based in Ouagadougou who specialise in soilless farm production provided the group with technical support in farm management. In the greenhouses and on surrounding land donated to the project by the local governor, the group planted tomato and chilli pepper seedlings.

Zeynab Ouedrago, Project Officer at GAFREH commented: *“The project has given visibility to GAFREH both locally and nationally. The Central Government, through the Minister of Social Action, has requested GAFREH to help train internally displaced persons and other vulnerable groups to go into soilless farming.”*

Production and sales results during the project

Vegetable	Production (kg)	Total sales (£)	Net profit (£)
Tomato	7,854	4,639	4,339
Chilli pepper	184	432	321
Total	8,038	5,071	4,660

“Before participating in this project I had no activity as such. I only took care of household chores. My husband took care of everything. Even for my small needs you have to fall back on the husband. It was a difficulty for me.

“This project has led to changes in my life. I have received training and I have new knowledge about soilless agriculture. We also consume healthy products. Thanks to the income I receive here, I save it in our VSLA and I take the money to invest in the small business. It’s a new activity that keeps me busy.”

“Soilless farming has many advantages: you no longer pay for the products you produce, you consume organic vegetables to stay healthy and you don’t need a lot of space to produce. You spend your free time and you don’t get bored.

We will stay the course, gradually improve and diversify our production so that within the next two years we can build another greenhouse to train and integrate other women.”

Boulguissa Mande, project participant (pictured right)



Project 10: Seed to Stall: Increasing self-sustainability through domestic soilless vegetable farming in Burkina Faso

Through funding from Evan Cornish Foundation, we extended our support to an additional 30 women, enabling them to establish soilless vegetable gardens at their homes. This project serves to not only enhance household food security but also bolster financial resilience. Following their training in soilless farming techniques, each participant was provided with a production kit comprising tools, equipment, and inputs, equipping them to create soilless gardens at home.

Since the training, some women have taken the initiative to establish locally made greenhouses to provide additional protection to their crops, while others have chosen to plant in various containers like bags and buckets. In these expanded vegetable gardens, they are cultivating a diverse range of vegetables, including tomatoes, lettuce, cucumbers, peppers and aubergines. This undertaking highlights our commitment to empowering women, improving household food security, and promoting financial resilience.



Salimata Karambiri, project participant

- During the baseline data collection, 16 participants (53%) told us they never ate vegetables at home. At the end of the project all 30 participants told us they now eat vegetables a minimum of once a week, with eight (27%) saying they eat vegetables either daily or with every meal.
- The baseline data also told us that at the start of the project, none of the 30 participants consumed organic produce due to its high cost and limited availability. At the end of the project, all the participants are now consuming the organic vegetables they produced on their farm at home.

"I never heard of soilless farming and did not know I could grow vegetables at home using this technique. After the training we were given kits to start producing vegetables at home. I still doubted this technique until I saw the vegetables growing well at the collective greenhouse. This motivated me to start mine and the vegetables are growing well. I was so excited that I started another garden on a small space I got from my neighbour." ~ Irene Ouédraogo, pictured below watering her garden.



Building Climate Resilience

Locations: Peru, Rwanda and Uganda

Participants: 225 sphagnum moss harvesters (85 women), 625 coffee farmers (122 women) in Rwanda and 300 coffee farmers (79 women) in Uganda

SDGs: *No Poverty (1), (8) Climate Action, (13), Partnerships for the Goals (17)*

Project 11: Ensuring environmental protection and biodiversity conservation through income diversification in Peru



128,050 CLIMATE AND DISEASE RESISTANT coffee seedlings were planted by **1,068 farmers**



15,219 AGROFORESTRY TREES were planted supporting **1,068 farmers**



1,223 FARMERS (504 WOMEN) were trained in eco-friendly farming practices



768 FARMERS (189 WOMEN) were trained in organic fertiliser production



5,000 HECTARES OF UNCULTIVATED LAND PROTECTED from disruptive farming practices through sustainable moss harvesting

Sphagnum moss, naturally found in the Andean region of central Peru, can serve as a sustainable source of income for rural communities when managed correctly. In partnership with Inka Moss, this 12-month project aimed to support 225 harvesters from five communities in the Huánuco region of the Andean area, enabling them to increase their income through the sustainable harvesting of sphagnum moss. Simultaneously, this project contributes to environmental protection and the conservation of the region.

As the project progressed and awareness of the moss harvesting activities and income potential grew, the number of communities involved expanded from five to 28, benefiting over 1,000 harvesters. The participants underwent training in sustainable moss harvesting techniques and environmental conservation methods. In order to improve the efficiency of the harvesting process, a winch system was installed. Prior to this installation, the 40kg sacks of moss would be transported down the hillside using pack animals (usually llamas), or the harvesters would carry them on their shoulders, often for up to two hours.

This project signifies our commitment to promoting sustainable income opportunities and environmental stewardship within these communities in the Andean region of central Peru.

- Before this project farmers earned income from growing vegetables, potato cultivation and livestock. None of the original participants had harvested moss before with reasons given including other economic responsibilities, lack of time, little knowledge and changes in climate.
- Following this project, the average monthly income of participants increased from £165 to £300.

Production results (June 2022 – June 2023)

	Bags	Kg	£ value
Original 5 communities	47,549	76,078	92,496
Additional 23 communities	17,967	29,483	35,845
Total	65,516	105,561	128,342

Juanjo Ladines, Project Supervisor and Impact Manager at Inka Moss said: *“The introduction of moss harvesting in a community allows it to thrive in its own land using its own natural resources in a sustainable way. This not only helps through the direct improvement of their internal economy but also in the new view that they have of the flora and fauna that surrounds them and the importance of adopting practices that are not only non-damaging but that actively protect it for potential future uses.”*



The winch system transporting sacks of moss down from the mountain

Project 12: Strengthening coffee producers’ resilience to climate change for increased yield

Working with Tropic Coffee, a Rwandan coffee co-operative, this two-year project, launched in February 2022, is supporting 625 coffee farmers (18% women) to

enhance their coffee production while placing a strong emphasis on building resilience to climate change.

The farmers underwent training in GAP, CSA and organic compost production. Following the training, all farmers have transitioned to producing compost collectively in groups, which has both reduced their production costs and improved the quality of their coffee.

As part of this project, a total of 86,050 coffee seedlings and 10,919 shade trees were distributed among the participating farmers. Additionally, farmers received training in agri-business and financial management skills. Following this, Tropic Coffee opened a Savings and Credit Co-operative Organisation (SACCO) and 70% of farmers are saving. Tropic Coffee has set an ambitious goal of reaching 100% participation by the end of the project. This initiative underscores our commitment to improving coffee production, empowering farmers, and fostering financial stability within this Rwandan coffee farming community.

Project 13: Building resilience of coffee farmers in western Uganda through agroforestry

In April 2023, we launched a project in western Uganda to increase the climate resilience of coffee farmers through agroforestry. Working with local coffee co-operative Banyankole Coffee Services (BCS), this project is supporting 300 of their members (26% women). The farmers have been trained in agroforestry, climate resilience strategies and eco-friendly farming practices in preparation for expanding their coffee farms. Twelve thousand disease and climate resistant coffee seedlings and 4,300 agroforestry trees have also been distributed among the farmers. We will report fully on this project in Social Accounts 2023/24.

Projects for 2023 / 2024 In September 2023, we launched Brian’s Legacy ~ SEED Project: Sustainable empowerment through enterprise development, which

involves the establishment of a groundnut value addition enterprise in partnership with Ugandan NGO LADA (Literacy Action Development Association). This project is aimed at supporting 200 women in rural Uganda. Over the course of 18 months, we are providing these women with training, tools and equipment that will enable them to process their groundnuts into oil, butter and other products. They will then be sold on the national market, ensuring they receive a higher prices for their goods and contributing towards a reduction in household poverty. Furthermore, we have allocated designated funding from our unrestricted income to deliver a technical assistance project. This project is designed to support 21 co-operatives, all which are customers of Shared Interest Society. Through a training program encompassing topics such as good governance, co-operative management, financial management, and market access and climate change adaptation the primary goal of this project is to enhance the capacity of these co-operatives to efficiently manage their business and financial resources, thereby ensuring the sustainability of the co-operative itself and the support it offers to its members.

In June 2023, we were invited to participate in a study about technical assistance (TA) provided by impact investors to agricultural value chain actors, including smallholder farmers and co-operatives. The research, carried out by Tameo who are a Swiss impact investing specialist, sought to address the need for a common understanding of what technical assistance is as well as the value proposition of different types of technical assistance. We were able to contribute by sharing our experiences across 16 projects led by Shared Interest Foundation since 2018. We expect the results of the research to be shared among the social lender community and look forward to seeing how these can inform our future approach to technical assistance. We look forward to reporting on the progress and outcomes of these projects in Social Accounts 2023/24.

Summary

The 2030 Agenda for Sustainable Development has a crucial aim to eliminate global extreme poverty by 2030. Although progress has been made, the United Nations estimates that more than 700 million people, approximately 10% of the world's population, continue to grapple with extreme poverty. Sub-Saharan Africa remains the region with the highest number of individuals living on less than \$1.90 per day.

This report underscores Shared Interest's achievements in improving the livelihoods of people in remote and disadvantaged communities by helping them trade their way out of poverty. Working together with farmers, artisans and communities, we have strengthened businesses, increased employment opportunities and introduced innovative sustainable farming methods. We estimate that the businesses we supported this year collectively earned £982m, with 109 customers recording a profit. Significantly, 86 of these businesses saw an increase in profits, reflecting the resilience of the producer groups.

According to our internal data, the producer groups we support now employ 412,628 individuals, with 32% being women. The number of permanent employees across both producer and buyer organisations increased in 2023, reaching 9,519 employees, including 4,500 women.

Shared Interest, with a team of 34 colleagues, places significant emphasis on retaining a motivated workforce to support the organisation's growth. Maintaining a committed team and fostering a positive work environment are central to our approach. An Engagement Survey indicated a high level of engagement, with 55.2% actively engaged and 44.2%

engaged. We also benefit from the invaluable contributions of 92 volunteers working alongside colleagues. Volunteers play a crucial role in the organisation's mission, and Volunteers' Week provided a platform to celebrate their dedication and support.

In pursuit of our mission, Shared Interest relies on the unwavering support of members, donors, volunteers, and partners. Their invaluable commitment, along with the dedication of our international team, producers, and buyers, enable us to carry out impactful work across 45 countries.

Our diverse society membership includes faith groups, fair trade partnerships, small businesses, schools, and community organisations. However, individuals hold the majority, 82%, of Share Accounts. By the end of the year, we had 10,259 members, despite a slight decrease in investments by £0.7m. The Share Capital totalled £51.6m at the close of the year. In 2023, we welcomed 167 new members. Despite this, Share Account closures led to a net reduction of 157 Share Accounts.

Shared Interest Foundation, our charity, continues to thrive with the support of 2,089 donors and grants. Over the past year, we delivered 14 projects, which supported the development of innovative solutions to strengthen the climate resilience of producers, created income-generating opportunities for women and young people, and established enterprises, which generate vital income for rural communities. Seven new enterprises were established providing a source of income to 705 farmers (69% women), 832 women received training in a variety of topics, including agro-processing, soilless farming, Climate Smart Agriculture, business skills and leadership. Additionally, 243 young people received training, tools and farming inputs to establish sustainable cocoa and coffee farms, and 143,269 trees were planted.

As mentioned earlier in the report, over the past three years, the global economic landscape has been marred by challenges including the Covid-19 pandemic, inflation, and recessionary pressures. These issues, coupled with political instability in certain countries, have disrupted economies worldwide. As a result, our customers are grappling with shrinking profit margins due to lower product demand and rising input costs, exacerbated by the Ukraine conflict. We also acknowledge that weak governance and subpar financial management pose ongoing challenges, especially in the southern hemisphere. These issues, if left unaddressed, can result in loan defaults. Consequently, we have made provisions for a higher number and value of customer accounts than usual, acknowledging the uncertainty of these numbers. However, it is essential to restate that we believe many of the accounts in arrears are recoverable.

Our financial support comes in the form of short-term and medium-term lending options, including Export Credit, Buyer Credit, Stock Facilities, and Term Loans. We remain dedicated to providing vital financial support to smaller, vulnerable groups while proactively managing risk and navigating the challenges of a complex global economic landscape. We disbursed £49.2m in 2023, with reductions primarily in South America due to the impact of the new Fairtrade minimum coffee price in the market and establishment of contracts from buyers.

In this challenging year, we approved five new facilities (totalling £1.3m), a decrease from the previous year. Coffee continues to represent the largest of our value chain exposures at 48% of our lending. This simply reflects the size of the Fairtrade and organic coffee market and its need for trade finance. It also mirrors the impact of the financing sphere as a whole.

Our customers heavily depend on a reliable market channel. The increase in sales and their subsequent income is largely driven by a boost in buyer confidence. However, it is clear that the challenges faced by our customers did not deter their trading opportunities. Our Customer Social Impact Survey revealed that 49% of respondents reported increased sales, primarily due to higher sales prices. This increase, however, created additional pressure on their financial liquidity. They also highlighted how better access to finance, not limited to Shared Interest contributed to higher sales.

Our latest Customer Social Impact Survey showed that 80% of respondents reported they had undertaken organisational development projects, spanning infrastructure, equipment, market expansion, e-commerce, and various other fields. Moreover, we asked about community development projects, with 76% affirming their active involvement. These initiatives primarily focused on environment, education, water and sanitation, and health.

Our survey also featured open-ended questions to uncover challenges encountered by artisans, farmers, employees, and workers over the last year, along with the mitigation measures taken. Notably, climate change, escalating living costs, increased input and fertiliser expenses, market price fluctuations, access to finance, and low demand for commodities like honey emerged as recurrent challenges. In response, our support included training in climate resilience, reforestation, organic and GAP, and environmental conservation, attesting our commitment to mitigating challenges and fostering sustainable development.

Our Lending Team has observed the effects of climate change on agricultural production, and this remains a significant challenge. Farmers already dealing with volatile market prices and rising production costs are now dealing with extraordinary weather patterns,

prolonged droughts, extreme rainfall, and crop diseases. These changes lead to reduced yields, especially in areas lacking irrigation systems. Affirming the need for climate adaptation and resilience measures.

Producer groups have initiated a range of projects aimed at mitigating and adapting to the impacts of climate change, including training in climate resilience strategies, compliance with EU Deforestation Regulation, irrigation management, and reforestation. Such initiatives extend beyond agriculture, promoting environmental sustainability.

Achieving Goal 5 of the SDGs, gender equality and empowering women and girls by 2030, is an ambitious target. While progress has been made, gender disparities persist worldwide. However, within the organisations we support, there is a growing trend of women's empowerment initiatives. Female farmers and artisans are gaining recognition for their role in supply chains, with increased opportunities for career development and autonomy. Globally, women make up 43% of the agricultural labour force but face discrimination in areas like land ownership, equal pay, decision-making, and financial access. In our portfolio, women account for 32%, but this figure does not consider women working on land owned by male relatives. Initiatives such as those in the Amazonas region, led by Elizabeth Arista Salazar and Merling Preza, focus on women's visibility, education, land access, and leadership development.

In alignment with the 2030 Agenda, our work strives not only to alleviate poverty but also to propel lasting transformations in the lives of the individuals and communities we serve.

Stakeholders

In pursuit of our mission, the following stakeholders are key to Shared Interest. (This list is reviewed and updated annually by the social reporting team)

Stakeholders	Definition	Description	2022	2023
Beneficiaries	Organisations who benefit from the support of Shared Interest Foundation	Beneficiaries trained Producer groups receiving grants	2,365 10	3,408 9
Board of Directors	Collectively responsible for the direction and management of the Society, 7 of these 9 are also Trustees of Shared Interest Foundation	Elected Shared Interest Society Members	8	9
Council	Body which serves to keep the Board “on mission” and is” representative of the views of members”	Elected Shared Interest Society Members	8	8
Customers	Borrower organisations which enter into a business contract with Shared Interest Society Other organisations that receive or make payments via Shared Interest Society	Producer group customers Buyer customers Recipient producers Non customer buyers	165 20 124 32	153 20 99 62
Donors	Shared Interest Foundation donors	Individual donors Corporate donors Churches and other groups Grant-making bodies	1548 0 7	2089 0 7 7
Our people	The Shared Interest team	Our people	36	34
Members	Shared Interest Society investors	Members	10,416	10,259
Partners	Those we collaborate with for mutual benefit	People, groups and organisations we work with and umbrella groups of which we are members	0	27
Volunteers	Individuals who volunteer their time and expertise to Shared Interest	Volunteers	98	92

Consultations

We are keen to understand our stakeholders' view of our performance against the mission and values. We therefore consulted with them in a number of ways this year.

CUSTOMERS	<p>In addition to our daily contact with customers and annual reviews undertaken by the Lending Team, we carried out two specific consultation exercises, which gathered views from all of our customers. This involved: An electronic survey was sent to 79 producer customers and 51 responses were received. This year four Producer Committee Meetings were held. Three of these were virtual with the fourth taking place face to face in Ivory Coast with French speaking producers. Producers in East Africa were consulted via individual telephone interviews. In total, 23 producers participated: Honduras (1), Ivory Coast (7), Mexico (2), Nicaragua (3), Peru (6), Rwanda (3) and Uganda (1).</p> <p>(NB. The Lending Teams propose the list of customers they would like to invite to the producer committees and to participate in the survey. This is then reviewed by the Head of Lending. Customers usually have at least one year of relationship with us and we try to diversify in terms of commodities (if possible), as the concentration in certain ones (coffee and cocoa) per region is high. We also try to avoid repetition in the committee attendance and we do not include customers in arrears.</p>
BENEFICIARIES	<p>Organisations benefiting from the work of Shared Interest Foundation were consulted on a project basis:</p> <ol style="list-style-type: none"> 1. Growing Fairer Futures: Rwanda – 50 producers completed an end of project evaluation survey. The results informed the end of project report. 2. Growing Fairer Futures Rwanda (Expansion) – 143 producers completed a baseline survey to inform project target outcomes. 3. Ensuring environmental protection and biodiversity conservation through income diversification – An end of project evaluation survey was completed by 309 harvesters to inform the end of project report. 4. Improving livelihoods through agro-processing – An end of project evaluation was completed by 50 project participants. The results informed the end of project report. 5. Seed to stall: Increasing self-sustainability through soilless vegetable farming – A baseline and end of project evaluation questionnaire was completed by 200 project participants. The data collected was used to evidence project impact and inform the six month and end of project reports. 6. Seed to stall: Increasing self-sustainability through domestic soilless farming – A baseline and end of project evaluation questionnaire was completed by 30 project participants. The data collected was used to evidence project impact and inform the six month and end of project reports. 7. Increasing the resilience of coffee farming households through income diversification - as part of the external evaluation of this project, a sample of 193 producers and other stakeholders were consulted to gather qualitative and quantitative data to inform the evaluation report. 8. Building resilience of coffee farmers in Western Uganda through agroforestry - Baseline data was collected from 300 farmers to inform project targets and provide data for the end of project report.
MEMBERS	<p>Our AGM took place online in March 2023. A total of 145 members attended the event. This was supported by three physical member events held across May and June in Edinburgh, York and London. A total of 181 members attended these events.</p>
VOLUNTEERS	<p>All new volunteers receive an organisational orientation and role specific induction training. All volunteers receive an e-newsletter every two months and are invited to join our webinar sessions held periodically. Leavers are invited to complete a feedback survey about their experience volunteering with us.</p>
DIRECTORS / TRUSTEES	<p>The Shared Interest Board meets five times a year and considers aspects of Social Accounts at three of those meetings. The Board responds to members at the AGM.</p>
COUNCIL	<p>Council is not consulted separately from members as part of the Social Accounts process. However, the final report is shared for discussion during their January meeting. It meets three times during the year and provides input to Board meetings and the AGM. There is a joint Board and Council meeting annually.</p>
DONORS	<p>We have ongoing communication on a project-by-project basis with our grant funders.</p>
OUR PEOPLE	<p>We continue to work with People Gauge to carry out surveys to colleagues. In July 2023, we circulated the Engagement Survey. This was an online survey and included questions specific to the new hybrid working arrangements. These results indicate that 34 colleagues out of 36 completed the survey, which was a response rate of 94.4%. There has been a positive move in engagement levels, and it showed that people were either 'engaged' (44.2%) or 'actively engaged.' (55.2%).' The results of the survey were presented to the entire team.</p>
PARTNERS	<p>An internal review of partners was carried out this year to develop our Partner Map (Appendix 12). Communication with partners is ongoing to maintain and develop partnerships. While no direct consultation was carried out with partners, we hope to carry out a Partner Survey in 2024.</p>

	2021	2022	2023
Customers	<p>Customer Social Impact survey to producer customers (45/95). Telephone surveys conducted with six buyers.</p> <p>Producer Committee meetings were held virtually with customers (29) to gather impact data.</p>	<p>Customer Social Impact survey to producer customers (39/109).</p> <p>In total five Producer Committee meetings were held with customers (30). Four of these meetings were held virtually, with one meeting held face to face to gather impact data.</p>	<p>Customer Social Impact Survey to producer customers (51/79).</p> <p>In total four Producer Committee meetings were held with customers (23). Three of these meetings were held virtually, with one meeting held face to face to gather impact data.</p>
Beneficiaries	<p>To conclude the Growing Fairer Futures (Ghana) project an evaluation was conducted and 50 end evaluation questionnaires were completed with participants. Two participants were interviews to develop case studies.</p> <p>All 50 participants of our Bees for Business: Dakoro (Phase 2) project completed a final evaluation to inform our end of project report. Two participants were interviewed to develop case studies.</p> <p>All 75 participants of our Bees for Business: Sideradougou project completed a final evaluation to inform our end of project report.</p> <p>All 50 participants of our Growing Fairer Futures (Ivory Coast) project completed a baseline questionnaire.</p> <p>All 40 participants of our organic sesame farming project in Nicaragua completed a baseline questionnaire.</p> <p>All 50 participants of our Growing Fairer Futures (Rwanda) completed a baseline questionnaire.</p> <p>91 farmers participating in our Improving organic coffee production in Peru project completed a baseline questionnaire.</p>	<p>To conclude our Improving organic coffee production in Peru project, an end evaluation was conducted and 164 participants completed an evaluation questionnaire to inform this report.</p> <p>All 50 participants of our Growing Fairer Futures project in Ivory Coats completed an end of year one evaluation. Two participants were interviewed to develop case studies. In addition, the Project Co-ordinator, conducted farm assessments.</p> <p>A sample of 200 moss harvesters participating in our Ensuring environmental protection and biodiversity conservation through income diversification project completed a baseline questionnaire.</p> <p>All 50 participants of our Improving livelihoods through agro-processing project completed a baseline questionnaire.</p> <p>A sample of 244 participants of our Strengthening coffee producers' resilience to climate change for increased yield completed a baseline study.</p>	<p>All 50 participants of our 'Growing fairer futures: Rwanda' project completed an end of project evaluation survey. The results informed the end of project report.</p> <p>All 143 participant of our 'Growing fairer futures: Rwanda (Expansion)' completed a baseline survey to inform project target outcomes.</p> <p>A sample of 309 moss harvesters participating in our 'Ensuring environmental protection and biodiversity conservation through income diversification' project completed an end of project survey to inform the final evaluation report.</p> <p>All 50 participants of our 'Improving livelihoods through agro-processing' project completed an end evaluation survey.</p> <p>A baseline and end of project evaluation questionnaire was completed by all 200 project participants of our 'Seed to stall: Increasing self-sustainability through soilless vegetable farming' project.</p> <p>A baseline and end of project evaluation questionnaire was completed by all 30 project participants of our 'Seed to stall: Increasing self-sustainability through domestic soilless vegetable farming' project</p> <p>A sample of 193 project participants were consulted as part of the external evaluation of our 'Increasing the resilience of coffee farming households through income diversification' project.</p> <p>Baseline data was collected from all 300 participants of our 'Building resilience of coffee farmers in Western Uganda through agroforestry' project.</p>
Members	<p>Feedback forms after AGM, GM and member meetings.</p> <p>Member Survey sent to all members who are happy to receive mail. (2,153/8,971) *number of responses</p>	<p>Online feedback forms after AGM and member meetings.</p> <p>Strategic Review consultations and online workshops.</p>	<p>Online feedback forms after AGM and physical feedback forms following supporter events.</p>

Volunteers	Ongoing conversations with volunteers throughout the year. Survey about events with Ambassadors and Community Supporters (36/50).	Ongoing conversations with volunteers throughout the year Volunteer Survey (23/76).	Ongoing conversations with volunteers throughout the year.
Board	Consulted as members.	Consulted as members.	Consulted as members.
Council	Consulted as members.	Consulted as members.	Consulted as members.
Our People	Engagement Survey December 2020 (34/38). Engagement survey September 2021 (36/36).	Engagement survey 2022 (34/36).	Engagement Survey 2023 (34/36).
Donors	No formal consultations took place with this group.	No formal consultations took place with this group.	No formal consultations took place with this group.
Partners	Two partner interviews.	No partner interviews took place.	No partner consultations took place.

How we have progressed over the year

Reporting on the key targets as agreed by the Senior Management Team and Board

What we say we would achieve	Progress to date
<ul style="list-style-type: none"> Resolve the UK lease situation or find a suitable alternative. Move our technical infrastructure into a data centre to further improve operational resilience of the organisation and reduce dependency on office space. Maintain Share Capital and investor/donor numbers with a strong focus on engagement, enabling members to contribute, question and increase their knowledge. Build strong partnerships, which help to deliver our strategic goals with a particular emphasis on understanding the impact of climate change on our customers. Improve our underwriting to generate efficiency and help us to assess existing and potential customers faster while managing quality of the credit risk. Assess new and existing markets to make a positive impact on more communities and enhance the organisations long-term sustainability. Develop technology to improve communication and exchange of information including the development of a customer website. Develop a new methodology to assess our lending portfolio to balance key variables such as social impact, risk and profitability. 	<p>We are continuing to pressurise the landlord to cooperate in marketing our existing space in Newcastle as this is a prerequisite to moving. Until that produces a potential replacement tenant, we are pausing on searching for alternative space.</p> <p>Infrastructure has been moved with most core services running from the data centre. The few remaining services will be switched over as final phase of the move completes.</p> <p>We have seen a net decrease in investment by £0.7m this is due to higher than expected withdrawals and a low level of investment. We attracted 167 new members to the Society but due to Share Account closures, we saw a net reduction of 173 Share Accounts. We held a successful AGM and have re-introduced the physical member events this year. The Foundation held a successful virtual event during Fairtrade Fortnight and had a very successful year on unrestricted income of £393,071.</p> <p>We internally appointed a Partnership Manager who has been actively building connections with new partner organisations throughout the year (See page 42 for more details).</p> <p>A team made up of members from the lending and risk and compliance departments is currently conducting a thorough review of our initial due diligence and application processes. We've set some important goals, including reducing the number of submissions, improving document quality for prospective clients and existing customers, and minimizing the amount of data needed at different application stages.</p> <p>This remains an ongoing activity for the Lending team. For new products, we presented a paper to the Credit Committee for the avocado supply chain, with focus in Peru, which was approved. We have also started to lend into vegetables in Rwanda and we will explore additional lending in this market. Furthermore, we are also exploring new lending into soya beans in Togo. We will seek to expand the Mexican market in coffee and honey further.</p> <p>A number of potential 3rd party development teams have been identified and work to select the best partner continues.</p> <p>We have developed an updated Social Impact scorecard; validated by the SMT. The next step will be to make a pilot test on the scorecard with a sample of customers to ensure it functions adequately for them and to incorporate any necessary adjustment. After this, it will be circulated to all our producer customers to obtain a base line of information to feed into the metrics. In parallel, there</p>

<ul style="list-style-type: none"> • Improve the management of bad and doubtful debts, bringing the position to within annual budget (£950k) for 22/23, whilst simultaneously increasing the value of funds recovered. • Deliver organisational wide improvements to operational efficiencies and encourage cross team collaboration via the process review committee. • Shared Interest Foundation will continue to deliver environmental projects, engage with new partners and improve our understanding of environmental challenges faced by producers. • Retain key skills across the organisation in the face of increasing economic uncertainty and competition. • Develop a successful succession plan for Board and the Senior Team. • Continually improve our staff and technical resilience to cyber risk threats. 	<p>has been good progress in the analysis of profitability. Further involvement of the SMT will happen in due course to assess the initial findings.</p> <p>We have successfully taken steps to bolster our efforts in recovering bad and doubtful debts. Notably, we are actively broadening our network of legal professionals and debt collectors, with a particular focus on Latin America due to the unfortunate rise in default rates in that region. Additionally, we have conducted a comprehensive review of all our official communications and streamlined several credit control functions through automation.</p> <p>The committee convenes monthly to assess ongoing projects and evaluate new proposals. Over this period, we have successfully enhanced our engagement with translation volunteers, facilitated the creation of an organisation-wide glossary, initiated a review of our internal travel policy and supporting documents, explored avenues for enhanced data management, introduced a suite of automated credit control notifications, and integrated valuable insights into anti-money laundering documentation management.</p> <p>This is ongoing. During the year, we concluded four environmental impact projects and launched an agroforestry project in Uganda to build the climate resilience of coffee farmers. Discussions are ongoing with the Crop Science Department of the University of Ghana and University Felix Houphouet Boigny to develop a project focused on using eco-friendly methods for controlling pests and diseases in cocoa in the West Africa region. We are developing new partnerships including COLEAD and Practical Action.</p> <p>Seven colleagues left the organisation during the financial year. The reasons for their decision to leave were varied but included relocation overseas, health issues and a change of direction or career progression. As a small organisation, there are limited opportunities for career progression. Five resignations came from long serving colleagues, with between eight and fifteen years' service. Thankfully, we have been able to promote internally which has enabled us to continue to develop and grow those individuals whilst retaining existing skills.</p> <p>In order to maintain team cohesion and spirit we continue to bring the teams together both in the UK and regionally, a minimum of once a month. One of the highlights of the year was to be able to welcome our overseas colleagues to the UK for the first time since 2019. This provided a very positive experience for everyone. Not only was it an opportunity for colleagues to have face to face meetings and discussions but also to build relationships with other team members, some of whom had joined us in recent years. This also provided us with the opportunity to arrange a successful all staff team building event, with the purpose of improving communication, increasing collaboration and building relationships</p> <p>The hybrid-working pattern is valued by colleagues and has been seen as a positive during the recruitment process. There is an expectation among candidates that some flexible working will be available and our ability to provide that has helped us to attract candidates in the competitive market.</p> <p>This remains ongoing work although the first steps of this have taken place with the successful move of Yvonne Gale into the Board Chair role and the appointment of Kerrey Baker – an existing member of the colleague team – into the newly-created role of Member Engagement Director. This is a new executive post, building the strength and experience of management within the overall Board group.</p> <p>We have identified a password management system and rolled that out to staff for evaluation. We will continue to focus on continuous staff training and awareness initiatives.</p>
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What we want to achieve next year

Reporting on the key targets as agreed by the Senior Management Team and Board

- Maintain a strong focus on positive employee engagement, retaining and recruiting key skills across the organisation to maintain knowledge and placing emphasis on continuous improvement.
- Implement a new HR system to improve communications and make administrative efficiencies.
- Continually improve our colleagues' knowledge and technical resilience to protect against cyber and other fraud risk threats.
- Maintain Share Capital and investor/donor numbers with a strong focus on engagement, enabling members to contribute, question and increase their knowledge.
- Diversify the customer portfolio, expanding into new markets and new products to make a positive impact on more communities and enhance the organisations long-term sustainability.
- Develop technology to improve communication and exchange of information including the development of a customer website.
- Improve our credit appraisal process to generate efficiency and help us to assess existing and potential customers faster while managing the quality of credit risk.
- Implement a new accounting system to make organisation-wide efficiencies and improve colleague' experiences.
- Continue to deliver projects through Shared Interest Foundation following our key focus areas of environment, youth employment and gender equality.
- Appoint a Grants and Trusts Fundraiser to enable us to maximize our restricted funds and deliver more technical assistance and support to producers.
- Continue to build strong partnerships, which help to deliver our strategic goals with a particular emphasis on climate change mitigation and adaption, together with gender equality.

Glossary and abbreviations

Aceli Africa

An organisation that seeks to address the 65 billion USD financing gap for agricultural small and medium-sized enterprises (SMEs) in Africa, through a financing facility that uses targeted incentives to increase lending from local financial institutions and international social lenders.

AGM

Annual General Meeting - Meeting of Shared Interest Society members that reports on progress of the Society and Foundation.

Baseline Study

Baseline data is generated from a study or survey undertaken at the starting point of a project. This provides a benchmark against which future progress can be assessed or comparisons made.

Beneficiaries

Those benefiting from Shared Interest Foundation projects.

Biofach

A leading international trade fair for organic products.

Board

Those elected members who are collectively responsible for the direction and management of Shared Interest Society.

Bond

The UK network for organisations working in international development of which Shared Interest Foundation is a member.

Buyer Customers

Wholesale or retail businesses, that borrow

money from Shared Interest to finance the purchase of fair trade products.

Buyer Credit

Fair trade buyers are required to provide a pre-payment to producer groups of at least 50% of the order value if it is requested. We assist by offering prefinance to pay for orders in advance of shipment.

CLAC

The Latin American and Caribbean Network of Fair Trade Small Producers and Workers (CLAC) is the co-owner organisation of the Fairtrade International system and the network that represents around 1,000 Fairtrade certified organizations in 24 countries of Latin America and the Caribbean.

Climate Smart Agriculture (CSA)

An integrated approach to managing landscapes that addresses the interlinked challenges of food security and climate change.

CO₂e

Carbon dioxide equivalent, the metric measure used to indicate units of all greenhouse gases. Particularly used when measuring emissions of these gases to provide a more complete picture than measuring just CO₂ alone.

Coface

Global credit insurer

Committed Lending

A credit facility has been agreed with the customer.

Council

A body consisting of eight members of Shared Interest Society, which serves to represent and reflect the views of the membership.

C price

The benchmark price for commodity-grade Arabica coffee on the New York International Commodity Exchange

CSAF

The Council on Smallholder Agricultural Finance - a global alliance of social lenders of which Shared Interest is a member, focused on serving the financing needs of small and growing agricultural businesses in low and middle-income countries worldwide.

Debt consolidation loan

When a number of facilities/loans are combined into one loan agreement.

Disbursement

This describes funds sent to a customer as part of a term loan agreement or for a stock facility or to a producer in advance of a shipment (prefinance).

Donors

Individuals, groups or organisations (including corporates and charitable trusts) who donate money to Shared Interest Foundation.

EUR, GBP, USD

The main currencies in which Shared Interest lends - EUR: Euros; GBP: Pounds Sterling; USD: US Dollars

Export Credit

Financial product designed for producer organisations to provide them with sufficient working capital to complete and deliver new orders or contracts.

Facility

A type of loan (short or long-term) made to a business customer.

Fairtrade

Fairtrade is used to denote the product certification system operated by Fairtrade International. When a product carries the

FAIRTRADE Mark it means the producers and traders have met Fairtrade Standards.

Fair trade

Fair trade is a trading partnership, based on dialogue, transparency and respect that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalised producers and workers.

Fairtrade Fortnight

An annual promotional campaign, which happens once every year, organised and funded by the Fairtrade Foundation to increase awareness of Fairtrade products.

Fairtrade Foundation

A UK-based charity that works to empower disadvantaged producers in developing countries by tackling injustice in conventional trade, in particular by promoting and licensing the Fairtrade Mark

Fairtrade International/FLO

The organisation that co-ordinates Fairtrade labelling at an international level (formerly known as FLO).

Farm gate Price

The governments of Ivory Coast, Ghana, and Rwanda guarantee a fixed annual farm gate price for cocoa and coffee farmers. The fixed farm gate price is announced at the start of the harvesting season.

FLOCERT

The global certification body for Fairtrade.

Gender Equality

Gender equality is when people of all genders have equal rights, responsibilities and opportunities.

Good Agricultural Practices (GAP)

A set of standards for the safe and sustainable production of crops. The

standards help farmers to maximise yields whilst minimising production costs and environmental impact.

Insights

Training that helps colleagues understand themselves and others in relation to their personality type.

Intercropping

A practice of growing two or more crops in proximity. The most common goal of intercropping is to produce a greater yield on a given piece of land by making use of resources that would otherwise not be utilised by a single crop.

Lien

A form of security interest granted over an item of property to secure the payment of a debt or performance of some other obligation.

Living Income Differential (LID)

Specifically related to cocoa in Ghana and Ivory Coast, LID is 'a premium on the export price of cocoa for the 2020/2021 season of USD 400 per ton.

Members

Shared Interest Society is owned by its members, and each has one vote irrespective of the size of their investment. Individuals, groups or organisations can invest between £100 and £100,000 in a Share Account.

Monitoring and Evaluation Committee

An internal group tasked to review the monitoring and measurement of impact.

Nascent enterprise

An individual who tried to establish a new business venture in the past 12 months and the new business venture did not generate positive net cash flow for more than three months.

Net zero

Net zero occurs when the total Greenhouse Gas (GHG) emissions released into the atmosphere and the total amount of GHG emissions removed from the atmosphere annually are equal.

People Gauge

An online survey tool designed to measure levels of employee engagement.

Photovoltaic system

Renewable energy technology, which transforms the energy from the sun into electricity using photovoltaics. These photovoltaics, also known as solar panels, provide a reliable green energy solution.

Prefinance

Prefinance takes place when a financial institution advances funds to a borrower based on proven orders from buyers. The borrower usually requires the funding in order to produce and supply the goods. One of the key reasons for prefinance is so that the borrower has sufficient working capital to enable them to complete and deliver new orders or contracts.

Producer customers

Businesses that supply fair trade products and have a contract with Shared Interest to borrow money in order to finance that trade.

Prudential Limits

To mitigate risk, clearly defined controls are set on the maximum total sum that can be lent against, a particular commodity, or to a particular country.

QR

Quarterly Return, the quarterly magazine produced for Shared Interest members.

Recipient producers

Producer businesses, which do not have a credit facility with Shared Interest, but who receive payments from Shared Interest on behalf of their buyers.

RICE

Ivorian Fair Trade Network (RICE)

SAN

The Social Audit Network is a not-for-profit organisation, which facilitates the exchange of information and experience between practitioners of social accounting and audit. Maintains a register of accredited social auditors.

SDG

The Sustainable Development Goals (SDGs), otherwise known as the Global Goals, are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.

Search Engine Optimisation (SEO)

The process of maximising the number of visitors to a particular website by ensuring that the site appears high on the list of results returned by a search engine.

Share Account

Members of Shared Interest Society invest between £100 and £100,000 in a Share Account, which can be opened by UK residents. Share Accounts can be held individually, jointly, or by groups.

Share Capital

The pooled investments of Shared Interest Society members in Share Accounts, which provides the capital required for Shared Interest to be able to lend money to fair trade businesses around the world.

Stakeholders

Groups of people that can affect or are affected by the actions of a business.

Term Loan

A loan from Shared Interest for a specific amount that has a specified repayment schedule.

ToC : Theory of Change.

A comprehensive description and illustration of how and why a desired change is expected to happen in a particular context.

Trustees

Those elected representatives who are collectively responsible for the direction and management of Shared Interest Foundation.

Value added

Value added is the difference between the price of a product or service and the cost of producing it. This can be achieved by an additional process or finish.

Volunteers

Shared Interest volunteers assist us in a variety of ways, from administrative support at our Head Office, to raising the profile of the organisation.

VSLA

Village Savings and Loan Associations are self-managed community-based groups that provide their members access to basic financial services.

WFTO

World Fair Trade Organization - a global network of fair trade organizations (formerly known as IFAT - the International Federation for Alternative Trade) with regional branches such as WFTO Europe.

List of appendices

All of these Appendices can be accessed online at shared-interest.com/SA23/App# (Replace # with the Appendix number)

1. Directors' Report and Accounts for the Society
2. Trustees Annual Report for Shared Interest Foundation
3. The Sustainable Development Goals Report 2023
4. SAFIN Annual Plenary Meeting
5. A detailed explanation of lending products
6. CSAF State of Sector 2023
7. A detailed explanation of country risk
8. Gallup's State of the Global Workplace Report 2023
9. Volunteer Roles
10. Shared Interest Green Policy 2023
11. Customer Social Impact Survey 2023
12. Partner Map
13. Notes from Producer Committee meetings 2023 - All regions
14. Longitudinal Case Study: CAYAT
15. Longitudinal Case Study: EDUCE
16. Social Accounts Key Aspects Checklist



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