


Strategic Review 2022

CECANOR coffee farmer, Edelmina Suarez,
in the La Florida district of Cajamarca, Peru



Collecting coffee plants from a
CECAFE co-operative greenhouse
in Lonya Grande, Peru

This year, we have undertaken a full strategic review of Shared Interest Society, being mindful of existing and emerging challenges. These include the climate emergency, which poses an increasing threat to rural communities, the importance of gender equity, the consumer desire for more transparency in supply chains and the fast pace of technological change. Throughout all of this, our community of over 10,000 members remains at our heart.

Since the birth of Shared Interest Society in 1990, this member community has grown significantly, and together we have been able to reach more farmers and artisans around the world. We remain committed to supporting fair and just trade by providing affordable finance to groups who comply with the 10 Principles of Fair Trade.

This document illustrates how relevant and emerging issues can be woven into our strategy.

Strategic Review 2022

We looked at our strengths:

How do we maintain and enhance Shared Interest's reputation as a leader in the social lending sector?

We carried out an extensive consultation process with all stakeholders:

This process has involved our most extensive stakeholder consultation to date. We consulted far and wide, involving our international team, volunteers, partners, competitors, fair trade producers and buyers; experts in the fields of social finance, climate change, and development; and most importantly, our members. It was vital that members played a key part in informing our thinking, and we ensured that everyone had an opportunity to participate in a series of virtual workshops and to share their thoughts via our quarterly newsletter, QR.

We examined how we respond to opportunities and challenges:

Are we collaborating well with others in responding to risks faced by producers such as climate change? Who are our competitors? How are we performing in comparison to them?

We carried out research into key trends and global issues, and examined how they may impact our work...



CLIMATE EMERGENCY

The impact of climate change is growing on a global scale, with remote and rural regions often suffering most. With extreme weather conditions intensifying, farming communities urgently need to build resilience against rising temperatures and the increasing risk of pests and disease.



RISE IN GLOBAL POVERTY

Over 10% of the world's population continues to survive on less than the global poverty threshold of 1.90 US Dollars a day. As the Covid-19 crisis pushed more than 119 million people into extreme poverty in 2020, there has been a disproportionate impact on the livelihoods of women and young people, exacerbating longstanding disparities.



SUPPLY CHAIN DISRUPTION

Economists believe the disruption to global supply chains, initially caused by the pandemic, could persist beyond 2022 due to shipping issues, labour shortages and geopolitical tensions. The World Trade Organization (WTO) has warned that developing economies will be most vulnerable.



TECHNOLOGICAL ADVANCEMENT

The pandemic accelerated the adoption of digital technologies across global business sectors, digitising internal operations, as well as customer and supply-chain interactions by several years. It also created a large shift in people adopting online methods of communication, and consumer research carried out in 2021 described a desire to overcome any social differences with connection as a common purpose. However, there remains a global digital divide. According to the World Bank, at the end of 2021, nearly three billion people remained offline, the vast majority concentrated in developing countries.



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.

Values

We will 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**



Our mission and values

With this new strategy, Shared Interest aims to remain true to our mission as a respected and trusted provider of social finance and business support to people living in disadvantaged global communities; working where other lenders are less keen to operate.

The commitment of our members has enabled us to achieve this, and this community of individuals and groups remains vital to our existence.

We will work closely with our sister charity, Shared Interest Foundation, operating under a joint mission and shared values to enhance our offering, supporting communities to trade sustainably, particularly small and disadvantaged producer groups.

Shea nuts collected from a farm at
UGF/CDN co-operative in Burkina Faso

Our Theory of Change

IMPROVING
LIVELIHOOD OF PEOPLE
TRADE THEIR WAY

LONG-TERM OUTCOMES

Increase in income for farmers, artisans and workers

Stronger resilient sustainable business

INTERMEDIATE OUTCOMES

Increased access to fair and affordable finance

Increase in opportunities

SHORT-TERM OUTCOMES

Increase in capital available to lend

Growth in lending portfolio

OUTPUTS

Engaged members & volunteers

Increased membership

Higher member retention

Strong customer relationships

Customer recruitment portfolio

ACTIVITIES

Member communications and events

Volunteer communications and events

Promotional activities

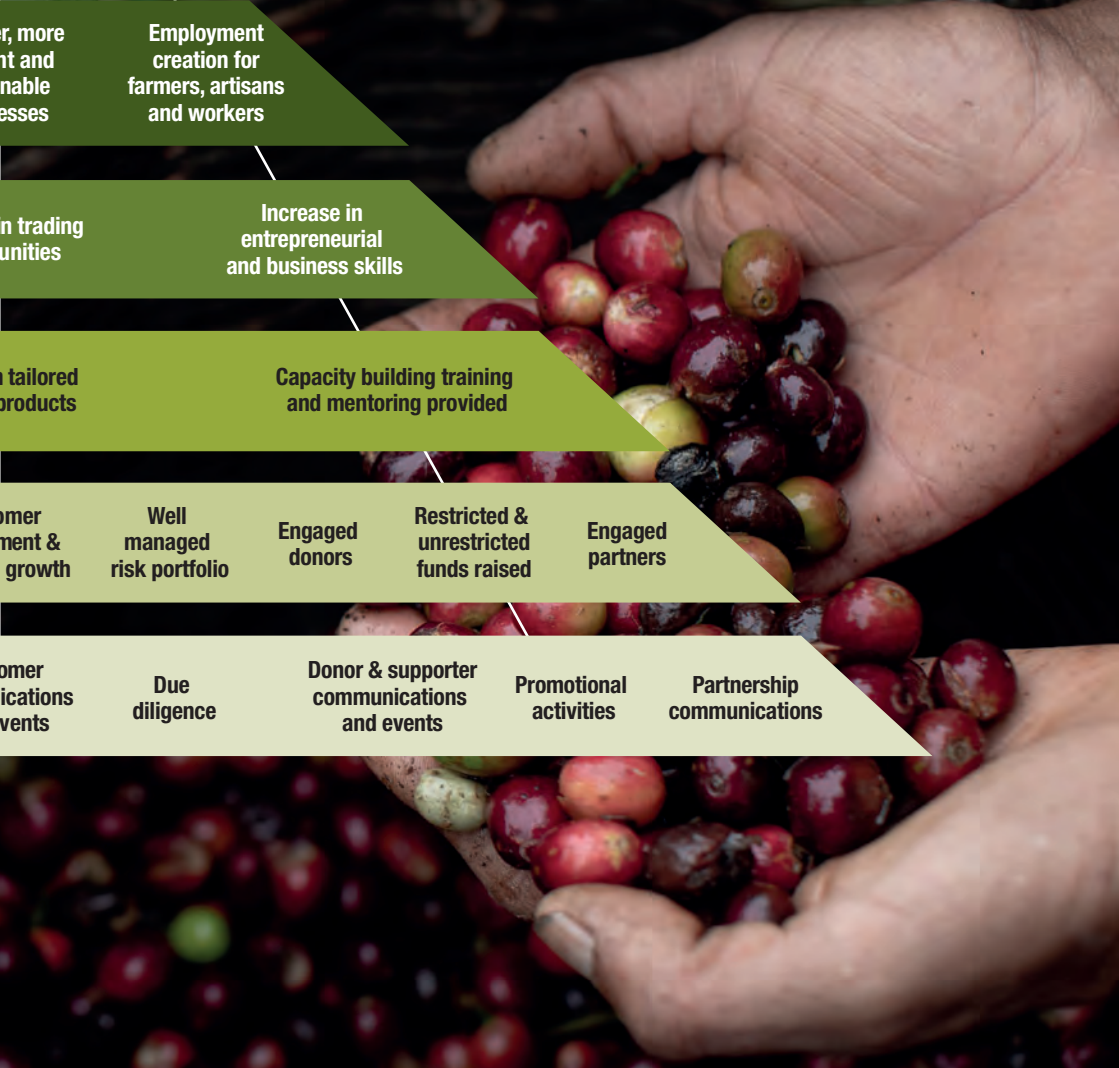
Promotional activities

Customer communications and events

Baskets with coffee fruits from the fields of the CECAFE co-operative in Peru

Our Theory of Change describes the pathways we follow to deliver our mission, and the monitoring and evaluation framework that allows us to track and report on the impact of our work.

MENT IN THE
PEOPLE AS THEY
Y OUT OF POVERTY





Our strategic ambition

It is clear that our members want us to stay true to our mission. Throughout our stakeholder consultations, members told us they do not want us to lose sight of the small and disadvantaged organisations we support and that we must maintain the purpose Shared Interest was set up to achieve 32 years ago.

TradeAID Integrated basket weaver, Akolgo Abaah, in the Sirigu Akondone community



Members at our heart

We believe the Shared Interest business model is unique in that our investors are members, who have an equal vote and voice regardless of investment. We will continue to listen to this community of valued supporters, and remain mindful of evolving global issues so that we are inspiring and relevant for a future generation.

Widening Impact


We will continue to widen our support for fair trade, extending our lending to organisations who are working towards Fairtrade certification, as well as those who meet the 10 Principles of Fair Trade. Shared Interest will continue to work where other lenders are less keen to operate, with lending likely to remain in unstable and remote geographic locations.

Deepening Impact

We will deepen our support for fair trade, helping producers and artisans to diversify into new markets and new commodities. We will assist businesses in adapting to the challenge of climate change.

Influencing / Transforming

Shared Interest is a leader in its field. We will continue to shine a light on fair finance and innovative lending. We want the outcomes of this strategy to go beyond our direct lending, to encourage other lenders to adopt more supportive and fair lending practices.

A man with dark hair, wearing a red polo shirt with a CECAFE logo, is smiling and holding a large green plastic basket filled with coffee beans. The background is a lush green coffee plantation with rows of trees.

Leider Delgado holds coffee
beans on a CECAFE co-operative
farm in Peru

The next five years

We recognise that we face some
significant external challenges and
our focus over the next five years
will involve...

Gender Equity

Gender equity has an extremely significant part to play in strengthening communities. By supporting women who live in remote and rural regions, we can increase productivity and promote economic growth. Narrowing the gender gap not only helps women prosper, it helps their families and communities thrive. We will therefore continue to support producer organisations that meet our lending criteria and create opportunities for women's empowerment.

Diversifying the portfolio

Coffee and cocoa dominate the Fairtrade system and this is reflected in our lending portfolio. Our team undertook research into other certifications such as Rainforest Alliance but it became clear during consultations that our members see Fairtrade as the gold standard due to the Premium and Minimum Price requirements. After careful consideration, we have taken the decision not to finance potential customers solely certified by Rainforest Alliance at this time, following strong views from members during our consultation process. In addition, as this certification predominantly covers coffee and cocoa, broadening our focus in this way would not help us diversify our portfolio.

New territories and products

We will strive to reach more producers, diversifying our lending portfolio by entering new territories and funding a wider range of products. Despite considerable research, unfortunately we have concluded that direct lending in India will not be possible in the near future due to the legal framework in that region.

Climate Change

Our mission may not be directly connected to the issue of climate change; however, the products, people and communities we support are significantly affected by its impact. In order to take our climate focus forward, we will build partnerships, help encourage our customers to become more climate resilient, and develop information resources for our members.

Technical Assistance

Shared Interest Foundation already provides some capacity building support and training in climate impact mitigation. Building on this, we will look for innovative ways to provide additional technical assistance, specifically for Society customers. We envisage this focusing on areas such as financial capacity and governance, in order to improve producer resilience and reduce the Society's risk levels.

2022-2027 STRATEGIC GROWTH



TECHNOLOGY

We will use digital solutions to create efficiencies and improve communication with and between our customers and members.

PARTNERSHIPS

We will build strategic partnerships to broaden our knowledge base and enrich our support to customers.



INNOVATION

We will research and embrace new ways of working, collaborating where necessary to increase our expertise, build capacity and strengthen our resilience.

KNOWLEDGE

We will work collaboratively and professionally, sharing knowledge and skills. We will continue to celebrate the diversity of different cultures, attracting and retaining the best talent and maintaining the highest level of integrity, commitment and expertise.



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SHAREDINTEREST
INVESTING IN A FAIRER WORLD