

Social Accounts Year ended: September 2021



INVESTING IN A Fairer World.

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ACKNOWLEDGEMENTS

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We are grateful to Tracy Mitchell (Chair), Liz Allen, Bob Doherty and Joe Osman for providing independent verification this year. We also appreciate the support of a number of volunteers whose data entry and translation activity has been included in this report. They are: Alan, Audrey, Caroline, Chris, David, Frances, Ian, Ivar, Krishna, Margaret, Mike, Peter, Ruth, Shelagh, Susan, Trevor and Vivienne.

Front and back cover images: Cecafe, coffee producers in Peru

Front: Father and son Segundo Garcia (L) and Belver Garcia (R), coffee producers from the CECAFE cooperative in Lonya Grande, Peru.

Back: Leider Delgado, collects coffee plants from 'La Esperanza' greenhouse of the CECAFE producer cooperative in Lonya Grande, Peru

Welcome to our 2021 Social Accounts

Welcome to our Social Accounts, covering the period October 2020-September 2021. This year's report is indicative of the extraordinary and challenging year we have experienced. No one could have predicted the ongoing disruption of Covid-19. However, it has been inspiring to see the unwavering resilience and commitment of everyone involved in Shared Interest throughout the past 12 months. In a year that saw the first rise in global poverty since 1998, and climate change became the issue to define an era, both Shared Interest Society and Shared Interest Foundation made timely and relevant achievements towards their goals.

Society investment increased by £4.6m, which is the highest amount recorded in our history, to bring the Share Capital total to £50.7m at the end of the year. This enabled us to make payments totalling £59.2m to 221 organisations in 49 countries, improving the livelihoods of 374,249 farmers and artisans in some of the world's most disadvantaged communities. As we continue to align our work with the Sustainable Development Goals (SDGs), gender equality remains important to us and we know that over a third of the producers we reach are women. Within coffee production in particular, we are seeing an increase in the number of women who now farm their own land and run their own businesses, instead of holding the more traditional roles in fieldwork, harvesting and sorting. The case studies featured in this report give more insight on this.

Coffee continues to take centre stage within our portfolio, accounting for 47.1% of our lending.

However, we continue to broaden the range of products we finance, and maintain our support for handcraft producers who often struggle to find finance elsewhere. We are also starting to see these groups diversify into other products to provide a secondary income source. From our 175 producer customers, 39 groups have broadened their product offering in this way. Furthermore, following the impact of the pandemic, many are opting to grow vegetables for personal consumption as well as local sales. One handcraft customer in Ghana has participated in a project run by our charity, Shared Interest Foundation, where 120 basket weavers have been able to establish a vegetable farm without the use of soil.

Product diversification has been a key theme in the business training and mentoring work of Shared Interest Foundation, along with climate resilience, and projects aimed at youth and female empowerment. Amidst a growing range of topical training programmes, this year, our charity supported 365 Ugandan coffee farmers to cultivate passion fruit, and 50 young coffee and cocoa farmers in Ghana received Climate Smart Agriculture training. We have also continued to encourage beekeeping as a sustainable livelihood in rural communities, assisting one established group in Burkina Faso to grow sesame alongside their honey production.

We are proud that both Society and Foundation were shortlisted in this year's Third Sector Excellence Awards. These prestigious awards

celebrate outstanding efforts within the voluntary sector. In November 2020, our Managing Director Patricia Alexander was named within the NatWest WISE 100 Awards as one of the top 100 women leading social enterprise and impact investing across the UK.

It is testament to all of the people involved in Shared Interest that we have continued to provide vital financial services and dynamic business support. Thanks to the dedication of our colleagues, volunteers, members and donors, we are able to make trade justice a reality for communities most affected by the global issues of today.

As a membership organisation, shared purpose has always been at our heart and as over 200 people joined us for our online Supporter Events, one quote has remained in my mind. When hearing from Ghanaian cocoa co-operative Asunafo, President Daniel Amponsah said: "Our mission is to help farmers have a better life, and working with Shared Interest has supported us to fulfil this." As you read this set of Social Accounts, I hope that this belief also resonates with you.

Mary Coyle MBE
CHAIR OF SHARED INTEREST



Social Audit Statement

The Social Audit Panel has examined the draft Social Accounts submitted to us and discussed them in detail with Patricia Alexander, Kodzo Korkortsi, Tim Morgan, Stina Porter and other members of the Shared Interest Team at the Social Audit Panel meeting held on 24th November 2021. I have examined the revised Social Accounts which were prepared following the Social Audit Panel meeting and which have taken into account 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 consider how best to retain some of the positives of

this year particularly in terms of virtual engagement and how they could contribute to building back fairer. We would like to see feedback on these points within the next report.

ii) We would encourage Shared Interest to review their Theory of Change following the strategic review and in particular to ensure the scope of the organisation's work relating to community/resilience/technical assistance are included

iii) We would encourage Shared Interest to include more on innovation and impact at home and to widen the scope within the environment section.

The members of the Social Audit Panel were:

Tracy Mitchell (Chair), SAN Auditor

Liz Allen, The Connectives

Dr Bob Doherty, University of York

Joe Osman, experienced fair trade practitioner

Signed: 

Chair of the Social Audit Panel

Dated: 1st December 2021



* 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, 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 2020 TO 30 SEPTEMBER 2021. REFERENCES TO 'THIS YEAR' AND '2021' SHOULD THEREFORE BE READ AS THE ABOVE 12-MONTH PERIOD

These Social Accounts cover Shared Interest's financial year from 1 October 2020 to 30 September 2021. References to 'this year' and '2021' should therefore be read as this specific 12-month period.

Last year, we restructured our Social Accounts to align with our Theory of Change (ToC) and the present set of Social Accounts reflects this. 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 across 19 countries. Full details of our stakeholders and our methods of consultation can be found on pages 63-67.

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.

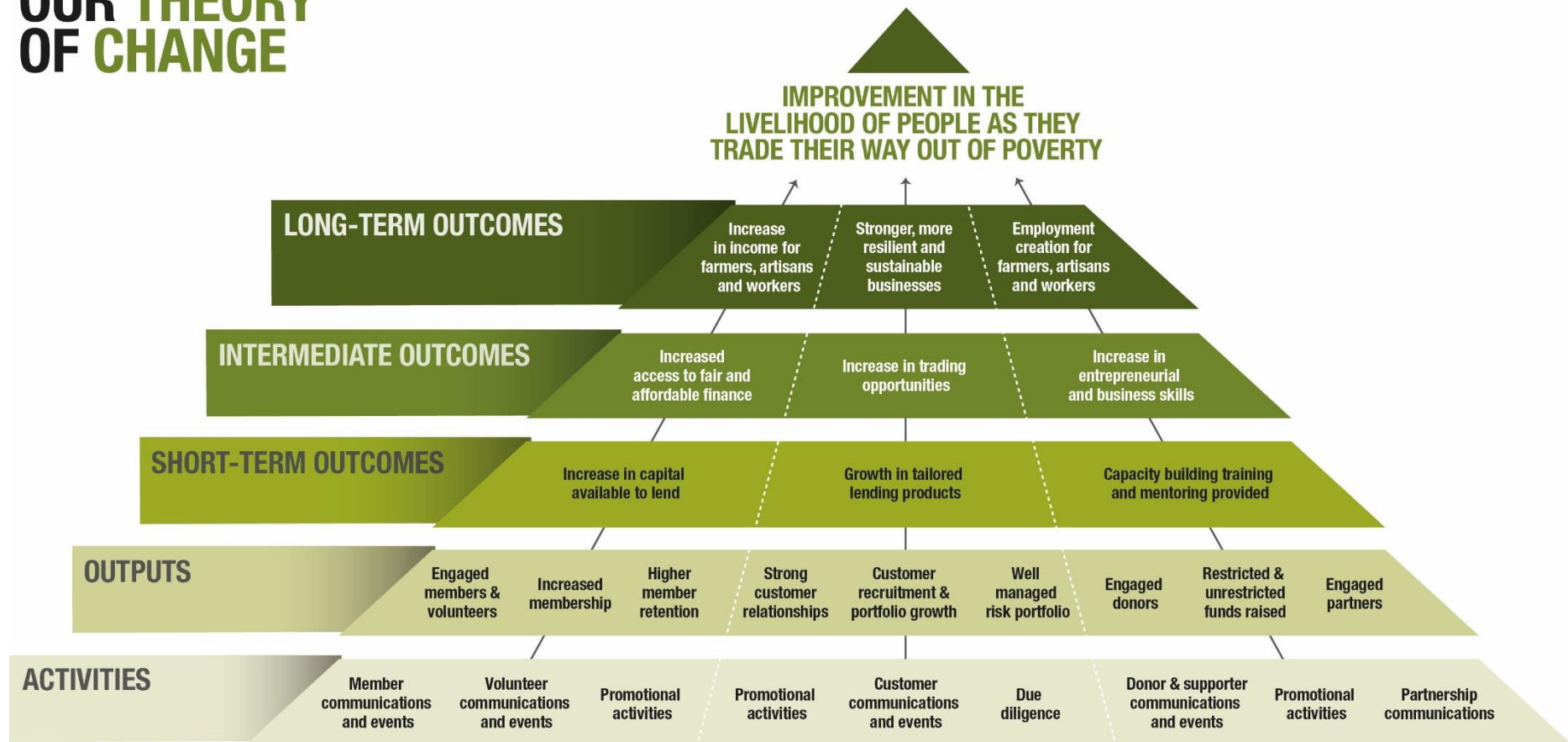


Akabonge Azaba, a member of Amongtaaba Basket Weavers Group (working with TradeAID), weaves together with other women of her group in Sumbrungu Zobiko Village, Bolgatanga District, Ghana. TradeAID Integrated is a basket weaving co-operative financed by Shared Interest.

Infographic key

-  Relates to Shared Interest Society activity
-  Relates to Shared Interest Foundation activity

OUR THEORY OF CHANGE



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

Our outcomes

- Increase in income for farmers, artisans and workers
- Stronger, more resilient and sustainable businesses
- Employment creation for farmers, artisans and workers
- Improvement in the livelihood of people as they trade their way out of poverty

- Increased access to fair and affordable finance
- Increase in trading opportunities
- Increase in entrepreneurial and business skills

- Increase in capital available to lend
- Growth in tailored lending products
- Capacity building training and mentoring provided



Javier Torres Arimuya, right, and his nephew Yampier, left, cut Brasil nuts in the Peruvian Amazon.



CECANOR member Azucena Quispe Rodas photographed in La Florida district in Cajamarca, Peru.



Bees for Business project participants holding melted and ground bees wax in Burkina Faso.

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 10,456 members in the UK, each investing between £100 and £100,000. This provides Share Capital of £50.7m. 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 31 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 eight members; two executives and six non-executives.

Seven of these eight 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.

Our annual producer committee meetings could not take place physically due to the pandemic but we held virtual meetings and carried out telephone interviews in their place, ensuring the producer voice remains within our governance and decision making.

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 (Appendix 21) 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. 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 page 8. 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 63. Read in conjunction with our Directors' Report and Accounts (Appendix 1) and Foundation Accounts (Appendix 2), these activities and operations, as well as our impact, cover all areas of our organisation.



Carmen Catalina Villablanca Acuña, who is a member of Fairtrade honey and blueberry co-operative, Apicoop, works on her bee farm in Chile.

Part 1: 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

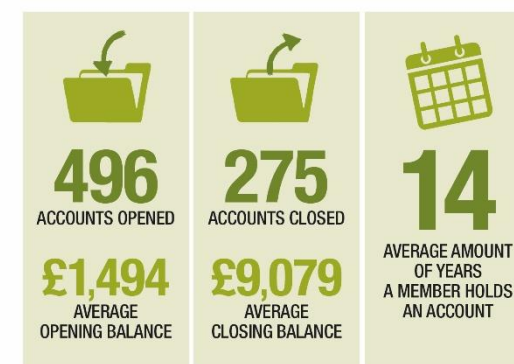
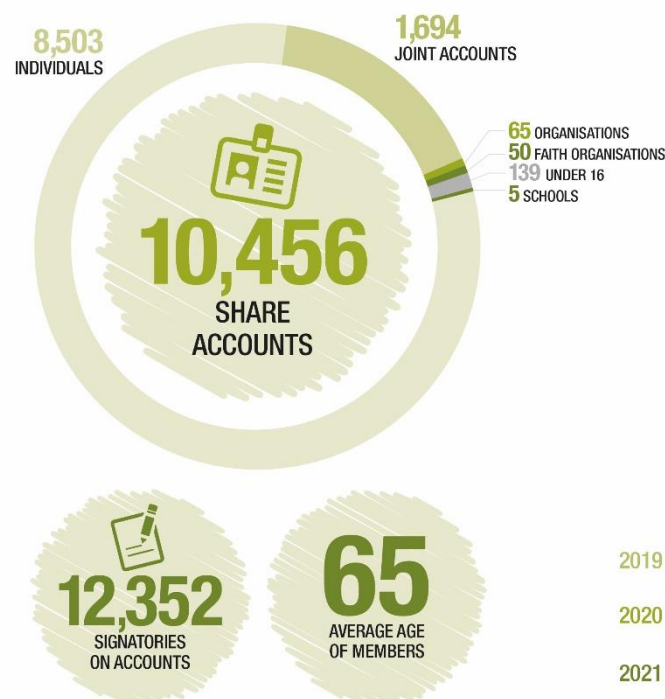
In order to fulfil our mission, Shared Interest depends on the support of members, donors, volunteers and partners.

The Society membership is diverse and includes faith groups, fair trade partnerships, small businesses, schools and community organisations. However, 81% of Share Accounts are held by individuals. We closed the year with 10,456 members and investment increased by £4.6m, the highest amount recorded in our history. A total of £1.4m was invested online, 19.8% of overall investments made (2020: £855k) and, Share Capital totalled £50.7m at the end of the year.

The average age of a member is 65, which has reduced from 68 over the past seven years. The average age of a new member is 62, and when we look at the Share Accounts closed the average age of the members involved was 66.

We have a very loyal and supportive membership and the average length of time a member holds a Share Account is 14 years.

MEMBERSHIP



SHARE CAPITAL

NET INCREASE IN SHARE CAPITAL: £4.6m



This year we conducted a Member Survey (Appendix 3 and 4) and received a 23% response rate (2018: 29%). Forty-five per cent of the surveys were completed by members online and the remainder were returned by post and entered by data entry volunteers and staff. Members were asked how satisfied they are that Shared Interest is utilising their investment to achieve the mission and values, and 97% stated overall, they were 'very satisfied' or 'satisfied' that we are doing this. Of respondents, 88% said they were 'satisfied' with how their investment was used and 99% said they were 'satisfied' with the service they received from the Membership Team, which is notable in light of the situation we have been operating in over the past year due to the pandemic. We asked members to state on a scale where they felt they were with regards to Risk versus Impact, with the option to take more risk and reach more vulnerable producers opposed to taking less risk to protect members' investments. The weighted average indicated that the majority (70%) of respondents leaned more towards taking more risk to reach more vulnerable producers. We also asked members how they perceived the risk of their Shared Interest investment, 70% said they perceived the risk of their investment as 'low', given Shared Interest's success to date and/or given Shared Interest's good 'on the ground' relationship with producers and fair trade businesses.

Our charity, Shared Interest Foundation, is supported by donations from 1,049 donors, and grants from Trusts and Foundations. The majority of these donors (899) are members of the Society. This money is used to implement projects aimed at building sustainable businesses and improving the livelihood of people living in poverty. In our Member Survey mentioned above, we asked about knowledge of and support for our charitable arm and 57% of respondents said they were aware of the Foundation and 68% said they would consider donating in the future. This is a substantial increase from a total of 26% who said they would donate in 2018. Moreover, 86% of

respondents said any donation made would be in addition to their investment with Shared Interest (69%:2018). Members were also asked if they had signed a Legacy form in favour of Shared Interest Foundation, 92% said they had not. We ran our last Legacy campaign in October 2020. This involved including information in our QR newsletter and from this, we had a very good response from members who went on to sign a Legacy form. We plan to repeat this exercise in April 2022.

These results suggest that a considerable proportion of Society members do want to support different aspects of our work. We will continue to inform members of the options available in addition to holding a Share Account. Using clear messaging at member 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 members to donate on closure, and attract legacy income.

Case Study

Vivienne has been a member for over ten years, and joined after hearing about Shared Interest during a fair trade talk.

She said: "I first became interested in fair trade when I joined the campaign for Bradford-on-Avon to become one of the very first Fairtrade Towns back in 2003.

"When I heard about Shared Interest a few years later, it just made sense. I had seen first-hand the challenges faced by developing world communities and I was keen to become more involved.

"To me, Shared Interest is taking my passion one step further. It is about more than just promoting fair trade; I now feel part of a community. I am pleased to see my investment helping businesses across the globe, and have enjoyed making some new friends along the way."



Communications

We use a range of communication channels to engage with our members, donors, volunteers, supporters and other key stakeholders.

In terms of members, our communications activity is focused on recruitment and retention, through informing and engaging our target audience. We do this in a range of different ways, evolving our strategy over the last year in particular due to the impact of Covid-19.

Recent research in the Mintel 2021 Global Consumer Trends report has shown that UK consumers are seeking out brands that allow them to feel united through a need to make positive change:

'The Covid-19 pandemic has had an impact on feelings of belonging and togetherness, as well as isolation and loneliness, pushing consumers to unite in order to lend a helping hand and support each other during such unconventional times. These communities are overcoming any social differences with connection as a common purpose, looking to have a positive impact and consequently evoke feelings of solidarity and unity.'

As a membership organisation, the value of community has always been at Shared Interest's heart. However, we have built on this messaging throughout the pandemic, emphasising to members how we stand together to achieve a shared goal. This can be clearly seen through messaging in our member newsletter, Quarterly Return (QR).

QR forms our main communication with members and has developed in line with our brand over the past 31 years. However, its main objective has remained the same: to inform and engage individuals on the impact of their investment. In 2020, following the impact of Covid-19, we continued our approach to bring more detailed stories to our members on the challenges faced by customers. QR continues to be well received, and in our 2021 Member

Survey, 90.8% of respondents said QR provides them with "the best sense of our social impact", and 87% of members said they read every or most issues.



Four issues of QR sent out during the year.

During the pandemic, we encouraged more members to manage their Share Accounts online to reduce the need for

print and postage. We now have 44% of our members using the member portal for communications (2020: 40%).

Due to ongoing Covid-19 restrictions, we took the decision to hold our Annual General Meeting (AGM) online for the first time and achieved the highest attendance in our history. The meeting took place on Friday 12 March 2021 and 249 members joined, many had not attended our AGM in the past. A higher number of members also took part in our AGM voting process (1,311 compared to 905 in 2020). Last year 477 members voted online, and this number rose to 553 in 2021. However, as an overall percentage of votes taken, 42% of votes were placed using the online system compared to 53% last year. All subscribers to the member portal also receive a quarterly e-newsletter and this achieved an average open rate of 59.3%, which is a strong result, given the industry standard is just under 20%.

Each year, we also continue to produce an Annual Review for both the Society and Foundation, and include a summary booklet within Winter QR. Our younger investors receive a 'Little Book of Fairness', which is a children's version of the Annual Review. This publication also sits within the 'Schools' section of our website, which has evolved this year to include various activity sheets available for download, and an animation about climate change, featuring this year's mascot Captain Cocoa. Due to the pandemic, this year we were unable to carry out our usual classroom and assembly presentations, but we continue to invite local schools to get involved if they are interested in



2020 Annual Review

covering the topic of fair trade within the curriculum. As schools closed due to Covid-19, we worked with the Green Parent magazine to raise awareness of the Little Book of Fairness as an additional home learning tool.



Little Book of Fairness 2020

Due to restrictions on travel, we were unable to commission any overseas photography during the year. However, by using our past photography, we were still able to communicate the human impact of our finance by telling stories of producers in our various print and online publications. We have developed our relationship with the

People in the Pictures group, run by Bond a UK network for organisations working in international development. This is part of our aim to ensure that our content gathering is ethical and supports contributors' rights to participation and protection. We are currently reviewing our own content gathering procedures to bring them in line with the best practice measures recommended by Bond.

We continued to update our social media channels regularly with project photos and progress and they remain an important platform to engage with potential donors and supporters and to reach new audiences.

Events

Our supporter events planned for May and June took place online with over 100 members attending each session. Four sessions took place with a focus on the different regions where we work (East Africa, West Africa, Central and North America, and South America). The success of these virtual events lay in the ability to bring together our members in the UK and our business customers in Europe, Africa and Latin America. Members had the opportunity to hear from our producer and buyer customers at each event. For instance, during our first event, Daniel Amponsah, President of cocoa co-operative Asunafo, joined us from Ghana, explaining to members how their investment has helped their business. Shared Interest finance has enabled the co-operative to buy fertiliser so farmers could improve the quality of their crops, and a truck, which is helping transport their increasing production of cocoa.

Feedback from the events was very positive, some comments from attendees can be seen below:

“So interesting to hear stories from people on the ground, and such a variety.”

“An excellent way for Shared Interest supporters to actively engage with the projects.”

“Really wonderful opportunity to hear directly from those working with and benefitting from Shared Interest support. Very well-organised and I really appreciated everyone's contributions, thank you!”

We also held a virtual General Meeting on 29 September to approve the appointment of Armstrong Watson LLP Audit Limited as the new Shared Interest auditor.

Promotional activities

We use an integrated campaign approach to generate enquiries for the Society, dovetailing online activity with editorials, inserts and advertising. This year we maintained our relationship with titles such as Amnesty magazine, The Big Issue and Guardian Weekend magazine, running 13 campaigns in total. We continued to focus our approach on subscription-based publications combined with digital activity, which proved very effective.

Throughout the year, we supported relevant campaigns, which were connected to our work. These included Good Money Week, World Fair Trade Day and Fairtrade Fortnight. Run by the Fairtrade Foundation, Fairtrade Fortnight provides an annual opportunity for Shared Interest to improve general brand awareness. This year, the focus of the campaign was climate change, which we supported by sharing our own stories of customers affected by the issue. We commissioned a cover wrap with The Big Issue and our branding also featured as a wraparound on the home page on the Big Issue website. Throughout the year, we also participated in a number of

virtual events where we had the opportunity to raise awareness of our work, including presentations to regional fair trade groups.

We work with an external agency to improve Search Engine Optimisation (SEO) with regards to our website. This year we saw 27,908 individual web visitors, a 41% increase on the previous year. The percentage of visitors returning to our website increased by 62%, which suggests our content is engaging and evolving. The percentage of visitors using either tablets or mobile phones decreased to 34% (2020: 40%); this may be due to more people working remotely or with access to a laptop or desktop device.

We have continued to use a scheduling platform for our social media activity, which allows us to take a strategic, campaign-led approach, freeing up time and resource to engage with users. Twitter, Facebook, and Instagram engagement have increased. We have also maintained regular contact with the supporters of Shared Interest Foundation using our e-newsletter.

During the height of the pandemic, we encouraged people to apply for a Share Account online due to disruption in the postal system. As a result, we attracted 496 new members to the Society with an average opening investment of £1,494 (2020: £519) and 71% of these (352) were opened online (2020: 287). Overall, we saw a net increase of 221 Share Accounts compared to 184 last year.



Cover wrap and digital assets in The Big Issue for Fairtrade Fortnight and World Fair Trade Day.

Awards

This year was another year of award success. In November 2020, our Managing Director, Patricia Alexander was named in the NatWest WISE (Women in Social Enterprise) 100 Awards. The list celebrates the top 100 women leading social enterprise and impact investing across the UK.

The Society was also shortlisted within the Enterprise Category of the Third Sector Excellence Awards, and Shared Interest Foundation was shortlisted in the Small Charity, Big Achiever category. Receiving these endorsements presents us with an increased opportunity to raise our profile through the media both in publications and online.



Partnership

We place partnerships at the heart of what we do. Within our Positive Statements, which form the backbone of our working culture, we state that we work collaboratively, sharing knowledge and skills to attain the best outcome possible. Working with others helps us increase, develop and broaden our impact, as well as enriching our knowledge and experience. This means that partnerships should be mutually beneficial and demonstrate common values and shared goals.

Successful partnerships rely on the cultivation of relationships with people and organisations. Face-to-face engagement can play a key role in this and continues to be constrained as a result of the pandemic. We look forward to a greater ability to meet and reconnect with partners soon. In the meantime, technology helps us continue to engage with organisations across the world including Fairtrade Ghana, Fairtrade Africa and ECCR (Ecumenical Council for Corporate Responsibility).

Partnerships also help us make meaningful contributions towards the achievement of the United Nations' Sustainable Development Goals (SDGs)¹. We believe our work contributes to the attainment of specific SDGs from the 17 agreed by the United Nations as goals for building a better world by 2030. Working towards these common goals gives additional purpose to our partnerships.

Partner Focus: Fairtrade Yorkshire

Our partnership with this network began over five years ago when Shared Interest Ambassadors started frequently attending Fairtrade Yorkshire events. Since then, Fairtrade Yorkshire has featured at a variety of Shared Interest webinars and the partnership subsequently enables both organisations to engage with a new and receptive audience.

We spoke to Joanna Pollard, Chair of Fairtrade Yorkshire (until June 2021), to learn more. She said:

“Fairtrade Yorkshire aims to bring together fair trade activists and supporters from across the region's 5.5m inhabitants. There are 38 Fairtrade communities in Yorkshire, plus schools, universities and faith groups, so it's clear the movement is thriving here. We believe that working together makes us a stronger voice for Fairtrade.”

Can you describe Fairtrade Yorkshire's relationship with Shared Interest in a few sentences?

“Shared Interest has the direct link to producers that Fairtrade Yorkshire lacks. We work together to bring producer stories to campaigners, supporters and activists around the region and beyond who are inspired by the life stories of the people who grow and make the fair trade products we love to buy. We worked together on an online event during Fairtrade Fortnight where campaigners were able to hear directly from the Shared Interest team in Ghana and Kenya. In exchange, we helped publicise the work of Shared Interest and encouraged more people to invest. In short, we bring the people and they bring the stories!

Do you feel your relationship with Shared Interest impacts Fairtrade Yorkshire's efforts to achieve its mission?

“Keeping campaigners motivated and engaged is the biggest battle, so being able to work with Shared Interest to share producer stories makes that part of my job easier.

How well informed do you feel about Shared Interest? Are there any areas of our work that you would benefit in knowing more about?

“It is always interesting and rewarding to hear about Shared Interest's work with Fairtrade co-operatives and to see exactly how investment is benefitting real lives. Shared Interest is such a fantastic organisation, and we love to share your wins so just carry on doing what you're doing and we'll work together to spread the word.”



¹ <https://sdgs.un.org/goals>

Shared Interest Foundation works with a range of in-country project delivery partners. This local knowledge, cultural understanding and sector-based expertise are key in enabling us to reach community groups and organisations and provide ongoing support. Grant-giving bodies and trusts, who supply the funding, usually have an expectation that we work with such delivery partners on the ground. These funding organisations are also seen as partners.

Following the completion of the Foundation Strategic Review last year, we revised our Partnerships Policy (Appendix 5) and due diligence process to ensure that all partners, both in-country and UK-based, align with our mission and values and have the necessary experience and capacity to deliver grant-funded projects.

Working collaboratively with in-country NGOs, Fair Trade Networks and producer-based organisations has enabled us to deliver projects with a broader reach in line with the themes outlined in our five-year strategic plan.

In West Africa, we continued to work with Plateforme Nationale du Commerce Equitable Burkina (PNCEB) to deliver our Bees for Business projects in Burkina Faso. PNCEB is a local fair trade network, with significant experience in supporting businesses and community groups. We have partnered with PNCEB since 2018 and have worked together on three Bees for Business projects to date.

Shared Interest Foundation Manager Kodzo Korkortsi said: Working closely with PNCEB enables us to deliver activities at grassroots level, supporting rural communities. Their local knowledge also helps us overcome potential language and cultural challenges and their accessibility to the project means that they are able to provide us with regular on-site updates. This has been particularly helpful as we remain unable to visit projects due to Covid-19."

We asked PNCEB President Issaka Sommande and PNCEB Executive Member and Bees for Business Project Manager Toro Salifou, to describe the relationship between PNCEB and Shared Interest. They responded:

"Since 2018, PNCEB has been supporting Shared Interest Foundation to develop and implement projects that have impacted the lives of vulnerable community groups and improved their living standards."

Meanwhile, we worked in partnership with two cocoa co-operatives in Ghana and Ivory Coast to implement our Growing Fairer Future projects. Additional support was provided by the Cocoa Health and Extension Division (CHED) in Ghana and Agence Nationale d'Appui au Développement Rural in Ivory Coast. In northern Ghana, we are working with local NGO TradeAID Integrated to deliver our soilless farming project.

To implement our projects in East Africa, we partnered with two coffee co-operatives, Bukonzo Organic Coffee Co-operative in Uganda and KOPAKAMA in Rwanda. In Central America, we collaborated with Coproexnic, a sesame and peanut co-operative in Nicaragua to support women in their local community to engage in sesame farming. Finally, in South America, we are working with Peruvian coffee co-operative CECAFE to support their members to increase production of organic coffee.

Closer to home, we have also worked with a number of UK-based organisations to share learning, best practice, and explore opportunities for collaboration including Traidcraft Exchange and Climate Edge.



Our lending

According to a report from the Food and Agriculture Organisation of the United Nations (Appendix 6), it is predicted that the pandemic will affect agricultural markets further over the next decade: 'Starting from 2022, prices are expected to gradually recover but to remain below baseline levels until 2029.' It is suggested that there will be a critical need for finance beyond 2021 due to extended disruptions to trade. Despite the challenges faced during the last 12 months, Shared Interest has continued to empower smallholder farmers and artisans to grow their businesses sustainably, increase trade, and create employment opportunities by providing a reliable source of finance during otherwise uncertain times.

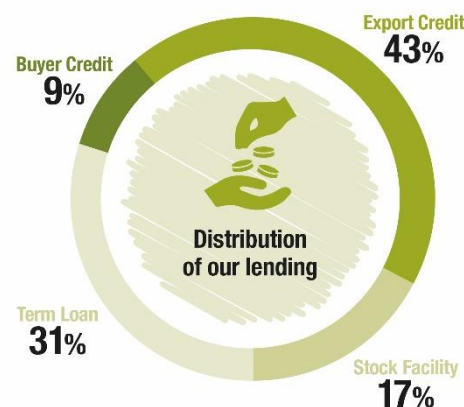
Our aim is to be a trusted and respected provider of social finance, with a particular emphasis on working with smaller, more vulnerable groups – such as handcraft organisations - that other lenders are less keen to support. As their businesses grow, these groups are able to improve their income and to contribute to the alleviation of poverty in their respective communities.

During 2021, we have continued to closely monitor the risks and uncertainty brought about by the pandemic and as such, the additional controls for each payment implemented in 2020 remained in place, along with frequent communication with producers and other actors in the supply chain.

Lending products

We lend in two ways: directly to fair trade producer groups (producer lending) mainly across Africa and Latin America, and to fair trade wholesalers, FLO Traders or retail businesses (buyer lending) in the Northern Hemisphere, extending our support indirectly to producers in Asia.

We offer both short-term and long-term financing. Our short-term lending consists of three main products: Export Credit, Buyer Credit (referred as Trade Finance by other lenders) and a Stock Facility (referred as Working Capital by other lenders), providing the required funds in advance to help producer groups fulfil their orders or to help purchase stock. A more detailed explanation of our lending products can be found in Appendix 7.



Both Export Credit and Buyer Credit are classed as revolving lines of credit, and finance is provided against contracts, whereby the lending is designed to be repaid as contracts are fulfilled. Upon repayment, the funds are then available to lend again. As a result, the total value of funds sent to organisations is greater than the value of funds invested.

A proportion of our customers have multiple facilities with us. As such, there are currently 247 lending facilities in place across our portfolio. From that total, 69% are classed as short-term facilities and 31% attributed as longer-term lending as per the graph above. Export Credit remains the most prevalent product and consists of a

tripartite agreement whereby the commercial buyer agrees to send the final payment via Shared Interest in order to repay the funds borrowed and the accrued interest, whilst the remaining funds are sent back to the producer. There are some exceptions, when funds are paid directly to the producer.

When Term Loans or Stock Facilities are provided in addition to existing Export Credit, it is usually to enable customers to stock up on raw materials, purchase machinery to increase their production capacity, or undertake infrastructure improvement projects.

Ninety-two per cent of funds lent to buyers are used to pre-finance orders. Fair trade buyers are required to provide producers with a 50% payment on placing an order as per the World Fair Trade Organization (WFTO) Fair Trade Principles (wfto.com/our-fair-trade-system). This can put financial pressure on the buyer's cash flow and Shared Interest plays a vital role in filling this gap by sending money to producers on behalf of the buyer; we call this a 'recipient producer payment'. The lines of credit provided to buyers allow them to not only improve cash flow but also to pay artisans and/or farmers upfront, to enable them to secure the raw materials in order to deliver the goods on time.

In addition, many buyer organisations send payments to producer groups that are too small or too risky for Shared Interest to support directly, or are located in countries where we cannot provide funds. For example, we are unable to lend directly to producer organisations in India, Bangladesh, Nepal and Pakistan due to their current financial regulation but by providing a facility to buyer

organisations, we can indirectly assist these producers to access working capital.

As a provider of finance under fair terms, we work with producers and buyers through times of hardship. This year, 11 customers struggled to repay their Term Loan as per previous agreement due to delays in sending goods and therefore receiving repayments from their buyers. Consequently, their loans were rescheduled as a form of debt consolidation with new repayment terms.

Customers

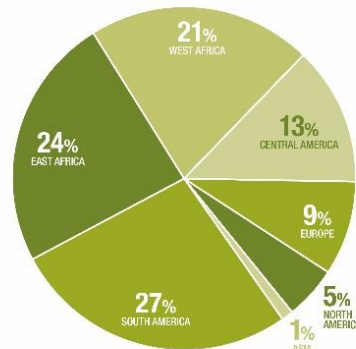
Historically, most of our lending was to buyer organisations in the Northern Hemisphere and all customers' accounts were managed from our UK head office in Newcastle upon Tyne. Since then, we have opened offices overseas and have now a presence in Costa Rica, Ghana, Kenya and Peru. This local knowledge has helped us to continually grow our direct producer lending. This year, 88% of our customers are producer groups located in the Global South, some of which are FLO Traders and are located in Africa, Latin America and Asia, whilst buyer organisations are located in Europe and North America as seen in the chart adjacent.

Customer and Portfolio growth

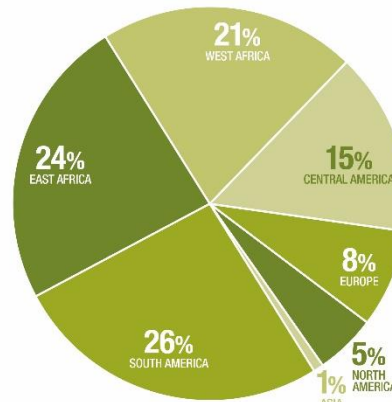
In total, we have 200 customers, consisting of 175 producer groups and 25 buyers (see adjacent graph), an overall increase of five customers compared to 2020.

We approved 35 (2020: 36) new lending proposals (15 new customers and 20 facility increases for existing customers) totalling £7.5m (2020: £8.3m) in the year, most of which were for coffee production (£5.8m). All lending to new customers was short-term, whilst five of the 20 additional lending facilities given to existing customers were in the form of Term Loans.

Customers per Region in 2020

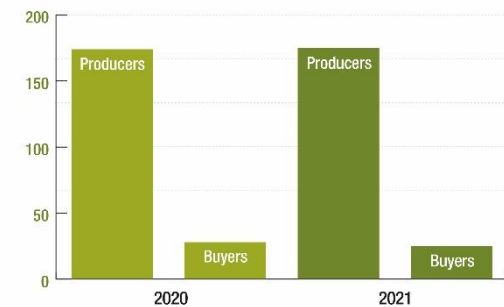


Customers per Region in 2021



Due to travel restrictions, many sector-based fairs and conferences continue to be held virtually. Although online interactions work differently, new contacts were still made via digital events such as the international organic trade fair, Biofach or Expoalimentaria (Peruvian food and beverages event). Our Lending Team also represented Shared Interest in a panel discussion during the Africa Fairtrade Convention, the International Agricultural Virtual Trade Summit, and as part of a webinar named 'Financing Agribusinesses amid Covid-19' presented by MicroSave Consulting (MSC).

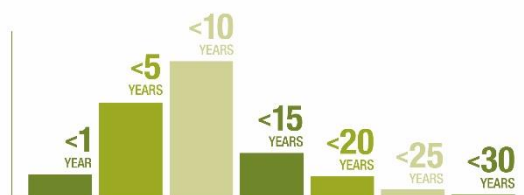
Customer split



Customer relationship, communication and events

We pride ourselves on establishing long-term relationships with our customers and 60% of our customers have been with us for more than five years. The graph on the following page shows the number of customers who have been with us for one year or more. The customers who have been with us for over 20 years are all buyer organisations. Four producer customers have been with us for 19 years, including Candela (Peru) and Apicoop (Chile).

Length of relationship for Shared Interest customers



For a second consecutive year, we were unable to visit our customers as part of our account management process. However, we remained in regular contact through emails, virtual calls and telephone conversations along with our virtual producer committee meetings. In addition to this, we also keep in touch with other social lenders and fair trade networks to understand the market conditions. As a result, we have continued to provide support to our customers and, by doing so, ensured that key lending risks were mitigated.

We remain connected with other organisations to share knowledge and best practice within our sector. This year, we attended online events and webinars held by the Council on Smallholder Agricultural Finance (CSAF) and WFTO as we are members of both organisations.

Due Diligence and Management of our Risk Portfolio

We balance the desire for our lending to reach those who need it most, with the need to avoid placing our members' capital at excessive risk. To achieve this, we implement a rigorous due diligence process. Pre-pandemic, this included customer visits but following travel restrictions, we developed a virtual due diligence process in 2020. Nineteen evaluations took place during the year, which have ensured that lending to new customers is possible during these challenging times.

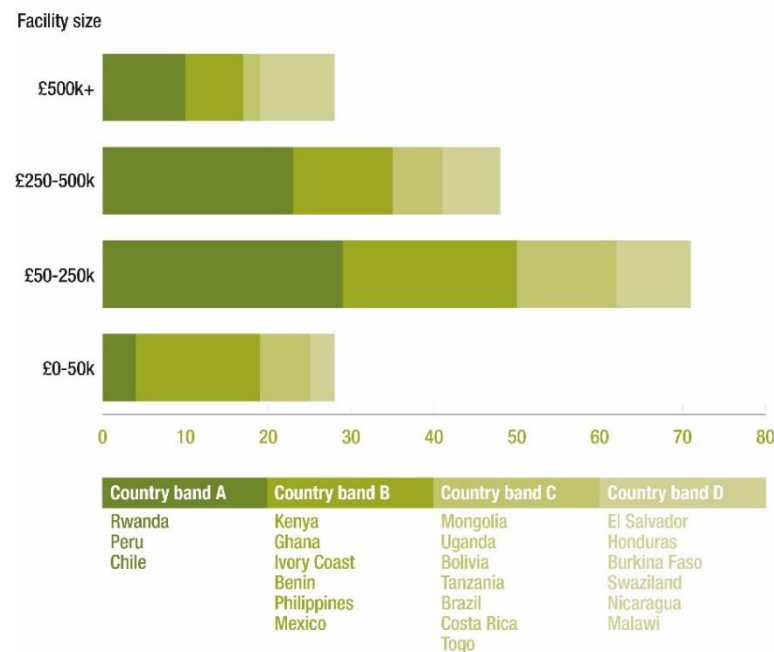
To control our country-related risk we use an independent evaluator organisation called Coface², which provides a country categorisation of A to D, with D being the riskiest. Prudential limits are then set to manage our exposure to countries in C and D categories. During the year, only two countries changed band: the Philippines moved from A to B and Mexico changed from C to B. This is due to different economic and political factors, including the impact of the pandemic affecting the tourism sector and consequently increasing unemployment during 2020 and 2021. We only have one small producer organisation in the Philippines, who were already affected by lower sales in 2018/19, as some of their fair trade buyers were forced

to cease trading, and as a result they have not borrowed from Shared Interest this year.

A more detailed explanation of country risk can be found in Appendix 9.

The adjacent graph shows the number of producers we lend to in relation to their country risk category and their facility size. Eighty-four per cent of our producer customers have a lending facility of under £500k. If we compare this with other social lenders in the CSAF State of the Sector Report 2021 (Appendix 8), 57% of the facility limits provided are over 500k US Dollars (£368k). However, it is important to note that Shared Interest is one of the few social lenders to provide credit facilities to buyer organisations in the Northern Hemisphere. Our overall portfolio allows for a range of small, medium and larger customers to be served.

Facility Size vs Country Band



² <https://www.coface.uk/>

Payments and disbursements

We opened our overseas offices in 2006 and gradually increased our producer lending, prior to this most of our lending was focused on buyer organisations based in North America and Europe. In 2014, producer lending surpassed buyer lending. Buyer lending is somewhat different from producer lending as no funds are sent directly to these organisations. Instead, we make payments to producers on their behalf and report on these payments as an indication of growth and indirect support to recipient producers. However, it is important to note that payments to producers (who have an Export Credit facility) also include funds that have not been borrowed, which slightly skews our lending data. With an Export Credit facility, between 60% and 80% of the contract value can be advanced to the producer. The total payments made therefore also include the final payments received from the commercial buyers to repay the funds borrowed against specific orders.

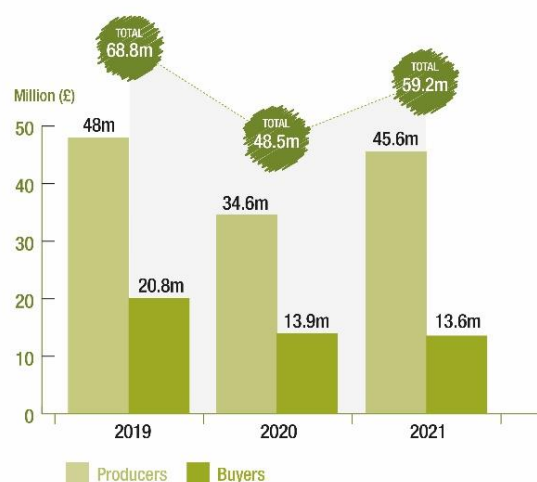
We believe that this is a fair representation of funds borrowed for this type of customer but, as producer customers represent the majority of our portfolio, we will include both total payments sent to them as well as the funds borrowed against their facility (excluding the repayments from the commercial buyers referred as disbursements). This will also align with the terminology and method of reporting used by other social lenders as seen in the CSAF State of the Sector Report 2021.

The number of payments made has been affected at different stages of the pandemic. As reported by the Food and Agriculture Organization of the United Nations: 'The Covid-19 outbreak seriously disrupted agricultural trade during 2020 and part of 2021. Lockdowns and limits on the mobility of people reduced the movement of goods domestically and internationally. Lockdowns also reduced the availability of labour at ports to unload ships and conduct a variety of trade processes, such as physical inspections, testing and certifications. At the same time,

many countries changed protocols determining access to ports, leading to disruptions from port closures and requirements for additional documentation and quarantine measures. In addition, some countries introduced temporary export restrictions, which reduced international trade even further.'

the end of 2021, particularly due to a shortage of containers, which remains a challenge.

Total payments made



Starting from mid-2021, many of our customers saw a slow recovery as the market and ports opened up. Consequently, after reporting the lowest number of payments sent to producers and recipient producers (on behalf of buyers) in 2020, the total payments sent in 2021 increased by 22%. The graph above shows that the payments sent by the buyers have remained at a similar level but the payments sent to producers increased. In addition, part of the increase in payments is due to the acquisition of new customers during the last 12 months. Although the total payments are higher, producers continued to experience delays in sending goods towards

Buyer Case Study – Lemberona³

Founded by Elmira Bertagnoli, Lemberona was established as a family-owned business based in Austria, which distributes a wide range of high quality organic and Fairtrade dried fruits, herbs and nuts. In addition to a head office and café in Vienna, they have a warehouse and a production facility located in St. Pölten. The company started out in 2010 with the export of organic Fairtrade fruit from Uzbekistan to Austria. The following year, they added further products, from both Uzbekistan and other origin countries.

Elmira is originally from Samarkand in Uzbekistan and has been living in Austria for over a decade. She has a special relationship with the Uzbek producer groups as she helped many of them in their formation and growth. This relationship inspired the Lemberona brand 'Pearls of Samarkand, Treasures of the Silk Road'.



Elmira said: “As I am originally from Uzbekistan, I know how to overcome many of the obstacles faced by farmers. On the other side, I also know what customers want and can directly translate this for our Uzbek suppliers. Due to their location, some of these groups have little or no access to finance.”

A resource-rich country, Uzbekistan is located in the heart of Central Asia, surrounded by five landlocked countries.

This provides the export challenge that two borders must be crossed in order to reach a port. Cotton and wheat are the main crops, but fruit and vegetable cultivation is growing as farmers recognise the profitability of this sector.

Lemberona met Shared Interest at Biofach fair in Nuremburg in 2014. At the time, they were experiencing difficulties finding suitable financing for crops in countries like Uzbekistan, Sri Lanka, Pakistan or Colombia.

Elmira said: “Political risks associated with these countries have prevented traditional trade finance with Austrian banks, as well as a complete lack of understanding of ‘pre-crop financing’ with Fairtrade farmers, which essentially requires buyers to pay money to the farmers in advance in order to secure supply.

“Shared Interest immediately understood our need to make advance payments to farmers, which in the past was difficult to do.”

A Buyer Credit facility was provided in 2014, which enabled Lemberona to purchase stock strategically as they had sufficient working capital to pay producers in advance if necessary.

Elmira said: “Most farmers start their production in May and harvest begins in September. Consequently, bringing the products to market can take between three and nine months.”

In 2016, Lemberona started purchasing herbs from Egypt and dried fruits from Sri Lanka. An increase in their Buyer Credit facility allowed them to purchase higher volumes from their farmers and meet demand, whilst continuing to build up their stock.

Although many organisations recorded lower sales in 2020 due to the pandemic, Lemberona was able to maintain similar levels to 2019. This was mainly due to an

increase in their online sales as consumers looked for healthy, high quality food products.

Elmira is now looking forward to devoting more time to working closely with farmers, after recruiting a new Managing Director earlier this year. Designed to encourage growth, this new structure allows Elmira to move away from management of the business to focus on areas such as product innovation, farmer support and fair trade liaison.

Elmira continued: “Thanks to Shared Interest, Lemberona can help the small farmers to make an honest living with their own hands and have proud families and communities.”

“Producers can maximise production, which results in more Fairtrade Premium, which in turn impacts the lives of thousands of people in rural Uzbekistan. This equals repaired water systems, heating in the winter, children with a positive outlook and less hunger, and better life goals through improved education.

“For example, Uzbekistan producer organisation Turob Bobo used their Fairtrade Premium to repair the water system, create a deep well, and subsequently have access to water again for the first time in 15 years.”

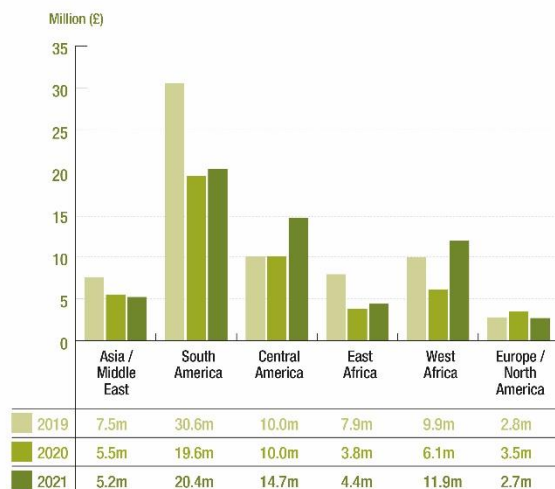


³ Full study available in Appendix 18

As seen in the graph below, South America continued to receive the highest volume of payments due to the high number of coffee producers based in that region, representing 34% of total payments made. Whilst no significant changes appeared for Asia and East Africa, there has been a considerable increase in payments made to Central America and West Africa. Despite pandemic-related travel and working restrictions, market uncertainties, and rising coffee prices, the vast majority of our producer customers in Central America increased production and sales.

Other social lenders have also seen this trend as CSAF recorded, in their State of the Sector Report 2021, a credit volume growth of 1% from previous year.

Total payments per region made to producers and on behalf of buyers



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 risen from £0.80 per pound (454g) to around £2.61 and actually hit £2.78 in July. Nearly all contracts for coffee delivery are benchmarked against this C price, with the result that prices for green Arabica (unroasted beans) have risen by over 80% during the past year. Those for Robusta coffee – a cheaper alternative – have risen by over 30%. The principal reason for these rises is due to environmental events in Brazil. Brazil accounts for around 35% of global harvest and they are forecasting lower yields due to a combination of a severe drought and recent intense frosts. As a result, the Brazilian authorities are projecting the lowest Arabica harvest for 12 years.

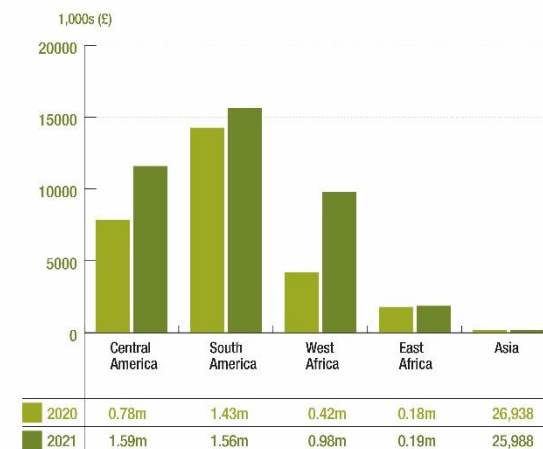
In West Africa, producers experienced difficulties in 2020 as buyers were slow to commit to purchasing cocoa and agreeing on prices. However, demand considerably increased in 2021 due to successful harvests and subsequently more payments were sent to cocoa producers, especially in Ivory Coast.

The world's cocoa supply is mostly concentrated in Africa, which represents 74% of global production. Latin America produces 16% of the world's cocoa beans. The Ivory Coast and Ghana are by far the two largest producing countries, accounting for more than 50% of the world's cocoa. Yet according to the World Bank, cocoa farmers in Ghana make approximately 1.0 US Dollar per day, while those in Ivory Coast make around 0.78 US Dollars per day compared to the threshold for extreme poverty at 1.90 US Dollars per day. According to Fairtrade International, the average cocoa farming household in Ivory Coast is made up of eight people and has an annual income of around 3,000 US Dollars. However, Fairtrade Foundation research concluded that the average cocoa farming household should earn around 7,500 US Dollars a year to cover their full cost of living.

The graph below shows the funds borrowed by our producers during 2021 and 2020 in disbursement terms. Disbursements are any funds sent as part of an Export Credit payment (pre-finance request) or the release of a Stock Facility or Term Loan. They exclude Stock Facilities or Term Loans that have been sent in prior years. Similar to the payment increases seen in Central America and West Africa, disbursements to producers in these two regions also increased for reasons explained above. In South America, some customers did not use their facilities as much as previous years because they received government loans with minimal interest rates to support them financially during the pandemic.

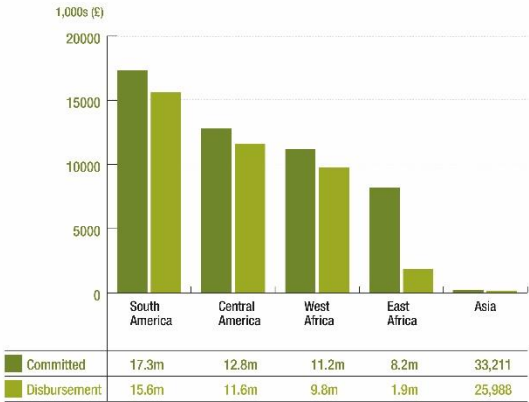
The lending in Asia relates to one small handcraft producer with a stock facility of 30k US Dollars. The difference in value between the two years is due to the fluctuating USD and GBP exchange rate, which also slightly affected the other regions.

Disbursements made from Facilities per Region



Although the disbursements for East Africa have remained at the same level for the past two years, if we compare them with the committed value for this region (as per graph below), the amount of new borrowing is minimal. This is because a large number of lending facilities in this region are in arrears and therefore some have been converted into a debt consolidation loan or are under a repayment plan.

Funds disbursed vs committed value

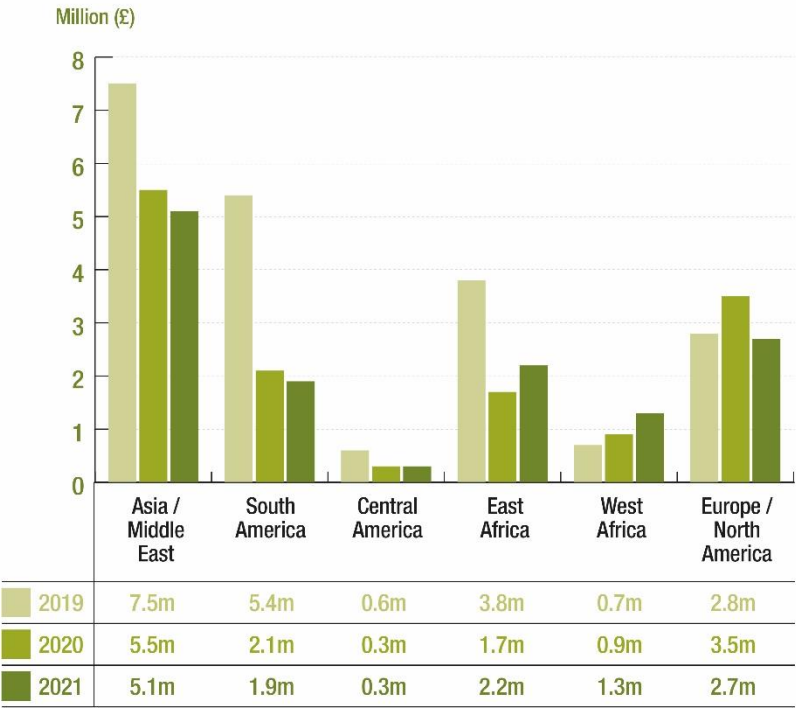


Of the total payments made on behalf of buyer customers (see graph adjacent), a large proportion (38%) went to Asia and the Middle East.

Due to political and economic constraints, it is difficult to lend directly in these regions, therefore our relationships with buyers are essential in reaching disadvantaged communities here. Out of the payments sent to Asia, 214 payments totalling £2.4m were sent to producers in India. The largest payment sent on behalf of our buyer was to Uzbekistan for the purchase of nuts of £346k. Despite some account closures during the year, the total amount

of payments remains similar to 2020. Some of the payments sent on behalf of buyers are to other fair trade organisations in Europe and North America. We also make payments to social lenders in different parts of the world, on behalf of producers.

Total payments made on behalf of buyer customers by region



IN 2021...



ON BEHALF OF
BUYER ORGANISATIONS,
WE MADE A TOTAL OF

820
PAYMENTS

TO
124 ORGANISATIONS
IN
44 COUNTRIES
TALLING

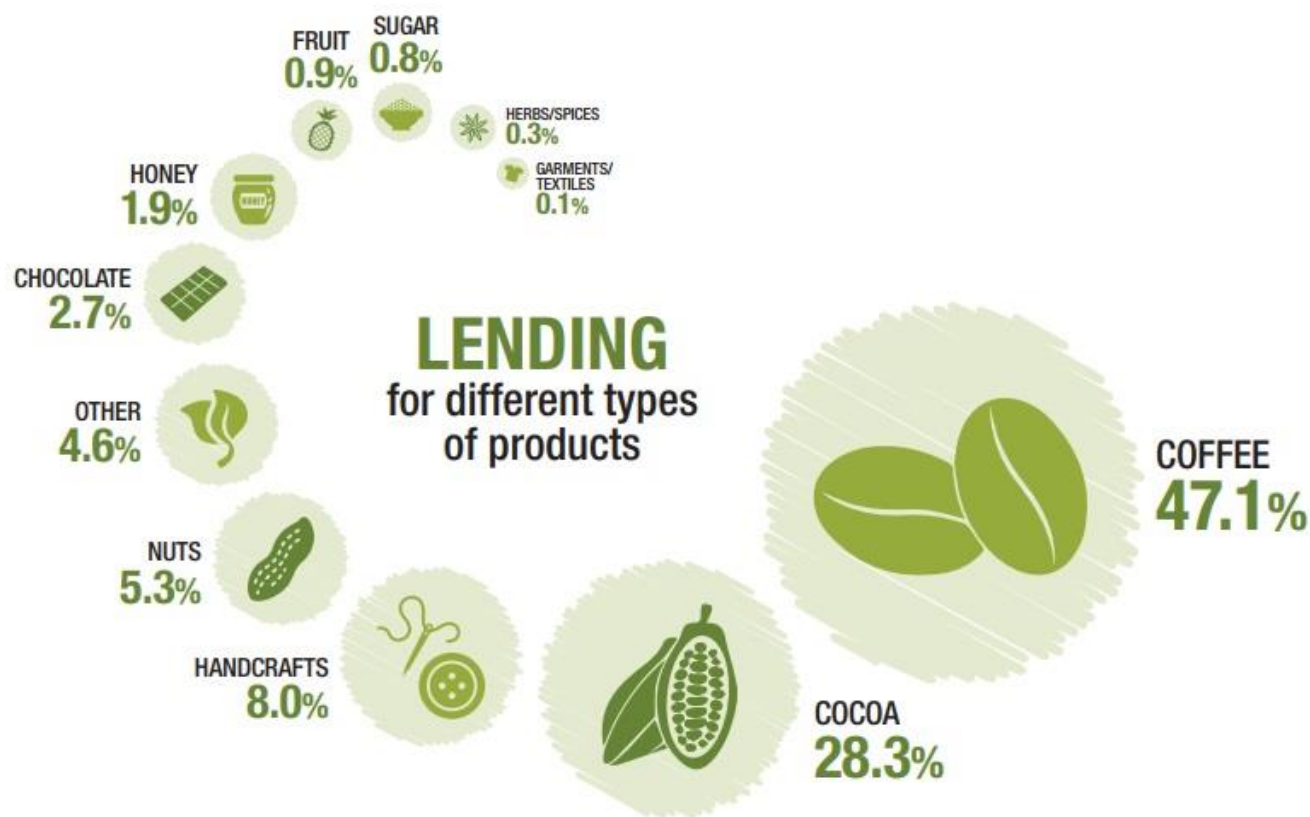
£13.5m

In terms of lending products, coffee remains our largest focus, mainly due to the scale of Fairtrade coffee production, with more than half of all Fairtrade certified producers growing this commodity. Although the total lending for coffee has increased in 2021 in value terms, the overall percentage remains the same as we have increased our Share Capital from £46m in 2020 to £50.7m in 2021.

We have also seen a considerable increase in cocoa lending in 2021 compared to 2020, representing now 28.3% of our lending portfolio (previously 19.8%). As mentioned earlier, this relates to increased supply coupled with increasing demand following the purchasing delays experienced in 2020.

The chart adjacent shows the split of lending for different types of products as a percentage of total payments made. Handcraft and textile products continue to have an important place in our lending as we maintain our focus on small and disadvantaged producer groups. We believe this is vital because the majority of other social lenders do not offer financing to this sector. Our lending to these producers did decrease from 11% in 2020 to 8% in 2021, due to a reduction in orders following the outbreak of Covid-19 and buyer account closures.

Lending to support the trade of nuts decreased as a percentage of total payments from 7% in 2020 to 5.3% in 2021 but not value as these were £3.1m in 2021 compared to £3.3m in 2020.



Case study – TraidAID⁴

Established at the turn of the millennium, TraidAID Integrated is a not for profit organisation working with 65 basket weaver groups in the Bolgatanga area of the Upper East Region of Ghana. Due to the hot and dry climate, the land is difficult to farm and so the majority of the population relies on handcrafts to make a living. Furthermore, the impact of climate change has caused straw to be low quality and at times difficult to source. As this is the predominant raw material of the basket industry, it can cause major problems.

Nicholas Apokerah founded the organisation after researching the role of basket weavers in Ghana whilst at university and discovering that they were earning 20% less than the final retail price of their baskets. They began working with 255 weavers, formalising them into 17 groups and providing training to become internationally competitive.



In 2005, TradeAID became a member of the World Fair Trade Organization (WFTO). They were selected to participate in an Access to Finance workshop in Ghana delivered by our charity, Shared Interest Foundation, in partnership with Fairtrade Africa.

In 2014, Shared Interest provided TradeAID with a Term Loan (TL) as part of our project with Comic Relief, to buy a truck.

Nicholas said: “We had challenge of always transporting baskets from Bolga to the harbour in Tema for shipment. Sometimes we would have production but transport would delay leading to late deliveries. We wanted to address this challenge by purchasing our own truck.”

In addition to improving the efficiency of transporting the baskets, the truck also provided TradeAID with a new source of income as they rented it out during off-season.

Nicholas continued: “We were more able to respond to supply needs of our customers more quickly, transport products quickly and that led to growth in the business.”

The following year, the region was affected by erratic rainfall, which led to reduced availability of straw for basket making. TradeAID established a straw farm (known as the ‘Straw Bank’) to mitigate this situation.

Nicholas explained: “It made straw readily available to weavers and much of it is still in operation at the weavers’ level. The straw farm enabled production to be consistent and sales became stable.”

In 2017, basket weavers were facing challenges meeting orders and a second Term Loan from Shared Interest was used to purchase new production tools and equipment, which made a huge difference to productivity.

TraidAID buys directly from the artisans, fulfilling orders from the international market and providing weavers with a fair price. When a Commercial Export Credit Facility (COEC) was approved that same year, it enabled TradeAID to pay full production costs to their producers at the point of collection. With this support, sales volume increased significantly from 6,546 pieces in 2017 to 22,603 in 2019.



Nicholas continued: “[The Export Credit Facility] helped us to meet production for clients who are not always in a position to pay advance payments. When that happens we are able to depend on Shared Interest for support to pre-finance the production.”

⁴ Full study available in Appendix 19

Akumbosco Modesta lives in the same community as TradeAID headquarters and has been a basket weaver for the past ten years. She describes herself as 'the bridge between TradeAID and the communities they work in.'



She said: "TradeAID has had a very positive impact on the communities. Before, the basket weavers would pass on their baskets to be sold at the local market but sometimes people would steal the money or not return it to you. Now TradeAID come into the community to buy the baskets directly from the weavers at a good price and the weavers have their money straight away."

TradeAID also invested in the local community by building the Sumbrungu Craft Centre in 2015, which brought groups of basket weavers to work together. Previously sitting under trees to weave their baskets, the women involved were happy to have somewhere to meet together more formally.

When the Centre was established, basket weaver Rhoda Apana said:

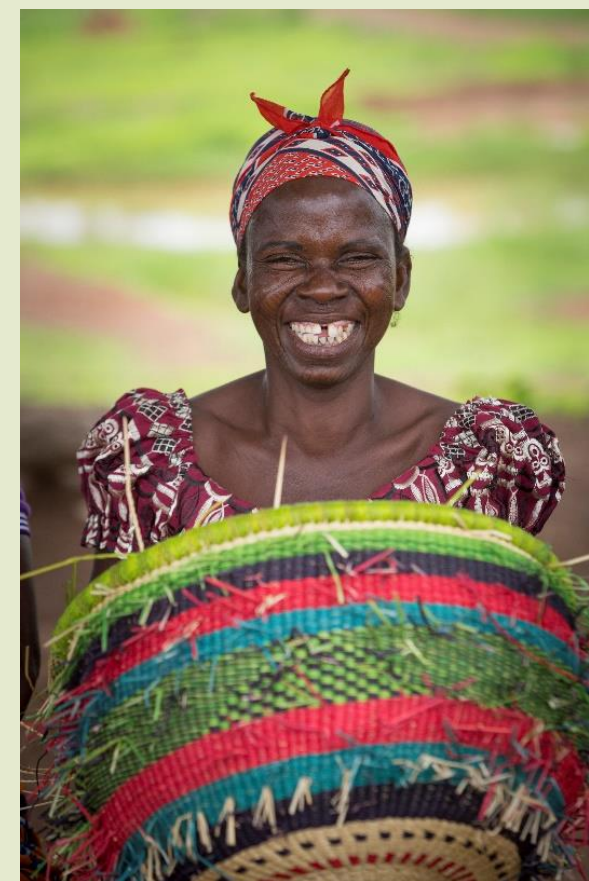
"After construction of the community building I experienced an unprecedented change in my weaving and I'm able to share my skills with others. We can continue to weave even when the weather is rainy or harsh and keep equipment in the centre and as well store our finished baskets."

Finding that many of the groups were making just one type of basket, TradeAID also offered product diversification training, as well as business and marketing support. Supporting 1,625 producer artisans (90% women), TradeAID has helped the weavers form co-operatives, which has led to developing partnerships with international companies such as SERV International (also a Shared Interest customer) who order up to 5,000 baskets each year.

The impact of Covid-19 has meant that sales reduced by approximately 30% between 2019 and 2020, caused by a reduction in orders from some of their larger buyers. Nevertheless, TradeAID launched a community initiative to supply sanitiser and facemasks. They also extended their support to 199 new producers within the basket weaving community, helping them increase production volumes and engage in soilless farming so that they are not solely reliant on basket production.

This latest project sees them working once again with our charitable arm Shared Interest Foundation. Our in-country partners will support 120 basket weavers to establish a vegetable farm without the use of soil, using readily available local resources including sawdust and rice husks. These materials have the ability to retain water from a sustainable source and release nutrients for the plants' growth.

Nicholas said: "Shared Interest is key to the survival of producers, and UK investors should see their investment as a vital contribution to people's livelihoods."



Lending per region

Our portfolio was previously split into three regions: Africa, Latin America and Northern Hemisphere and Pacific Rim (NHPR) but following the retirement of our Head of Lending together with a reduction in buyer lending and a small Asian portfolio, we restructured the Lending Team and our new Head of Lending is now based in Peru. This restructuring has led us to report against two regions: the Americas and Africa, which represent 92% of our portfolio. The remaining 17 customers are located in Europe and Asia. Although North America is now included under the Americas, for the analysis below it has been excluded as we only want to represent the direct lending to producers.

Our lending in Latin America

Of the 175 producer groups in our lending portfolio, 83 are based in Latin America (47%), representing 73,281 producer individuals a significant increase from 2019 which represented : 52,038 producer individuals. This year, payments made totalled £32.8m (2020: £27.1m) but the actual value of disbursements (funds borrowed) was £27.2m (2020: £22.1m) (see adjacent graphs). The increase seen for this region was explained in the payments and disbursements section. However, it is important to note that, although lending has increased, many producers located in Peru have borrowed less than anticipated due to an emergency business loan programme introduced by the Peruvian government. Nevertheless, Peru had the largest value of total payments, totalling £19m. However, the largest single payment was sent to a coffee producer in Nicaragua (£627k).

During this financial year, the region attracted nine customers, and 24 new or increased lending proposals were approved, representing a facility value of £5.9m (2020: £4.8m). The majority of these were focused on trade finance (18), and the remaining were for working

capital (4) or Term Loans (2). The majority of new or increased lending was provided to coffee producers (21). Out of the nine new customers, all were coffee producers and one was a honey producer in Mexico. The remaining two lending increases for this region were to a cocoa producer in Peru, and a sesame and peanut producer in Nicaragua and a brown sugar producer in Peru.

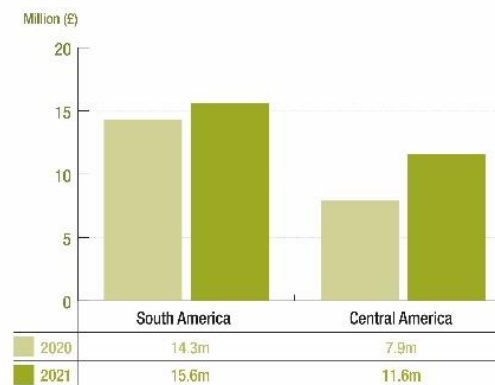
The pandemic has continued to cause disruption to businesses and commercial relationships in Latin America as low vaccination rates and new Covid-19 variants bring continued restrictions in some countries. This region has 'suffered more health and economic damage from the pandemic than any other region, although there is potential for significant transformation in key sectors', according to a World Bank Report published in March 2021.

In the South American coffee market, there were delays in coffee deliveries due to transport issues and this led to some contracts being unfulfilled. During 2020, Central America saw fewer disruptions as most farmers completed their harvest before Covid-19 restrictions came into effect. The export delays experienced in Central America were due largely to a lack of containers by the sea freight companies operating worldwide. Countries such as Nicaragua were further affected since their country's imports reduced (economy contraction) and decreased the number of incoming containers.

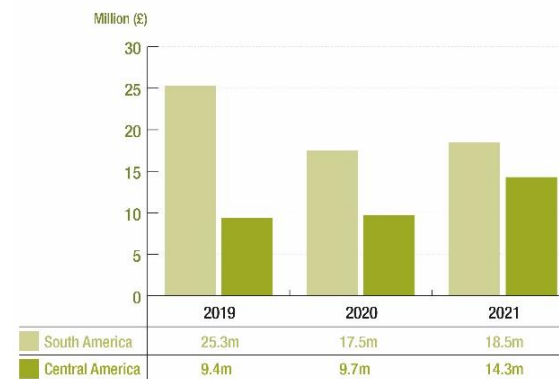
Peru was deeply affected by pandemic, reaching the world's highest death rate per capita in June 2021. Fifty-nine per cent our Latin American producers are based here and it has been estimated that there is a ten-year setback in poverty levels. Both the Foreign, Commonwealth & Development Office and the World Bank estimate that the economy will not return to pre-Covid-19 levels until 2023 (Appendix 10). In addition, Peru was further impacted by the Presidential and

Congress elections held in July 2021. The political uncertainties and the potential impact on international trade has made some customers hesitant to borrow funds.

Disbursements to producer customers in
LATIN AMERICA



Payments made to producer customers in
LATIN AMERICA



IN 2021...



WE APPROVED
24
PRODUCER LENDING
PROPOSALS
THIS INCLUDED
9 NEW CUSTOMERS
AND
15 EXISTING
CUSTOMER INCREASES
FOR 4 DIFFERENT PRODUCTS

Our lending in Africa

A recent report from the United Nations Economic Commission for Africa (Appendix 11) broadly supports the narrative that Covid-19 affected the trade finance activities of banks across the continent and led to material disruptions to trade: 'The survey results show that African small and medium enterprises were particularly affected by limitations in the supply of trade finance'. Nevertheless, the survey also concluded that Covid-19 has accelerated the process of digitalisation, which is set to fundamentally transform the trade finance business across Africa and globally.

Of the 175 producer groups in our lending portfolio, 90 are based in Africa (51%). This represents 300,968 producer individuals (2020: 307,001), including 107,300 women. We made payments to the value of £12.7m to producers in Africa (2020: £7.3m) but the actual value of funds borrowed was £11.6m (2020: £5.9m). In either case, the majority of funds were sent to cocoa producers in Ivory Coast (22 payments totalling £10.2m), with the largest payment equalling £1.3m.

Although the number of Shared Interest customers in Africa is greater than in Latin America, the difference in disbursements is considerable. Africa has far fewer disbursements due to the number of customers who are now under a repayment plan.

In East Africa, some coffee customers were impacted by delays in receiving payments from commercial buyers and the majority of handcraft businesses have been unable to trade during the pandemic as their products were classed as non-essential, unlike food products.

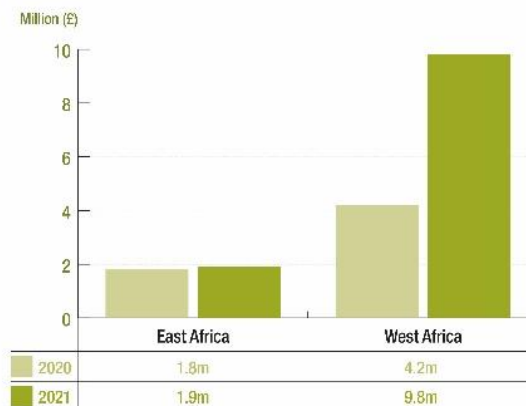
In West Africa, Covid-19 restrictions led to the cancellation of pre-agreed export contracts and a reduction in export volumes. As a result, short-term lending was extended to meet new delivery dates and terms of repayment were adjusted accordingly.

Challenging transport networks and distribution systems in this region were compounded by government-mandated road closures and travel restrictions.

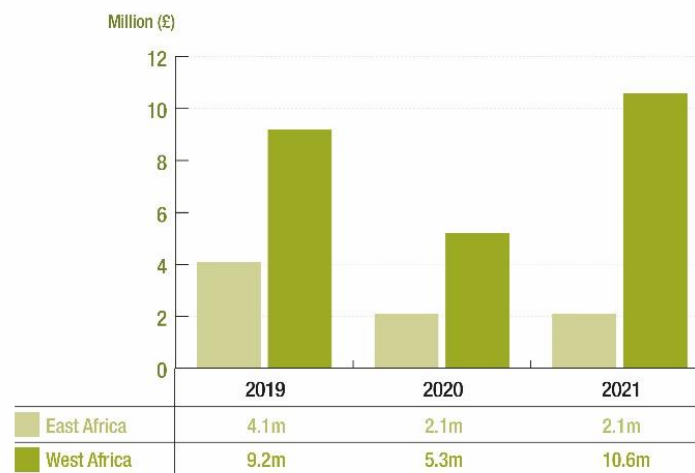
Similarly, to East Africa, the handcraft businesses in this region were hit hard by falling revenue levels which impacted their operations and ability to access markets.

Across our African portfolio, 10 lending proposals were approved, combining both new and existing customers and representing £1.4m in facility value. Out of the six new customers all were coffee producers (Uganda and Rwanda). Out of the four increases to existing customer, one was to a cocoa producer (Ivory Coast), one to a mango producer in Ghana, the other two were small increases to two handcraft producers, both are located in Ghana.

Disbursements to producer customers in AFRICA



Payments made to producer customers in AFRICA



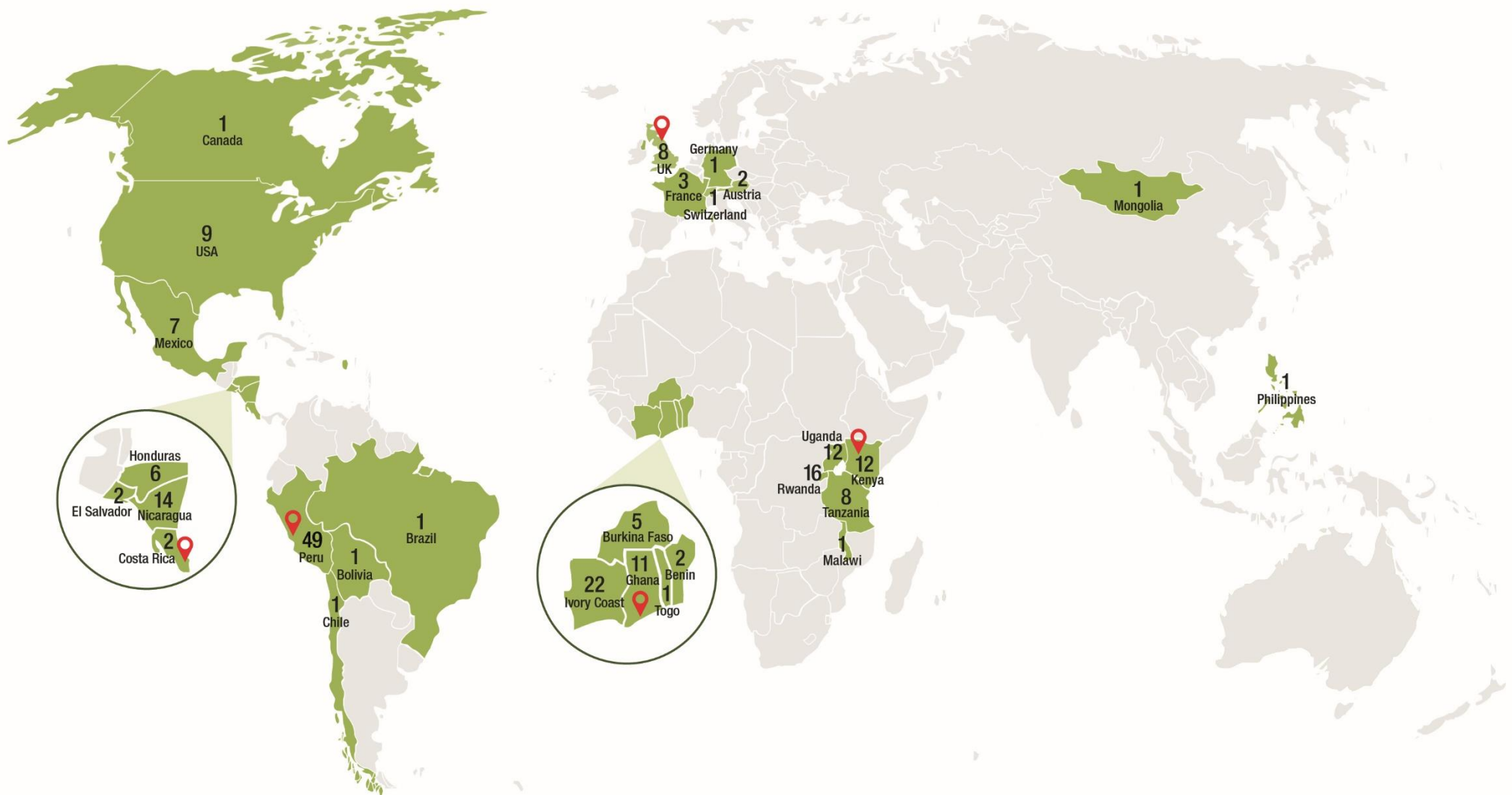
IN 2021...



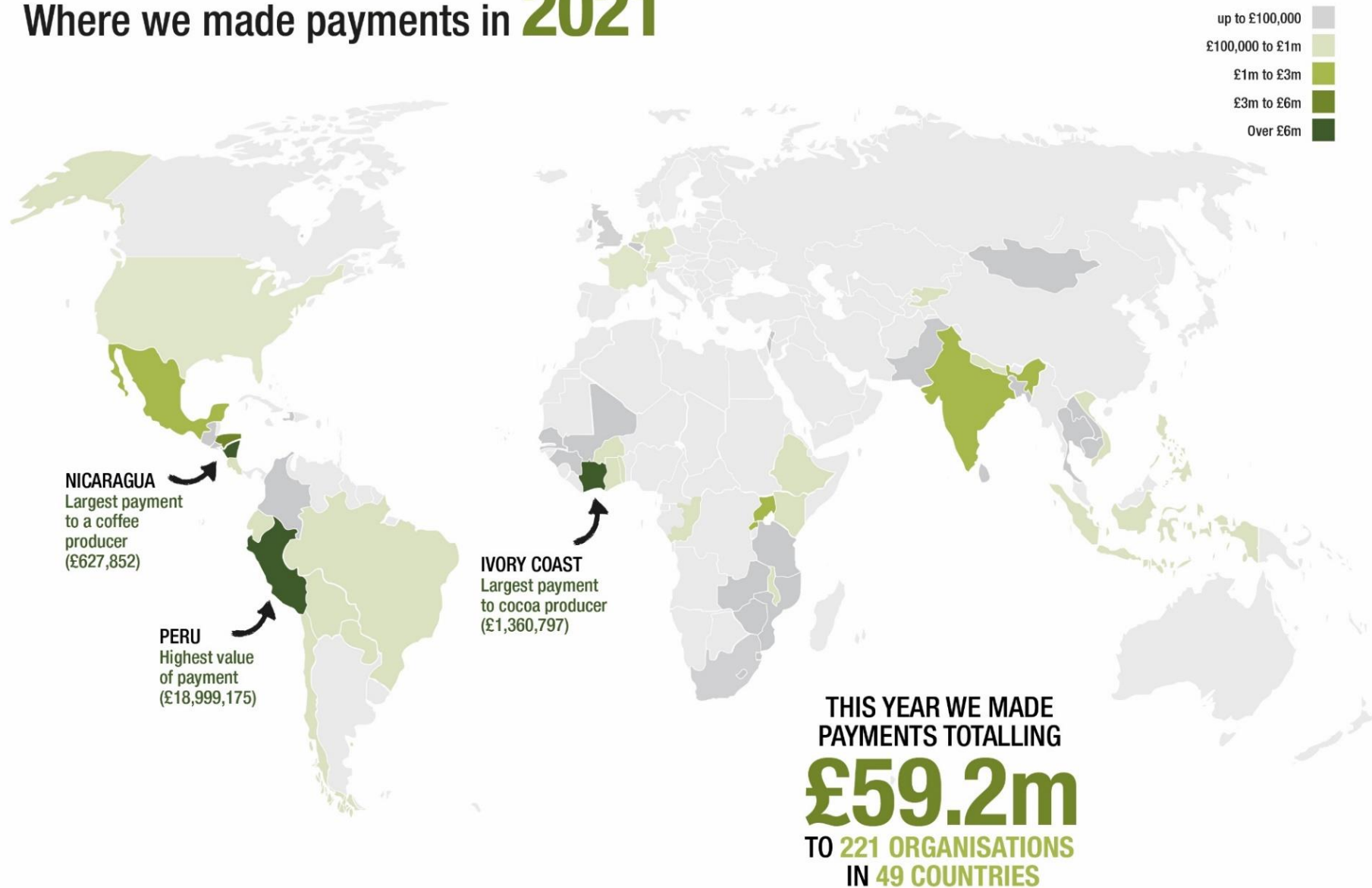
WE APPROVED
10
PRODUCER LENDING
PROPOSALS
THIS INCLUDED
6 NEW CUSTOMERS
AND
4 EXISTING
CUSTOMER INCREASES
FOR 4 DIFFERENT PRODUCTS

Number of customers per country in 2021

 Location of Shared Interest office



Where we made payments in **2021**



Financial stewardship

Stewardship is defined by Shared Interest as doing the best we can with the resources entrusted to us. We consider stewardship in all aspects of our work.

Shared Interest Society and Shared Interest Foundation have prepared their accounts this year under UK Generally Accepted Accounting Principles (UK GAAP), reporting under FRS102. More details on the operational finances of Shared Interest Society and Shared Interest Foundation can be found in our 2021 Director's Report and Accounts.

Financial controls: Significant emphasis is placed on robust financial controls (Appendix 12). Our procedures for budgeting, financial reporting, and secure payment authorisation can be found in the Appendix 14. A new role of Head of Compliance and Risk was created to further strengthen these procedures, and our internal controls are regularly reviewed, updated and audited. This year's audits again raised no concerns. As mentioned on page 14, this year, members voted in favour of appointing Armstrong Watson LLP as our new auditor.

Procurement: We also follow a documented approach to procurement. This ensures that, as far as possible and practical, we source products and services that are fair trade, environmentally friendly, and/or locally produced. See our Green Policy in and checklist for purchasing (Appendix 13).

Lending: Our lending decisions are made within the parameters of credit policies, which help in managing our exposure to risk. Prudential lending limits specify the proportion of our Share Capital, which can be lent by commodity, country risk category, region and product.

Revisions are made on the basis of evidence gained from lending and careful consideration of relevant risks. These limits are approved by the Board of Directors. The annual statutory financial accounts, provide further details on how we manage risk and in particular, the management of credit risk (defaults) arising from customers who are unable to meet repayments. Our Finance Director gives a presentation on this topic each year at our Annual General Meeting.

Liquidity and investment: We lend funds to our customers in GBP, USD and EUR. At the beginning of the financial year (October 2020), we again, temporarily converted part of our Share Capital (about £30m) into EUR and USD at a fixed rate using foreign exchange (FX) swaps reversing at the year-end. This process allowed us to fix an element of our lending costs, providing a saving compared to using larger currency overdrafts. The rest of our lending was facilitated by foreign currency overdrafts, secured against the remaining deposited Share Capital deposited at our main bank Santander UK plc. The weakened GBP, since the UK Referendum vote to leave the European Union, reduces the borrowing power of our GBP Sterling Capital but does mean that we translate the foreign currency that we earn, at a more favourable rate.

The table below shows where cash investments are held, and reflects when the Society changed its main banking relationship from the Co-operative Bank to

Santander UK plc. as the former could no longer provide facilities at the level needed.

Ratios: In addition to the Share Capital of Shared Interest Society members, we manage donations made to Shared Interest Foundation. In order to do this efficiently and effectively, we monitor two key ratios. Management costs as a percentage of charitable expenditure were this year 24% (2020: 38%) and fundraising costs as a percentage of income were 3% (2020 3.6%). The total amount of support costs remained the same as the previous year but the Covid-19 pandemic delayed the commencement or progress of some projects and overall charitable spending was consequently reduced. The Foundation receives donations from members of the Society and as a result usually has a low level of fundraising costs as a percentage of income. We also monitor the running costs and reserves of Shared Interest Foundation, operating a policy of aiming to keep three to six months of projected annual unrestricted expenditure in reserves, with a year-end figure of 8.5 months (2020: 15.5 months). This policy was updated in May 2020, following our Strategic Review of Shared Interest Foundation, and the way we calculate this now only reflects unrestricted expenditure as opposed to total expenditure and free reserves as opposed to total reserves; free reserves being unrestricted funds less designated funds.

	2016	2017	2018	2019	2020	2021
Co-operative Bank	£40.7m	£0.4m	£0.02m	£0.06m	£0.03m	£0.03m
Santander Bank	-	£40.2m	£42.2m	£44.2m	£46.9m	£52.0m
Others	£0.05m	£0.05m	£0.05m	£0.01m	£0.01m	£0.003m
Others (No.)	2	3	3	2	2	1

Our projects

Our charitable arm, Shared Interest Foundation, delivers technical assistance, business support and social impact projects to small-scale producer organisations and community groups across Africa and Latin America. They aim to improve livelihoods through the development of sustainable businesses and income generation initiatives. This is because we believe that strong and well-managed businesses create employment opportunities and increase the income of their producers and workers, resulting in the improvement in their quality of life. Over the past year, we delivered nine projects, which supported the development of new businesses, created opportunities for young people, increased producer environmental resilience and provided a vital income source to rural communities.

Following the conclusion of Shared Interest Foundation's Strategic Review in 2020, we recognised the need to expand the scope of our projects to meet the changing needs of communities and producers and connect them to the Sustainable Development Goals (SDGs) and other key themes in international development.

Whilst we aim to 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 five areas are represented in our ongoing projects along with an additional theme of 'Youth Engagement'.

This year we launched six new projects:

- Building Sustainable Livelihoods for Women in Rural Nicaragua through Organic Sesame Farming
- Growing Fairer Futures (Ivory Coast)
- Growing Fairer Futures (Rwanda)
- Improving Organic Coffee Production in Peru
- Increasing Economic Opportunities for Women through Soilless Farming in Ghana
- Increasing the Resilience of Coffee Farming Households through Income Diversification (Uganda)

During the year we concluded three projects:

- Bees for Business Phase 2 (Burkina Faso)
- Bees for Business Project Sideradougou
- Growing Fairer Futures (Ghana)

Details of all these projects and their impact can be found in Part II of the Social Accounts.

SHARED INTEREST FOUNDATION IN 2021



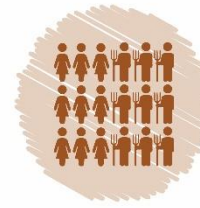
With the support of
1,049 DONORS
& 5 GRANT MAKERS



We delivered
9 PROJECTS IN 7 COUNTRIES
across Africa and Latin America working with 8 local partners



We worked with
7 CO-OPERATIVES
who support
10,257 PRODUCERS
(3,862 WOMEN)



Delivering training to
740 FARMERS
(56% WOMEN)



Supporting
PRODUCERS
of 6 commodities
(coffee, cocoa, sesame,
honey, vegetables,
passion fruit)

This year, we also secured two grants with a total value of £70,175 to deliver projects across East Africa and Central America. We secured match funding from a UK based Trust who wishes to remain anonymous and a second grant from The Marr-Munning Trust.

Project funders are listed below in alphabetical order:

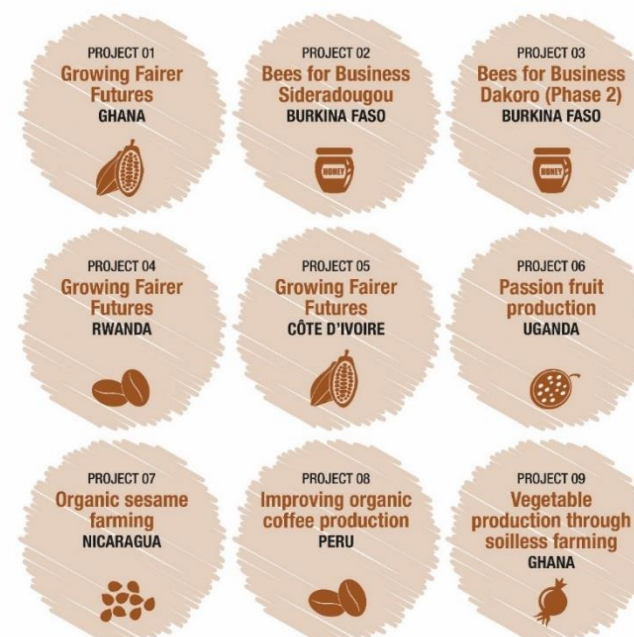
- Bees for Business Project Sideradougou: Guernsey Overseas Aid Commission
- Bees for Business Phase 2: Evan Cornish Foundation
- Building Sustainable Livelihoods for Women in rural Nicaragua through Organic Sesame Farming (match-funded by a Trust who wish to remain anonymous)
- Growing Fairer Futures (Ivory Coast): Shared Interest Society Member
- Growing Fairer Futures (Ghana): Allan and Nesta Ferguson Charitable Trust (match-funded)
- Increasing the Resilience of Coffee Farming Households through Income Diversification: The Marr-Munning Trust

In addition, we received funds as unrestricted income through individual donations. During the year, we launched three projects funded by our unrestricted income:

- Growing Fairer Futures (Rwanda)
- Improving Organic Coffee Production in Peru
- Increasing Economic Opportunities for Women through Soiless Farming in Ghana.

Due to the pandemic and ongoing travel restrictions, we were unable to visit projects this year but we have continued to monitor progress remotely, maintaining regular communication with all delivery partners through Zoom, Skype, WhatsApp and telephone. Our partners also continue to send us regular field updates, photographs and activity reports, which enable us to monitor activities and ensure that projects are delivered according to plan and within agreed budgets.

SUMMARY of all projects



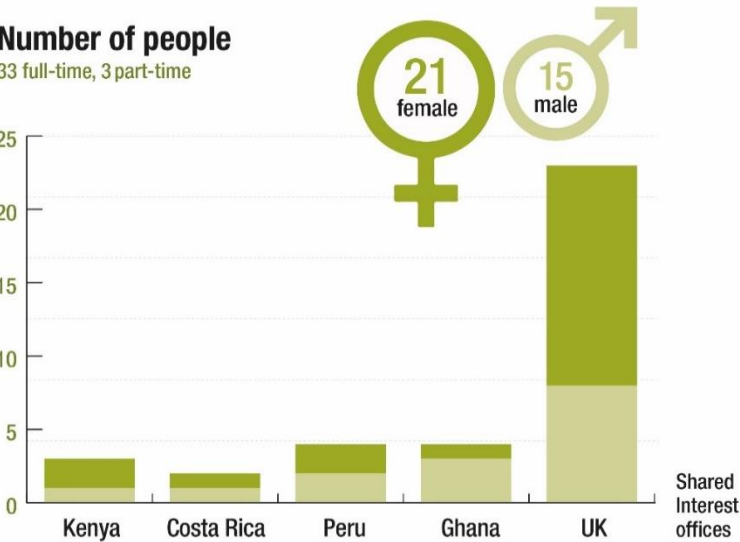
	Number of Donors	Total Unrestricted Income	Total Restricted Income	Total Income
2018	641	£130k	£137k	£267k
2019	596	£135k	£9k	£134k
2020	973	£220k	£130k	£350k
2021	1,054	£288k	£75k	£363k

Our Team

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

At 30 September 2021, Shared Interest had a team of 36. During the year, there were two new additions to the team and five colleagues left (two were temporary).

Retaining positive and engaged people is significant in Shared Interest’s continued growth and success. The diagram adjacent shows that 33% of the team has been with the organisation four years or less and 28% between five and nine years. Whilst 36% of the team



has been with us between 10 and 19 years. In May, after 22 years with Shared Interest, our longest serving team member retired.



The number of absence days due to sickness has increased this year and stands at 296 days or 3.24% of working days, compared to last year’s figures of 271.5 or 2.75%. This absence figure is above the national average for the UK. The increase is due to one team member who had long-term sickness absence

during the financial year. In addition, only two other absence periods were of more than a week.



Training

The pandemic has continued to have an impact on training and development. Overall training costs have reduced considerably as all sessions were undertaken online. This also meant that we saw a reduction in internal costs and hours spent on training. In addition, we have recruited fewer new colleagues this year, so induction-training costs have fallen.

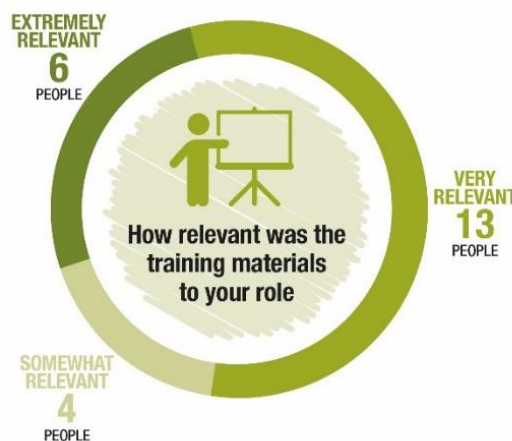
We held a successful virtual team building afternoon in early February. Feedback was positive, with people commenting that they valued the opportunity to work with colleagues from other teams and regions.

Description	2019	2020	2021
Training cost (course/trainer fees)	£20k	£19k	£9k
Internal time cost (while on courses)	£24k	£15k	£11k
Inductions (cost for carrying out & attending inductions)	£8k	£4k	£3k
Number of hours spent training	1872	1015	742
Total	£52k	£30k	£23k
No of training days	250.5	136	100.5

We also provided various online training courses including topics such as Whistleblowing, Working from Home, as well as Stress, Anxiety and Depression, and Online Security Awareness, which included a specific focus on phishing/scam emails. Individual colleagues have also undertaken 12 short online courses including Learning to Read Financial Statements, Price Risk Management in Coffee, Strategic Planning, Insights, Powerful Storytelling and Ethical Content Gathering. A further eight longer-term courses included Excel, SQL-spreadsheets and financial modelling, Common Purpose Leadership Programme on the environment and a proofreading and a copy-editing course. 87 conferences and seminars were attended by colleagues virtually over the year and have included the Bond Conference, Virtual Communication, the Institute of Fundraising Convention and the Annual Coop's UK Governance Seminar.

Evaluation forms are completed following attendance at training events, both within one week of training, and again six months later. These forms are used as a basis for discussion between attendee and line manager, to identify whether objectives were met and how learning can be applied in the working environment. They also help us assess the quality of the training and its relevance for other team members. We capture ad hoc seminars and webinars in the training record but do not require completion of a training request or evaluation form on these occasions.

This year, training courses tended to last between half a day and four days, although some training is longer-term. Feedback shows that out of 23 responses returned, 20 indicated that the training covered the right level of information.



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

Upgraded my knowledge of Excel. Better analysis of customer financial documents

It has allowed me to have a better approach to tools to manage coffee price risk that helps on the monitoring process.

It provided new ideas to engage with new and existing supporters and enhanced community and unrestricted fundraising skills to support the implementation on our strategic plan

This has supported my work to improve internal comms at Shared Interest.

Helped with new ideas and initiatives on wellbeing

I am using the new knowledge acquired to improve the planning and management of environmentally-focused projects.

Internal communication

In line with government guidelines, we continued to work remotely this year but also made plans for our return to the office. To help inform these plans we used a combination of surveys and questionnaires to gain feedback on how team members were feeling and used the information to establish what we could do to support them. Monthly meetings began to take place, involving representatives from each region. Named our 'Return to Work Committee', this group has gathered feedback from each team as we devised a new hybrid working system ready for rollout in October 2021. We will be able to report further on this next year.

We continue to use platforms such as Teams and Zoom for weekly one-to-one and team meetings and their message facility for project work and social interaction. We have also continued to hold a virtual monthly update meeting for the entire Shared Interest team and a fortnightly catch-up to discuss the impact of the pandemic in different regions.

Wellbeing, social events and culture

We have continued to promote health and wellbeing with various initiatives. This year the Health & Safety Committee held their annual presentation on identifying and managing stress and anxiety. This included tips on coping strategies and maintaining positive lifestyle choices such as healthy eating and exercise.

People were invited to download the Aviva DigiCare & Workplace app onto a mobile device. An additional benefit of our Income Protection Scheme, the app, provides access to a range of benefits including an annual health check, digital GP and mental health and nutritional consultations. We also provided a tool to help staff understand their own mental health and to recognise how they can help themselves to stay mentally well. It is designed to help staff identify what is 'normal' for them as individuals and what they do that helps them maintain that.

We have continued with initiatives to support physical and mental wellbeing whilst working remotely. A challenge to complete a virtual journey around the world (by undertaking activities that covered the equivalent mileage) was completed in December 2020. Since January, we have encouraged participants to complete a number of short weekly or monthly challenges to stay active.

Colleagues have also presented some informal 'Coffee and Learn' virtual sessions on subjects ranging from recycling to cooking.

We have continued to celebrate our successes and in recognition of reaching the milestone of £50m in Share Capital and both the Society and Foundation being shortlisted in the Third Sector Awards, an additional day's holiday was awarded to the Shared Interest team, which took place on Friday 1st October.

Benefits and salary

Salaries are reviewed annually with the cost of living, individual performance, and a benchmarking exercise considered as part of the process. A comparison of the highest against the lowest UK salary provides a ratio of 3.9 to 1. Shared Interest aims to provide job satisfaction by offering interesting and varied work combined with generous and flexible benefits. These benefits are illustrated in the diagram below although it should be noted that colleagues were unable to take advantage of the flexitime system or travel ticket scheme whilst working from home.



Keeping connected survey

We have continued to maintain a strong focus on positive engagement, which has proved even more important following the ongoing impact of Covid-19.

In May 2020, we circulated an online survey specific to the current Covid-19 situation to help us understand how colleagues were feeling, and managing with the ongoing remote working conditions. We also ran this survey again in December 2020 and in August 2021 to enable us to identify if there was anything we could do to help. All survey responses were collated anonymously using online tool, People Gauge.

There has been some movement in engagement levels since the previous surveys but it was good to see that 96.1% of staff remain 'engaged' or 'actively engaged.' Positive comments included the support that Shared Interest has provided, the flexibility in working hours and the maintenance of work life balance.

Our most recent survey in September 2021 had a response rate of 100%. The results showed that 44.4% of the team were 'actively engaged', 51.7% 'engaged' and the remaining 3.9% 'actively disengaged'.

Responses from two open questions asked in the September 2021 survey are shown below.

One practical thing that the business could do to support me at this moment would be: -

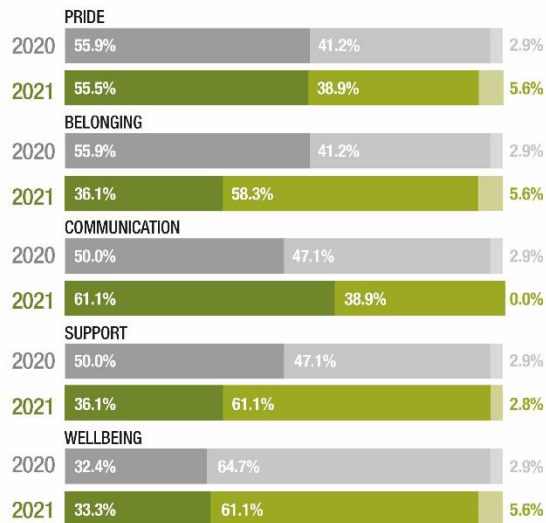
"Only consider a return when the conditions in the country are safe to do it, although the staff are vaccinated."

"I feel already supported and I am very grateful with the opportunity to be able to

44.4% Actively Engaged

51.7% Engaged

3.9% Actively Disengaged



"I think all aspects have been covered and I am ready to return."

“Allow time to adapt.”

“How we continue to work effectively and efficiently as a team and organisation.”

“We are staying healthy and safe (family/colleagues).”

“The continued flexibility of working from home and no travel expenses.”

"The continuous effort from everyone at SI (Shared Interest) to keep communication flow across all teams and morale as high as possible with the "active challenge" group."

“That producers have felt supported by the organisation amidst a pandemic and its uncertainties.”

Many of the words colleagues used to describe how they were feeling were the same in both the December 2020 and September 2021 surveys. The main difference was in the number of times that they were chosen, for example the top four words in December 2020 were tired (11), supported (8), optimistic (5) and busy (5) whilst in September 2021 the top four were busy (8), supported (7), tired (5) and happy (5). The September survey showed the first use of the term anxious (4), which was a possible reaction to the fact that we were making plans to return to the office after 18 months of working from home, but it was positive to see that many staff continued to feel supported throughout a challenging period.



Our volunteers

Continuing to adapt and respond to changing circumstances in light of Covid-19, volunteers have made significant contributions to Shared Interest in the last 12 months.

A report published in September 2020, entitled 'Volunteering through crisis and beyond: Starting, stopping and shifting' (by Angela Ellis Paine, Third Sector Research Centre, University of Birmingham) states: 'while many people have started volunteering during Covid-19, others have shifted their activities, and still more have had to stop.'

We have been supported by 96 volunteers this year, who were active in one or more of six volunteer roles we currently have (see Appendix 15) or, they are a member of Council. Over the year, we welcomed five new volunteers and said thank you to eight volunteers who left their roles with us.

With the impact of the pandemic still being felt, especially in relation to events usually attended by Ambassadors and Community Supporters, volunteers turned their hands to different activities where opportunities arose. This included data entry tasks connected to our Member Survey and baseline data entry for Shared Interest Foundation. We have also appreciated the assistance of our translator volunteers this year, providing translations for customer surveys, customer interviews and communication materials.

Maintaining good communication with volunteers is important to us and, in addition to regular telephone and email exchanges, we publish a bi-monthly e-newsletter, which provides an update from across the organisation. With more events moving online, this year, we reflected with some of our Ambassadors and Community Supporters on how we can engage successfully when onscreen instead of in person. This led us to deliver

training on how to use Zoom when delivering talks on Shared Interest and a series of workshops covering the topics 'Online Conference Skills', 'Shared Interest Presentation Content' and 'Generating Opportunities'.

Feedback included comments that some volunteers enjoy being able to talk in a more conversational and relaxed way, compared to presenting from the front to a seated audience, and that they were now able to reach a wider network of people across the UK.

The increased use of virtual communication also provided an opportunity to bring our biannual Volunteer Festival online (the first was held in Newcastle in 2019). This event was originally designed for volunteers to meet together and engage with the Shared Interest UK team. This year, we were able to involve colleagues from regional offices and welcomed 26 attendees (19 volunteers and six staff) to the six different events we held over the two-day festival. Many volunteers attended more than one session, and one volunteer attended all six sessions. The sessions covered a range of topics and content including the future of fair trade campaigning, Costa Rican culture and environmental awareness, which was the most popular session.

"The session on environmental awareness was very interesting and I would like to know more on this topic. I shall make a point of looking on the Shared Interest website."

"Sessions were interesting and well-presented with time for participants to contribute."

"The speaker was fabulous."

"The sessions were well planned and interesting."

Building on their interest in environmental issues, we dedicated a tree in The National Forest to each of our volunteers to mark Volunteers' Week 2021. Each volunteer received a certificate detailing the dedication and we will let volunteers know when the trees have been planted (the season is Nov 2021-March 2022). Feedback from volunteers has been very positive:



"Thank you so much - this is a lovely gesture and just such an appropriate thing!"

"Thank you all so much – it is very kind of you and what a great idea about planting trees in the National Forest. Thank you for all you do. Best wishes."

"Thanks very much for this, it's really good to support the National Forest, and the certificate is something I'm delighted to have, stay safe."

We also publicly thanked our volunteers with the creation of an animated image to share during our Volunteers' Week social media campaign featuring Shared Interest mascots Super Avo and Captain Cocoa.



Environment

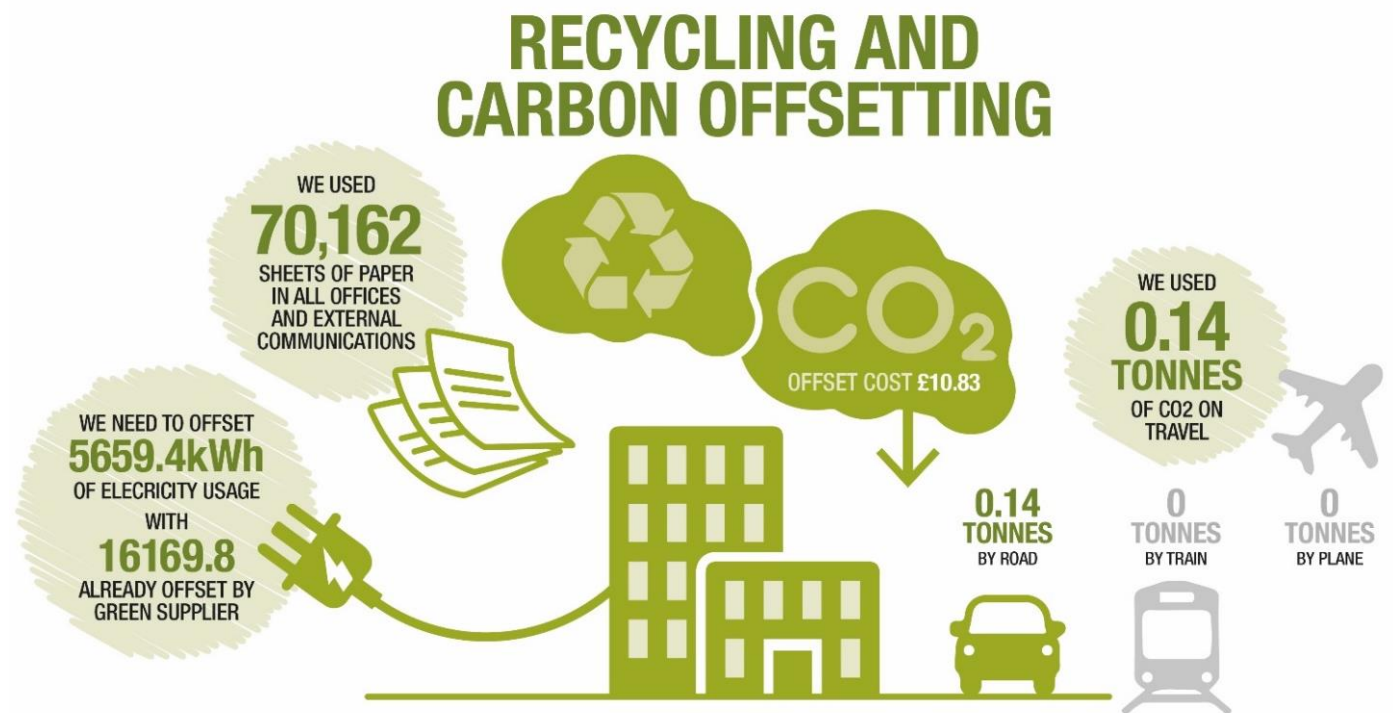
We consider stewardship in all aspects of our work and embed a culture of good environmental practice throughout Shared Interest, doing the best we possibly can with the resources entrusted to us. Our Environmental Team raises awareness of environmental issues and encourages eco-friendly initiatives.

The entire Shared Interest team has been working from home since March 2020, and we have encouraged colleagues to continue being mindful of how we use resources. In terms of our membership, we have continued to promote online Share Account management where possible, and the number of individuals using the secure Member Portal has increased further due to the impact of Covid-19.

Our UK electricity usage this year was 20721 kWh, which is a decrease of 40.2% from 2020. The organisation as a whole used 21829.2kWh of electricity, offset to 5659.4 kWh by sourcing the majority of the UK office supply from a green energy provider, by doing this we produced only 1.13 tonnes of CO₂ to be offset from electricity usage. This decrease is due to Covid-19 restrictions and the work from home approach Shared Interest has taken for all offices.

Travel for the organisation is split into four categories; road, train, plane and unknown (this is when someone acting on our behalf is unable to report by which method they travelled). Due to Covid-19 restrictions, there has been no travel apart from short local trips by our regional team in Ghana. To hold meetings, we have used virtual conference software across the organisation. As a result, we only produced 0.14 tonnes of CO₂ (road: 0.14; train: 0; plane: 0, unknown: 0).

To thank the entire Shared Interest team for their help and support over the year, we dedicated a tree to each individual. Colleagues could choose from a selection of saplings to be planted in their name in the National Forest. Trees will be planted next season, which will be 2021/22. Once they are established, we will receive confirmation of the location of our young woodland and how to visit.



The Environmental Team is also responsible for awarding our Carbon Offset fund, usually to environmental projects linked to our work. We use the Climate Care website and carbon calculator (climatecare.org/calculator) to determine an appropriate offset. This year, the offset figure is £10.83 compared to £236.61 last year. We have rolled over the amounts from previous years to fund a bigger project. This means that our grand total is £922. In line with SDG 13 (Climate Action), Shared Interest Foundation has implemented a range of initiatives to increase producer resilience to the impact of climate change. These activities are highlighted in the infographic above and are discussed in more detail in Part II.



135,275
trees planted
including coffee,
cocoa and other
crop trees



515 FARMERS
(189 WOMEN)
trained in
Climate Smart
Agriculture techniques



405 FARMERS
(188 WOMEN)
trained in
Organic Fertiliser
Production



94,500KG
of organic compost
produced to support
157 coffee farmers
increase their organic
production



60
basket weavers
trained in soilless
farming techniques
are now growing
organic vegetables



Part II: Our impact

In line with our mission, we provide financial services and business support to producer groups to help them build resilient and sustainable businesses, increase their income, and improve their living conditions. We believe that, by providing increased access to finance smallholder farmers and artisans are empowered to work towards the reduction of poverty, the promotion of economic growth and social development in their communities. Through investment from our members and the support of donors and partners, we continue to grow our lending portfolio to impact communities across the globe.

Our internal Monitoring and Evaluation Committee works to develop a methodology and appropriate tools to monitor and track the impact of our lending, and the support we offer to businesses across the globe. We recognise that there are external factors, which also contribute to the outcomes of the businesses we work with. In addition, through various data collection methods we aim to demonstrate the effect of our financial support. These include surveys, interviews, focus groups and case studies to collect our impact data.

As Covid-19 travel restrictions remained in place in 2021, we could not meet face-to-face with our Producer Committee. However, we were able to hold most of the meetings virtually, although this did pose some connectivity challenges. In regions that experienced significant connection issues, we collected information via telephone interviews with customers, which allowed us to gain a deeper insight into their activities. Overall, we gained insight from the following groups:

- Five producers from Central America (Nicaragua (3), Honduras (1) and Mexico (1) growing coffee, honey and sesame and peanuts.
- Eight producers from Peru growing coffee and cocoa.
- Eight producers from East Africa (Rwanda (4) and Uganda (4) all producing coffee.
- Eight producers from West Africa (Ivory Coast (4), Ghana (1), Togo (1) and Burkina Faso (2) of cocoa, fruit, grains and handcrafts.

Organisations were asked about topical issues such as their current level of demand for finance versus the level of supply in their region. They also discussed what they valued most from finance providers, where they would go to find finance, the benefits of working with Shared Interest and how we could improve our customer service. Finally, there were also discussions on successes and challenges faced during the year, including the impact of climate change and the pandemic.

For the second year running, we designed a Customer Survey (Appendix 16) based on the outcomes outlined in our ToC. The main purpose of the survey is to help monitor our progress towards these outcomes and to better understand the impact of our activities and operations. We sent the online survey to 92 producer groups across our portfolio and we received 45 responses. The survey was also carried out via telephone with a sample of six buyer customers. Combined, these two exercises provided us with responses from 79 organisations.

The producer groups we finance support 374,249 farmers and artisans (2020: 352,122), an increase from last year due to new customer accounts. From this year's overall figure, 33% are women (2020: 35%) and 8,262 are permanent employees (2020: 8,516). We estimate, based on annual review data, that collectively, these businesses earned £887.9m. This is an increase from last year's total of £802.2m.

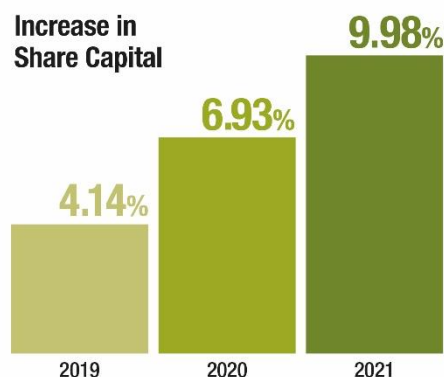
IN **2021**
WE LENT MONEY TO...



1. INCREASE IN INCOME FOR FARMERS, ARTISANS AND WORKERS

• Increase in capital available to lend

Share Capital provides the sole source of funds for our lending services, and at 30 September 2021, we reached a total of £50.7m. This increase of £4.6m has allowed us to grow our portfolio notably in coffee and cocoa thanks to available prudential limits.



Our lending decisions are made within credit policies, which help in managing our exposure to risk. Prudential lending limits, approved by the Board, specify the proportion of our Share Capital, which can be lent by commodity, country risk category, region and product. Revisions are made on the basis of evidence gained from lending and the careful consideration of relevant risks. Consequently, an increase in Share Capital makes additional funds available for customers to borrow within a specific country in the C or D categories as explained in Part 1, or commodity which otherwise could not have been possible if the prudential lending limit was reached.

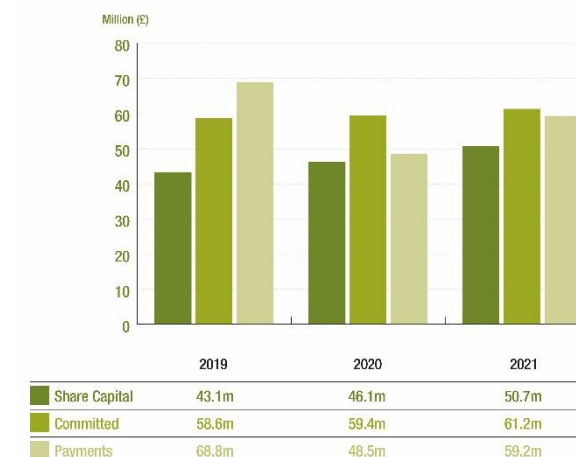
The businesses we support are often working in vulnerable areas and are dealing with the effects of climate change, as well as growing commodities such as coffee, which are subject to highly volatile pricing. We aim to lend without placing our capital, invested by members, at excessive risk. Due to the nature of this lending, there is always the risk that loans may not be repaid in full, or need to be converted into debt consolidation agreements or repayment plans. Often these circumstances are beyond our customers' control and we continue to work with them throughout such times of hardship where we can. Inevitably, however, each year we have to make provision in our financial accounts for bad debts – the cost of those loans and advances that we believe we will not ultimately recover. More detail on the amounts and profile of bad debt provision is available in our Directors' Report and Financial Statements 2020/21 (Appendix 1).

As detailed in Part I, we believe that growth in Share Capital results from the successful engagement of existing members as well as investor recruitment through effective advertising campaigns. We found that, of this year's £4.6m net increase, 89% is attributed to existing Share Account holders, and 11% from new investors joining the Society. Due to the pandemic, we adapted our approach to some activities, including a move to virtual events and a greater emphasis on online promotional activity but this did not prevent us meeting Share Capital targets. Members continued to send messages of support, and 496 new members joined us. Sadly, we also saw some Share Account closures due to the impact of Covid-19. As a membership organisation, we value our members deeply and our thoughts are with those individuals and families affected by the loss of a loved one.

• Increased access to fair and affordable finance

As seen in Part I, the number of producer groups we work with has increased from 174 in 2020 to 175 in 2021. The graph below shows that the committed value of lending is higher than the value of Share Capital held (at 135%) as not all customers borrow at the same time. The committed value represents facilities where funds are ready to be drawn by the customer. The value has increased to £62.4m from £59.5m in 2020 due to some facility increases and the approval of 35 facilities, including both new and existing customers. This increase also meant that the number of payments to producers has increased as seen in the previous section.

Committed lending to all customers in relation to Share Capital



If we compare Shared Interest with other lenders (including local banks), the interest rate we offer in most regions is above average. The exception is East Africa, where Shared Interest is comparable (as seen per below graph). One reason for our higher rates is that historically we did not take security against our finance, which infers a greater lending risk. Also, unlike many lenders, we do not normally charge a renewal fee. In recent years we have started to take security and in some instances introduced annual fees which has allowed us to charge a lower interest rate. In addition, we have been implementing a risk scorecard matrix, which consists of both quantitative and qualitative indicators, weighted according to their potential impact on the performance of a business and subsequently the potential risk to our capital, allowing us to calculate a risk premium, which is reviewed on an annual basis.

During the online producer committees, we heard that farmers feel Shared Interest's financial support has allowed them to meet harvest targets. They appreciated the speed of the disbursements, the possibility to increase the facility limit and the flexibility to extend the maturity date of the finance, if justified. They also valued our excellent customer service and the relationship between the co-operative, the buyers and us. In addition, those producers who received term loans commented on how this finance had allowed them to improve their infrastructure and support more farmers.

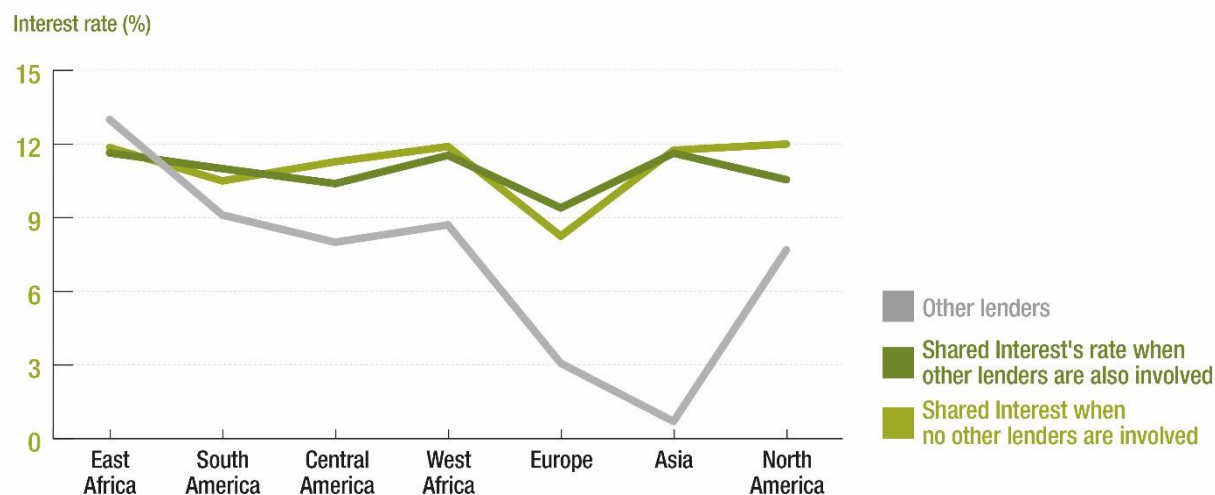
"We received the funds before the start of coffee season even amidst COVID-19. We pay farmers on delivery and there is no coffee taken on credit. Shared Interest also provided us with a term loan that we used to construct a warehouse"- Patience, Cyahinda Coffee.

"Shared Interest is much appreciated for good customer service and being flexible. Through the finance provided in this year, we have reached 90% of the harvest target. The challenge is that the farm gate price set by the government was 250rwf (£0.18). However, the competition in Southern Province of the Huye district led to the farm gate price to increase as high as 650rwf (£0.46). This has presented financial constraints to us." Donatien

Nzayisenga, Accountant - Huye Mountain Coffee

"In Uganda it is challenging to access bank credit without collateral. Shared Interest accepts contracts and will provide credit while local banks may not necessarily accept the contract as collateral."- Lauben, Banyankole Coffee Services

Average Interest Charged

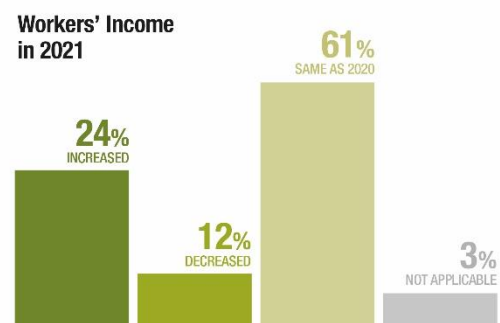
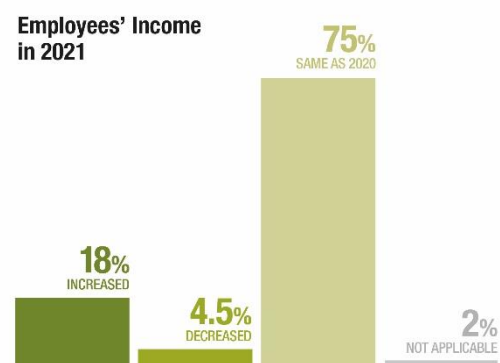
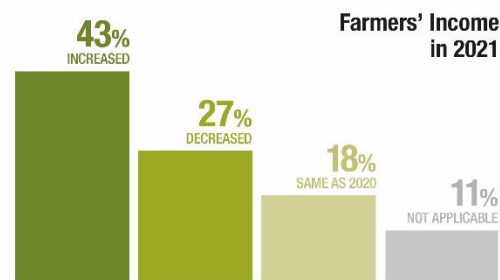


Producers are generally happy that we offer a variety of products that enable them to meet their financing needs during the harvesting and exporting periods and infrastructure development. According to this year's producer survey, 93% of the respondents confirmed that they have accessed finance in the last twelve months of which 77% was from Shared Interest. However, 21 respondents mentioned that the total funding received (including from other lenders) was not enough to meet their needs.

This year we had more funds to lend and increased the number of producers we supported. Our finance helped with the purchase of raw materials, also known as inputs and provided an income to farmers and artisans before the harvest or the goods were made. Forty-three per cent of producer groups surveyed indicated that their farmers had seen an increase in their income during the past 12 months. Eighty-five per cent said this was due to an increase in price, 45% said it was as a result of production and 45% sales. Twenty-seven per cent of the producer groups stated that their farmers recorded a decrease in their income. Sixty-six per cent of this number said that this was due to a decrease in production volumes and 50% said it was due to climate change.

Similar to 2020, the survey showed that the income of employees and workers of the producer groups generally remained stable despite market uncertainties and the pandemic. The small increase that was seen in workers' income was due to an increase in available work as most workers are not employed on a permanent basis.

It is important to note that due to Covid-19 restrictions, limited numbers of employees and workers were allowed in the premises at the same time, which reduced production volumes.



2. STRONGER, MORE RESILIENT AND SUSTAINABLE BUSINESSES

• Growth in tailored lending

The below graph shows our different lending products over the last three years. As you can see there was a decrease in Buyer Credit due to account closures explained in Part I. In addition, there has been a decrease in Term Loans as some customers were able to fully repay either earlier than expected or according to their schedule. Term Loans also includes debt that has been consolidated due to outstanding overdue balances. In light of the challenges experienced by many organisations due to the pandemic, some of these outstanding term loans have been written off as repayment would have been unlikely, especially in cases where businesses did not have any substantial assets.

Customer Facilities Type



This year, we have seen an increase in demand for both Export Credit and Stock Facilities. The latter was in response to our customers requesting finance to maintain coffee or cocoa collection when the export season ended but without the need for export contracts. We anticipate a growth in this type of financing, but in order to mitigate the risk we intend to encourage repayments via a tripartite agreement with a commercial buyer.

In South America, one producer organisation used our funds to build a frozen mango plant after losing sales for their fresh mangos due to Covid-19 travel restrictions. As a result, they attracted new buyers and as sales have now improved, they are looking for additional working capital, potentially from Shared Interest.

In Central America, the increase provided to a coffee co-operative allowed them to respond to a higher demand from buyers, resulting in an increase in both production and sales.

In East Africa, one coffee co-operative improved their production after building a new coffee washing station with Shared Interest funds. Before this, the farmers had to travel long distances in a very rural area to deliver their coffee which was slow and unreliable and forced them to sell their coffee to intermediaries who offered lower prices. Two producers in Rwanda received additional trade finance, which allowed them to increase the number of farmers they collected the harvest from.

In West Africa, the increase provided to a cocoa producer, alongside finance from other social lenders, enabled them to purchase more cocoa from members, increasing their export production from 5,000 MT to 10,000 MT. This increase in export volumes led to higher premiums which were used to purchase two additional vehicles and to build a classroom block for their community.

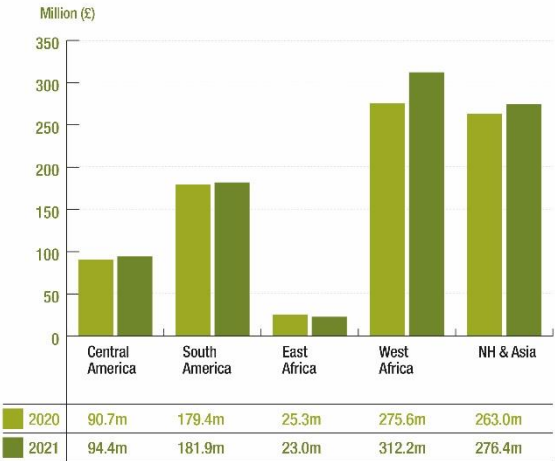
• Increase in trading opportunities

We received payments from 40 commercial buyers compared to 36 the previous year as existing customers secured contracts with new buyers and we attracted new customers who brought in new buyers. This was confirmed in the producer survey which found that 63% had secured new buyers in the last twelve months.

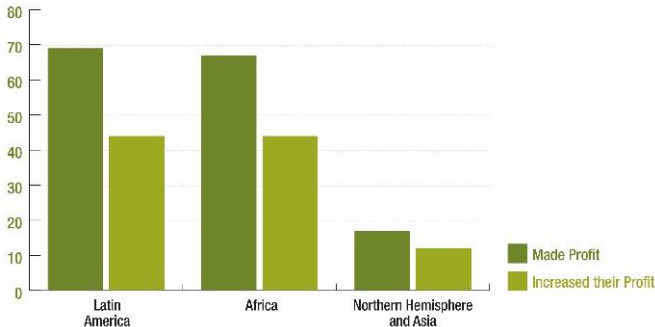
The graph adjacent shows the sales for all our customers, including buyer organisations in the Northern Hemisphere and the two small producer organisations in Asia. As illustrated, all regions have seen an increase in sales except East Africa. This is because a large number of handcraft producers are located within this region and in addition to lower demand from buyers, these producers also faced shipping restrictions as their products were not recognised as essential goods.

This year, our customers overall sales stood at £888m compared to £805m in 2020. Furthermore, 153 customers (87%) made a profit this year, an increase from 147 customers last year. Of these organisations, 100 saw an increase in their profits compared to the previous year, with an equal spread between Africa and Latin America as shown in the adjacent graph. The majority (86%) of the Customer Survey respondents stated that the rise in turnover in the past 12 months was due to a growth in sales. Thirty-eight per cent indicated that the increase was due to better access to finance as this allowed that the producer groups to buy higher volumes from their farmers and fulfil larger contracts from buyers.

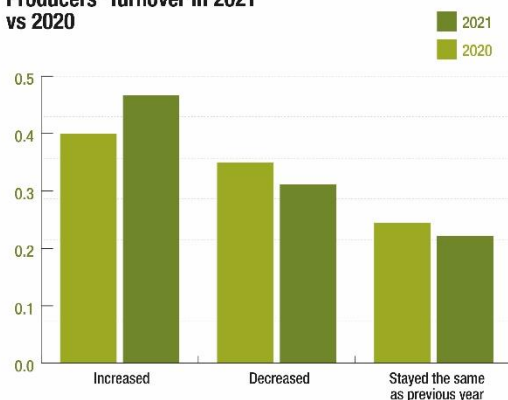
Customer Sales per Region



Customer Profitability per Region



Producers' Turnover in 2021 vs 2020



When we analyse export volumes per product and region for our customers, over the last two years, we can see that all regions reported an increase in production volumes in 2021. The most significant growth in volume was seen across South America and West Africa, where we increased facilities for coffee and cocoa producers. Coffee exports increased by 15% in South America and cocoa exports increased by 78.5% in West Africa.

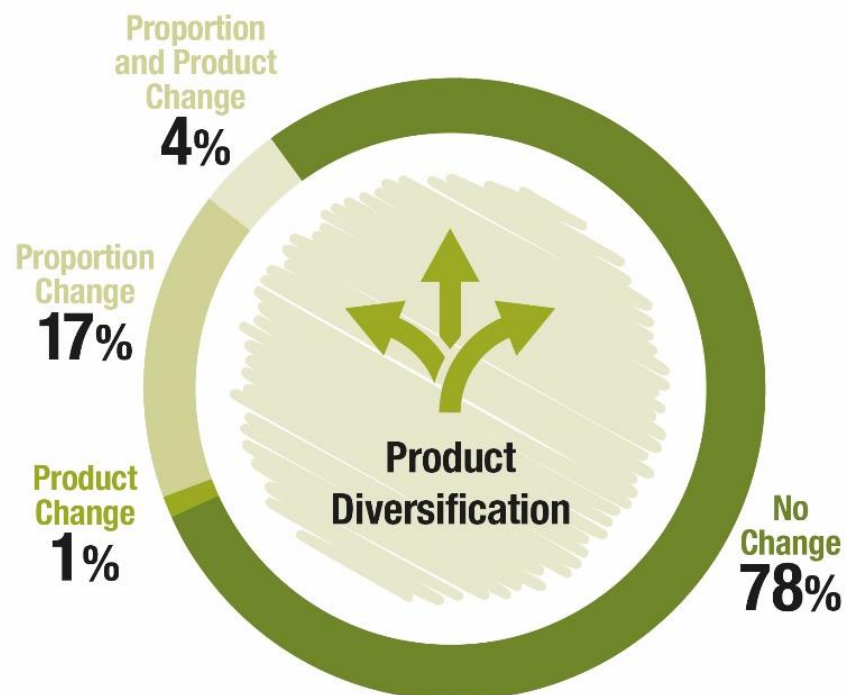
In addition to increased production volumes, 39 out of the 175 producer groups have diversified their portfolio. Twenty-nine changed the proportion of their product offering; a further eight changed the proportion and included a new commodity, whilst two others completely changed their portfolio. From the producers surveyed, 56% have been able to secure new markets in the last 12 months.

This has allowed customers to offer new products to their buyers or provide additional income from the introduction of new products to a new market.

For example, one coffee co-operative in East Africa introduced a new brand called 'Women in Coffee', which has attracted new buyers wanting to support gender equality. Other producers have started growing vegetables alongside their crops to provide another source of income and for personal consumption if the pandemic worsens. This is especially important when the primary crops produced are not a main food source such as cocoa and coffee. Other examples of diversification include the production of derivatives such as processing cocoa beans into butter, powder, nibs and cocoa shells. This trend has been seen amongst producers in both South America and West Africa.

In Central America, two co-operatives expanded their coffee and peanuts sales into European buyers, after historically selling mainly to the North American markets.

In West Africa, one cocoa co-operative implemented a project for women to increase their revenue and help improve their livelihood through income diversification initiatives.



Producer case study - Cooperativa Agroindustrial Cacao Alto Huallaga (Alto Huallaga)⁵

According to statistics provided by the International Cocoa Organization (ICCO), the number of cocoa producers around the world is estimated at approximately 14 million, and they produce a total volume of about 4 million metric tons. Of this, they estimate that nearly 95% is produced by smallholder farmers. The average size of a cocoa farm is 3 hectares and production in most of these is low. In most cases, annual yield is between 500 and 600 kg of dry cacao per hectare.



Alto Huallaga is a cocoa producing co-operative located in the Huánuco region of central Peru. The co-operative was formed in 2009 and its membership covers a wide area and varied altitudes, which increases the sustainability of production. The co-operative holds Fairtrade, UTZ and organic certifications, which attract a premium price from European buyers focused on high-quality cocoa, guaranteeing a good income for its members.

Since becoming a Shared Interest customer in 2013, when we provided a Commercial Export Credit Facility (COEC) of 300k US Dollars, we have since increased this facility and provided a Stock Facility. Since we started supporting the co-operative, they have doubled the number of employees, and now work with over 500 farmers, 33% of which are women. Sales have increased from 1.95m US Dollars in 2013 to 5.6m US dollars in 2020. The Fairtrade Premium earned has increased from 111k US Dollars in 2013 to 446k US Dollars in 2020.

As the impact of climate change makes farming more difficult in Peru, technical assistance and financing has become even more crucial for many small farmer co-operatives. The past two years have been particularly challenging for Alto Huallaga, as pests and disease damaged their cocoa trees. However, last year, the co-operative increased the amount of cocoa sold to the international market and began new commercial relationships. They are now working on developing derivative products such as cocoa butter and powder: the profitability of these items can be up to five times higher than cocoa beans. To enable the co-operative to produce these additional products, they are building a production plant, which will be completed in 2023.

General Manager, Jorge Simon, told us how this converted into improved conditions for the workers:

“The finance in 2013, this is when we started to improve working conditions bit by bit. Before there were no desks or tables or floor (just earth) or internet, then we moved from desk computers to laptops, now we have fibre optic there are so many things that have improved for the workers”.

Jorge also commented on the impact of finance from Shared Interest on the producers;

“The support [from Shared Interest] it gave us stability, the interest rate is good, we have good cash flow and it has generated confidence in the farmers and the workers. When I started, the co-operative owed money to all workers and now it doesn't owe anything”.

The increase in sales and the Fairtrade premium has enabled Alto Huallaga to establish a number of social, educational and health initiatives to support farmers, their families, and the wider community. The co-operative provides financial support to workers who require healthcare and they offer financial support to bereaved workers' families. They have also provided mental health workshops. Since the establishment of Alto Huallaga, there has also been an increase in businesses producing chocolate in the district of Tingo Maria. The co-operative has provided free training to the chocolatiers.

In 2009, soon after acquiring the land to operate from, Alto Huallaga built the first road in the area. This provided a focal point for people to build houses and

⁵ Full study available in Appendix 20

other establishments and started the development of the area. The co-operative provided electricity to ten households in the area and successfully campaigned for the area to be connected to the electrical grid. The co-operative has organised technicians to visit farms and communities to deliver gender training and discuss the issues facing women and the barriers they face to playing an equal role in decision making. The co-operative is also in the process of developing a gender manual. Women's participation at all levels is very important to the co-operative. Over the years on average 20% of members have been women, 40% of the Board are women and on the advisory council three out of six members are women.

Carlos Enrique Gómez Bernal is 51 years old and lives with his wife. He is a cocoa farmer and has been a member of Alto Huallaga since 2012 where he also served as president for seven years. Carlos's farm is three hectares and he received the land as inheritance from his parents who were also cocoa farmers.

“Before, sometimes the diseases that are always in the cocoa they [producers] don't know how to control them, so with the technical support of the Association at that time, we started to change the history of production.”

“With Covid, the co-operative is always in constant communication with us, you know, about what do we need? What problems do we have? They are always in communication with us.” He continues “If any of the members were sick, the co-operative was providing support immediately, medicines, they taught us how to make disinfectant foot bath when entering the house, how to manage the entrance of each person when they come to visit you”.

Geider Falcon Paredes is 39 years old and lives with his wife and two children. He also supports his parents by paying for their health insurance. He works at Alto Huallaga as the Chief of Production and he is also a trained agronomist.

According to Geider, in the early years of the business, the working conditions at Alto Huallaga were poor.

“A lot was lacking, we sold a lot to the Italian buyer and we depended a lot on them for financing, but this was limited and we couldn't purchase or invest in scale or find alternative sustainable customers. Our buildings were in a poor state and overall, it was difficult to find quality cocoa”.

“We looked for other investors but it was very very hard. Before we had international financing, we worked with local investors who provided capital for stock that allowed us to buy and export small amounts. The interest was very very high and the amount wasn't enough for us to export at the volumes projected”.



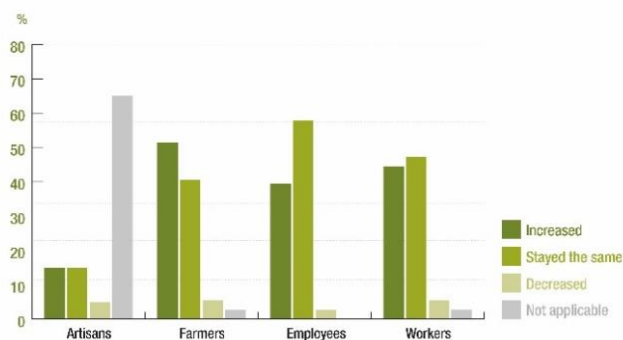
3. EMPLOYMENT CREATION FOR FARMERS, ARTISANS AND WORKERS

As part of our Customer Survey (Appendix 16), we also asked producer groups to indicate if the number of people working in their organisation had changed during the past 12 months. The results showed that very few producer businesses had seen a decrease. In fact, the vast majority either have seen an increase or maintained the same number of individuals working throughout different sections of their business.

According to Fairtrade International in their Annual Report 2020/21⁶, women represented 17% of Fairtrade farmer members and 41% of Fairtrade workers in 2020. Based on annual review data, approximately 50% of our customers' employees are women (across both producer and buyer organisations). However, this is not spread equally throughout the portfolio, as the percentage of female employees in Latin America is 34% compared to 56% in Africa. In addition, out of the 4,169 female employees, 2,870 are in Africa.

If we consider the number of individuals (farmers, artisans, workers), out of the 124,089 reported across all producer customers, 107,300 are in Africa. The graphs

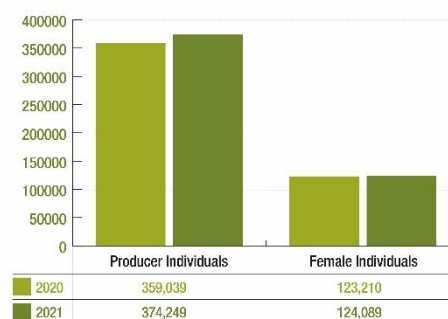
Changes in number of people involved in each organisation



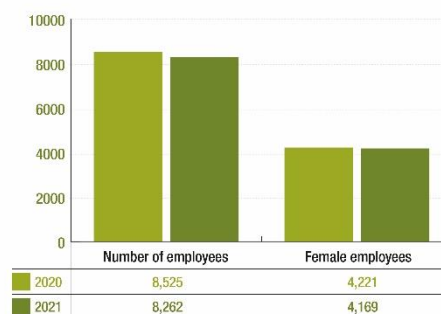
below show an increase of 15k individuals in 2021 compared to 2020. This is due to new customers approved in Latin America, mitigating the loss of some customers in Africa.

In addition to the above, Shared Interest Foundation provides different projects to help the employment in communities, with a particular focus on empowering women and young people.

Number of Individuals (farmers, artisans, workers)



Number of Employees for all Customers



• Capacity building training and mentoring

Shared Interest Foundation continued to provide capacity building training to producer organisations and community groups across Africa and Latin America. The objective of the training was to support these groups as they grow their businesses sustainably and to create more employment opportunities in their communities.

- 150 young cocoa and coffee farmers across Ghana, Ivory Coast and Rwanda received training in Good Agricultural Practices, climate resilience and agri-business management skills
- 75 women in rural Burkina Faso received training in modern beekeeping techniques and business skills
- 365 coffee farmers in western Uganda received training in passion fruit production and farm management
- 40 women in Nicaragua were trained in sesame farming skills and organic fertilizer production
- 60 basket weavers in northern Ghana received training in rural entrepreneurship and soilless farming techniques

- **Increase in entrepreneurial and business skills**

This year we implemented nine projects that continued to support smallholder producers to increase their entrepreneurial and business skills:



Project 1: Growing Fairer Futures: Ghana

In January 2020, we launched Growing Fairer Futures, supporting young cocoa farmers in the Osino region of eastern Ghana. West African cocoa farmers have an average age of 50-plus and many have to entrust their farms to children who see no future in the sector. Working in partnership with a local Fairtrade cocoa co-operative, this project supported 50 young people (32% female) aged between 18-35 to establish their own cocoa farm and build it into a robust and sustainable business.

We collaborated with specialists from the Ghana Cocoa Health and Extension Division (CHED) to deliver training in Good Agricultural Practices and Climate Smart Agriculture, which introduced farmers to the causes, effects, and impact of climate change and demonstrated

adaptation strategies in order to increase their resilience, alongside agri-business training. At the end of project evaluation:

- 52% of farmers rated their knowledge of disease and pest control as above average, against 8% at baseline.
- 80% rated their knowledge of sales forecasting as average or above, against 56% at baseline
- 74% of participants rated their knowledge of Climate Smart Agriculture as average or above, against 50% at baseline

The young farmers were provided with farming tools and equipment to enable them to prepare their land, then plant and maintain their cocoa farms. Each farmer received 450 disease and climate resistant cocoa seedlings (22,500 distributed in total). They were also given plantain and maize shoots. These crops provide shade to young cocoa trees, to support their growth and provide an extra source of household food. Surplus crops have been sold locally, providing the farmers with an additional source of income. Data collected during the end-of-project evaluation indicates that:

- Ninety-two per cent of farms achieved the highest project rating based on implementation of good farming practices and disease control
- At the start of the project, 62% of participants were confident that cocoa farming could generate enough income to meet their livelihood needs. By the end of the project, this had increased to 80%.

“After myself enjoying the produce of cocoa, my children can inherit it and enjoy it as well.” (Philip N, project participant)

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

Growing Fairer Futures participant case study

Emmanuel Gyekye is a 35-year-old cocoa farmer living in the village of Akyem-Saamang in the Fanteakwa district of Eastern Ghana. He has one child, a baby born in June this year, and he is financially responsible for five members of his extended family.

Emmanuel's parents farmed palm oil; however, Emmanuel chose to become a cocoa farmer and in 2010 was given two acres of land by the Queen Mother of his village. Despite having access to land, Emmanuel told us how his lack of training in cocoa farming meant he struggled to earn enough from his farm to support his family:

“I was farming using the techniques from my fore-fathers. I was having a little bit of income, but looking at the size of the farm and the income I was generating from it, it wasn't good. During the training I was told that from one acreage you should harvest not less than 14 bags of cocoa. But I realised that from one acreage I was struggling to harvest even 10 bags because I was not using the right method in farming.”

Emmanuel attended the training provided as part of this project in Good Agricultural Practices and Climate Smart Agriculture techniques:

“The training has helped me a lot. Previously, in my area we were using old techniques, but after I started the training, I realise there are better methods of cocoa farming like using the peg and line technique. I also learnt that keeping chemical weedkiller under the cocoa tree is not advisable so you need to use manpower to control the weeds. With the help from this project, I can now use the weeding machine.”

Emmanuel also attended training in agri-business skills:

“During our second training we were told how to keep records. Before the training whatever I spend on the farm I did not record, so at the end of the day you will not know the expenses that you have made. During the training, we were taught how to keep proper records. Whatever you spend you need to record it. Even yourself, you have to pay yourself.”

Through the project, Emmanuel was provided with a selection of farming tools and equipment and he told us how these have helped him to implement the new techniques taught:

“In the old days we were using a cutlass for weeding. But now with the machine I weed four times as much. Previously I had to hire the mist blower but now I do not hire the machine, the machine has become my own. Anytime I want to go to the farm I can go to spray. These things have helped me. And because of the wellington boots, reptiles can no longer bite me.”

Since implementing new farming techniques, Emmanuel has recorded an increase in the quality of his cocoa. He is now selling cocoa for 660 GHS (£80) per bag, a significant increase from the amount he received previously of 475 GHS (£57) per bag.

With the support of this project, Emmanuel has been able to double the size of his farm to four acres and he now feels more confident that through cocoa farming he will be able to support his growing family:

“I have very big hope that in the future farming will support me. Your training has made it so that farming can be lucrative and we are spreading this news to other youths to encourage them to join farming.”

Project 2: Bees for Business: Sideradougou

The Bees for Business project launched in August 2020 to support 75 women in rural Burkina Faso to become beekeepers. The women are members of Association Action Solidarity (AAS), a community group based in Sideradougou. Beekeeping has provided a sustainable source of income for the women, who are now able to better meet the needs of their family and support the development of their community.

To deliver this project, we worked in partnership with Plateforme Nationale du Commerce Equitable du Burkina (PNCEB), the national network of Fairtrade organisations in Burkina Faso.

The AAS group received 300 modern beehives, built in the nearby town of Niangoloko. Due to the quality of construction, these hives have an average lifespan of 15 years, compared to two years for traditional hives.

The 75 participants completed a three-week training programme in modern beekeeping techniques delivered by experienced beekeepers from the DJIGUIYA co-operative, also based in Sideradougou, and informed by experts from the National Institute of Apiculture. The DJIGUIYA co-operative has been practicing beekeeping for over ten years and has a strong trading partnership with Miel d’Afrique, a honey export company.

The training programme included practical instruction on honey harvesting, beehive management, hive maintenance, and bee wax extraction. Live demonstrations of honeycomb removal took place at DJIGUIYA along with other practical training.

In April 2021, ten women elected by the group attended a three-day workshop in Leadership and Group Management designed to increase their capacity to manage their community group effectively and support its growth. Topics covered included administrative and

financial management, leadership skills and the organisation and operation of an Association.

In June 2021, the 75 participants attended a three-day workshop in agri-business skills and group savings schemes delivered by an officer from the Ministry of Agriculture and Development.

Following the training;

- 86% of participants indicated they felt confident or very confident in their beekeeping skills against 16% at baseline
- 92% of participants reported an increase in confidence to make business decisions
- 98% gained skills in entrepreneurship
- 98% feel they now have the necessary skills to manage their business profitably against 19% at baseline.

Additional activities included the construction of a well providing a permanent source of water for the bees, the provision of a motorbike and trailer to transport the honey from the hives to the processing site, and the planting of 1,000 trees to increase biodiversity and boost honey production.

In total 1,950 litres of honey and 193 kg of wax were harvested. The group spent a small proportion of the income on pots and labels for the honey and their profit totalled £3,512.

Honey production has contributed to an increase in the household income of all the participants. Monthly income has increased from an average of £13 per month to £22 per month, an increase of 51%. The result of the end line survey indicated::

- 69 women (92%) are now able to meet the daily needs of their family compared to 14 women (18%) at the start of the project

- 63 women (84%) are now always able to access healthcare for their children compared to 12 (16%) at the start of the project
- 73 women (97%) can now always pay the school fees of their children compared to 21 women (28%) at the start of the project

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

Project 3: Bees for Business: Phase 2

This project was a continuation of our Bees for Business project, launched in 2018. It supported 50 members of the Benkadi de Dakoro women's group in rural Burkina Faso, to establish a beekeeping enterprise.

This project aimed to further increase the income level of the group and improve their financial resilience through diversifying into growing sesame, a high value crop, and increasing the business and finance skills of the group.

The 50 project participants received training in Good Agricultural Practices and Climate Smart Agriculture in preparation for the production of organic sesame, delivered by officers from the Niangoloko Agricultural Technical Department. The training covered planting techniques, sesame farm maintenance, application of organic fertiliser, harvesting techniques and climate mitigation strategies.

Following the training, the group was provided with planting materials including sesame seeds and organic fertiliser. One hectare of land was prepared and planted with sesame.

In October 2020, the sesame farm was certified organic by ECOCERT, an internationally recognised certification body. Following the certification, the

group secured a buyer, who purchases sesame seeds from organic and Fairtrade smallholder farmers in Burkina Faso before processing them into oil at their green plant.

In December 2020, the women produced 680 kg of sesame and earned £470 from the sale of this first harvest. A proportion of this income was used to contribute to their household expenses and the remaining was reinvested to enable the group to expand their sesame farm by an additional hectare.

Sesame production has contributed to an increase in the household income of all the participants. The result of the end-of-project survey indicated:

- 49 women (96%) told us they can now meet the daily needs of their family compared to only one (2%) at the start of the project
- 41 women (82%) told us they can now always provide their family three meals per day compared to only 18 (36%) at the start of the project

From the sale of honey and sesame, their monthly income increased from an average of £6 per month to £26 per month. They have reinvested a portion of the sales and built a storeroom to keep their honey and production equipment. The establishment of the Village

Savings and Loan Association (VSLA) has enabled the group to save and provide small loans to members of their community to help them meet urgent needs.

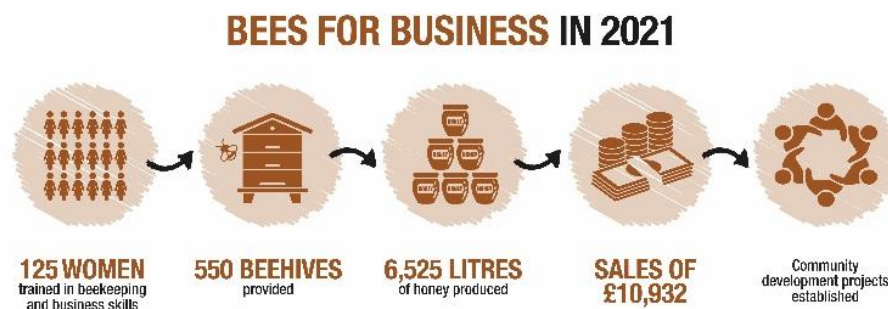
"We have gained credibility because our co-op supports the village in providing equipment including mattresses, blood pressure monitors and solar kits." (Project participant)

In April 2021, ten leaders elected by the group attended a two-day workshop in Agricultural Entrepreneurship and Leadership, delivered by an officer from the Regional Directorate of Agriculture. The aim of the workshop was to strengthen the capacity and skills of the leaders, supporting the Benkadi Women's Co-operative to manage their honey and sesame businesses both sustainably and profitably. The workshop also covered financial management skills including a Village, Savings and Loan Association (VSLA) and how to access financial services.

Following the training:

- 48 out of the 50 women (96%) increased their business and finance skills
- 29 out of the 50 (58%) increased their confidence to make business decisions
- 48 out of the 50 (96%) are confident in the future of their businesses

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



Participant case study: Abi Ouattara

Abi Ouattara is 31 years old and married with four children. She is a member of the Benkadi de Dakoro women's group in the rural village of Dakoro, in Southern Burkina Faso.

Before participating in our Bees for Business projects, Abi earned an income through the sale of rice and maize and the collection of shea nuts. She also had a small kiosk selling coffee earning on average 62,000 XOF per year (£84). She told us how she struggled to provide for herself and her children on this small income:



“If I or my children became sick, we relied on herbal medicine for treatment. We had no access to electricity and relied on torchlight at night powered by a solar panel. My children studied at night using this torch.”

She relied on her husband to pay the school fees of her children and was only able to afford to buy them a few items of clothing during the school holidays.

In 2018, Abi was supported in establishing a beekeeping enterprise. In 2020, we were able to provide her with the necessary training and resources to produce organic sesame.

“Now that I participate in beekeeping and sesame cultivation, there are changes in my life. My level of knowledge has increased thanks to the various trainings I have received and I now keep a management

notebook for my business. I can also contribute to the food and school fees of my children.”



Abi Ouattara (in the green top) standing with other members of her group in their sesame field.

Through participating in beekeeping and sesame cultivation Abi's income has increased to an average of 15,500 XOF (£21) per month. (a 200% increase). With this additional income, Abi is able to contribute towards their children's school fees, access medicine and healthcare, and purchase food for her household. She has also grown her small food kiosk into a restaurant selling food.

“These projects have benefited the community because our co-operative supports the Village Health Center with materials. If there is a ceremony in the village, we give a financial contribution on behalf of the cooperative and the other women in the community appreciate us”.

Over the next five years, Abi plans to continue investing in her businesses to increase the number of hives and expand her restaurant with new equipment and materials.

Project 4: Growing Fairer Futures: Ivory Coast

Launched in December 2020, this project is supporting 50 young people (20% female) living in the communities close to cocoa co-operative, Cooperative Agricole de Yakasse Attobrou (CAYAT), to establish their own cocoa farms and to generate a sustainable source of income enabling them to meet their needs whilst contributing to the sustainability of cocoa production in the region.

In December 2020, the farmers attended a two-day workshop in Good Agricultural Practices delivered by ANADER, the extension division of Coffee and Cocoa Council of Ivory Coast. The training covered important topics such as land preparation, farm maintenance, cocoa production and harvesting techniques, and pest and disease control.

The training in Climate Smart Agriculture was delivered in April 2021. Topics covered included irrigation techniques and the use of shade trees to increase soil stability and nutrition. Agri-business training was also delivered to provide the young farmers with the skills and tools to manage their cocoa business. Farming tools were distributed and in September 2021, 37,500 cocoa seedlings were planted along with 625 shade trees. The main activities of this project conclude in November 2021 and we will report on their impact in Social Accounts 2022. We will continue to work with this group of farmers until 2025 as we provide them with farm maintenance support.

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

New projects:

In February, March and April we launched five new projects across Africa and South America.

Our third **Growing Fairer Futures** project supports young people in western Rwanda to establish their own coffee farms. Working in partnership with local coffee co-operative KOPAKAMA, we have provided training in topics such as Climate Smart Agriculture techniques and materials such as disease resistant coffee seedlings to 50 young people, as well as farming tools, and equipment. Through the innovative use of two specially created demonstration farms, the young people learn about preparing the land and how harvesting works. In November 2021, over 70,000 coffee seedlings will be planted by the young farmers.

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

Increasing the Resilience of Coffee Farming Households through Income Diversification is working in partnership with Bukonzo Organic Farmers Co-operative Union (BOCU), to support 365 smallholder coffee farmers to improve their coffee crop and diversify into passion fruit production as an additional source of income.

As well as learning how to grow and nurture their passion fruit vines, the farmers will receive training in Good Agricultural Practices (GAP), Climate Smart Agriculture, and organic compost production. Over 18,000 passion fruit seedlings have been provided, which are both climate and disease resistant. To ensure the crops have suitable growing conditions, 3,650 trees have been planted to protect against soil erosion and provide shade.

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

Increasing Economic Opportunities for Women through Soilless Farming in Northern Ghana, is providing 120 basket weavers with the skills and tools needed to diversify into soilless vegetable farming. Our in-country partner, TradeAid Integrated, will support women to use locally available products such as poultry manure and rice husks in place of soil. These natural materials are known to retain water and release nutrients for the plants' growth. The vegetable farm will simply consist of nursery boxes, meaning it is not labour intensive, uses less water, and requires very little space.

A warehouse has been refurbished so that the vegetables can be washed, sorted, packed and stored before being sold to local businesses, including schools and hotels.

SDGs: No Poverty (1), Zero Hunger (2), Gender Equality (5), Decent Work and Economic Growth (8), Partnerships for the Goals (17)

Building Sustainable Livelihoods for Women in Rural Nicaragua through Organic Sesame Farming is working in partnership with local co-operative Coproexnic, supporting 40 women in rural northern Nicaragua to become organic sesame farmers. Despite having access to farmland, many women do not have the necessary finance or farming experience to purchase seeds or prepare the land for planting.

As the largest exporter of organic sesame seeds in Nicaragua, Coproexnic provide training and support in preparing and planting an organic sesame farm. This covers Good Agricultural Practice (GAP), organic fertiliser production, and agri-business skills. The group will also receive equipment and materials to enable them to make sesame candy to sell locally. This is a

simple snack made from toasted sesame seeds and caramelised sugar.

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

Improving Organic Coffee Production in Peru is working in partnership with local co-operative (and Society customer) CECAFE, supporting coffee farmers in the northern jungle to increase their resilience to the coffee borer beetle.

One of the most harmful pests to coffee plantations, the coffee borer beetle can attack an entire yield of berries if no control is applied. Due to the impact of climate change, the tiny insect is thriving in warmer temperatures, which poses increasing challenges for Peruvian farmers.

Coffee co-operative CECAFE has developed an eco-friendly way of controlling the borer beetle at their Centre for Innovation in the Amazonas region of the Andes. The surrounding area provides a dense and humid rainforest ecosystem located at high altitude, ideal for the combative fungus known as Beauveria Bassiana. The co-operative will distribute it to 200 farmers, to help protect the ecosystem and increase coffee yields. The project will also support CECAFE to implement the production of organic fertiliser to improve coffee yield further, including the construction of compost beds and supply of composting materials.

SDGs: Decent Work and Economic Growth (8), Climate Action (13), Partnerships for the Goals (17)

We look forward to reporting fully on the impact of these projects in next years' Social Accounts.

4. IMPROVEMENT IN THE LIVELIHOOD OF PEOPLE AS THEY TRADE THEIR WAY OUT OF POVERTY

As part of the survey, producer groups were asked whether they carried out any community development projects during the past 12 months and 82% said yes. These projects were in the areas of environment, health, education, water and sanitation, and transportation. For the organisations who were not able to undertake such projects, in most cases it was due to either lower sales or travel restrictions due to the pandemic.

Examples of development projects undertaken include supporting basket weavers to move into vegetable production, a school fee saving scheme, providing information on nutrition, installing drinking water provision near a producer washing station, and a tree-planting programme to combat the threat of climate change.

In addition to development projects, we also asked producers if they received any training in the last 12 months and 77% said yes. This training is shown in the graph adjacent, with a large amount provided by local fair trade networks, local government, Fairtrade buyers and other social lenders.

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 on fair terms. The fair trade 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 (Appendix 17-20).

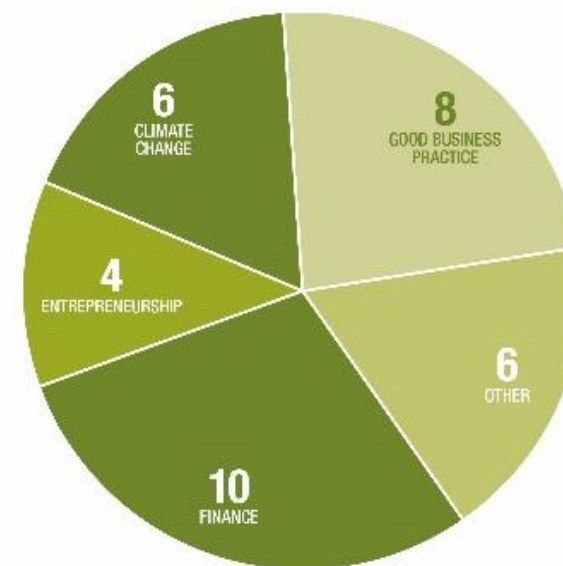
The research process involves surveys, interviews, and group discussions to gather data, and the review of all available documentation, including financial reports, annual reviews, funding proposals and visit reports. We

also speak to producers, workers, and community members where the co-operative is located, to hear their stories and gain a more holistic picture of the impact of our work.

Types of Development Projects



What was the Training for?



Producer case study: Kibinge⁷

Uganda boasts an ideal climate for coffee production. With the exception of the dry season between June and July, rainfall is moderate throughout the year and temperatures stay steady at around 26C. This combination of sunshine and showers, amidst rich volcanic soils, creates the perfect environment for coffee growers.



Kibinge Coffee Farmers Co-operative Society Limited is named after the region in which it is located in Central Uganda, about 150 kilometres from the capital, Kampala. The area is renowned for its high-quality Robusta coffee.

Founded by four coffee farmers in 1995, Kibinge was registered as a coffee farmers' co-operative in 2009, becoming a profit-making enterprise. Two years later, Kibinge obtained Fairtrade certification and secured their first Fairtrade buyers. However, they had no external financing and relied on their own funds to purchase coffee from their members. This limited the volume they could afford to buy and they had to sell the coffee to local middlemen.

In 2012 Kibinge acquired an export license, which enabled them to sell coffee directly to international buyers. In September that year, Shared Interest provided Kibinge with a Commercial Export Credit Facility (COEC) to pre-finance 13 contracts with international Fairtrade buyers.

Kibinge General Manager David Lukwata said: "Shared Interest believed in us. We were able to export our first container using Shared Interest funding. We appreciate Shared Interest for believing in us when no one wanted to assist us."

When buyers increased their orders the following year, Kibinge's COEC facility was adjusted to accommodate this growth.

Kibinge Finance Manager Grace Nakachwa (pictured left) said: "The facility was increased because we received more contracts which needed financing. It brought in a lot of coffee and we were able to meet the shipping schedules of the contract thus maintaining our buyers."



"It also helped us strengthen our bargaining power for quality assurance. It facilitated the continuous purchase [of coffee] all through the year. This propelled us to look for new buyers to consume the increased coffee purchased."

As their profit increased, the co-operative purchased land to set up office space and a processing facility as

well as a truck to transport coffee to the processing plant.

In 2014, there was a period of drought, which affected coffee quality and production. However, Kibinge continued to provide seedlings and support farmers to implement modern agricultural methods including agroforestry and irrigation techniques. This resulted in increased production and sales the following year.

Unfortunately, fluctuating coffee prices meant that producers continued to struggle to predict their income for the coming season and plan for the needs of their farms. To reduce their vulnerability, in 2018 Kibinge diversified into coffee roasting as an additional source of income, which they refer to as 'value addition.'

Kibinge General Manager Lukwata David said: "We ventured into value addition as a means of ensuring that we were everywhere in the entire coffee value chain, from what you would call seed stage to cup stage."

"Ugandans do not drink coffee so finding a market for coffee was not very easy. We trained by way of promoting domestic consumption of coffee. And that is how we started, slowly by selling the coffee to locals. Gradually, we evolved and started selling everywhere in Uganda."

Their efforts were recognised during the Africa Fairtrade Convention in July 2021 when they won two Fairtrade Africa Impact Recognition (FAIR) Ngoma Awards for Most Enterprising Youth and Best Value Addition to Products.

Kibinge has encountered challenges due to the impact of the pandemic, along with other coffee producers in Uganda.

⁷Full study available in Appendix 17

Dr. Emmanuel Iyamulemye Managing Director of Uganda Coffee Development Authority (UCDA) said: “At the local level, we had several challenges. We were in the production season and because of the restrictions introduced to curb the spread of the coronavirus, farmers struggled to harvest coffee and transport it to processing factories.

“On the export side, we had a challenge of few containers to load coffee in. This was because cargo trucks were being delayed at the borders as drivers were being tested for Covid-19.”

Kibinge reported that they ran into difficulties in shipping their product from the port in Mombasa, Kenya, in April 2020 when the impact of Covid-19 was growing in East Africa. At that time, there was a shortage of shipping containers, which resulted in stock remaining at the port in Mombasa for longer and an increase in charges for the buyer. Overall, production has been maintained as Ugandan coffee continues to be in high demand. According to the UCDA, this is because ‘it is highly competitive, of good quality and a little bit cheaper than some of the branded coffees on the market.’



Looking forward, the co-operative is focusing on not just increasing yield, but also the quality and flavour of their beans through good agricultural practices. Their membership has continued to grow, and has reached over 2,100 farmers.



Thanks to the Fairtrade Premium, they have been able to implement several community development projects, including an initiative to sell affordable farming supplies to members and Savings and Credit Co-operative (SACCO), established in 2013.

In 2018, Kibinge launched a project called Women in Coffee, which supports female farmers to manage their own coffee trees. The women are currently selling small to the speciality Fairtrade market. They hope to grow the brand, which they have named ‘Grown by Women’.

Participating farmer Stella Nandago (pictured right) has also received additional training from Kibinge in finance skills, SACCO management, gender awareness and governance skills. She was recently appointed Gender Officer for the co-operative, as she is passionate about empowering women in her community.



Stella continued: “Since Kibinge started the scholarship program using the Fairtrade Premium, I have managed to take myself back to school. With my salary, I have managed to buy land. I have coffee trees and a banana plantation, which earn me extra income.”

Summary

As Shared Interest Chair Mary Coyle says in her Welcome: "This years report is indicative of the extraordinary and challenging year we have experienced. No one could have predicted the ongoing disruption of Covid-19. However, it has been inspiring to see the unwavering resilience and commitment of everyone involved in Shared Interest throughout the past 12 months."

We could not have reached our operational goals, and therefore achieve the impact described in this report, without the support of members, colleagues, donors, volunteers and partners.

Our members remain at our heart and we closed the year with 10,456 Share Accounts, 81% being held by individuals. However, the Society membership is diverse and also includes faith groups, fair trade partnerships, small businesses, schools and community organisations. Investment increased by £4.6m, the highest amount recorded in our history and Share Capital totalled £50.7m at the end of the year.

During the height of the pandemic, we encouraged people to apply for a Share Account online due to disruption in the post. As a result, we attracted 496 new members to the Society with an average opening investment of £1,494 (2020: £519) and 352 of these were opened via our website (2020: 287). Overall, we saw a net increase of 221 Share Accounts compared to 184 last year.

Our charity, Shared Interest Foundation, is supported by donations from 1,049 donors, and grants from Trusts and Foundations. The majority of these donors (899) are members of the Society. This money is used to

implement projects aimed at building sustainable businesses and improving the livelihood of people living in poverty. In our Member Survey, when we asked about knowledge of and support for our charitable arm, 57% of respondents said they were aware of the Foundation and 68% said they would consider donating in the future. This is a substantial increase from a total of 26%, who said they would donate in 2018.



Beekeeper Alimatou Ouattara took part in Shared Interest Foundation's Bees for Business project in Burkina Faso.

Retaining positive and engaged people is significant in Shared Interest's continued growth and success. We have a team of 36 working across five locations: Costa Rica, Ghana, Kenya, Peru and the UK, speaking 16 languages in total. The majority (67%) have worked for Shared Interest for over four years. Positive statements are embedded throughout our working culture and we have maintained a strong focus on positive engagement, which has proved even more important following the

ongoing impact of Covid-19. Our team has continued to work remotely, undertaking various online training courses and participating in over 87 virtual conferences and seminars. We have continued to support colleagues, preparing for a move to a hybrid home/office working system in October 2021. By forming a Return to Office Committee, and surveying our team, we have made this an inclusive process, and also offered a range of presentations and online training activities to support physical and mental wellbeing as we make this transition.

We have been supported by 96 volunteers this year, who were each active in one or more of six overall volunteer roles. With the impact of the pandemic still being felt, especially in relation to events usually attended by Ambassadors and Community Supporters, volunteers turned their hands to different activities where opportunities arose. This included data entry tasks connected to our Member Survey and baseline data entry for Shared Interest Foundation. We have also appreciated the assistance of our translator volunteers this year, providing interpretations of customer surveys, customer interviews and communication materials.

We consider stewardship in all aspects of our work and embed a culture of good environmental practice throughout Shared Interest, doing the best we possibly can with the resources entrusted to us. Our Environmental Team raises awareness of topical issues and encourages eco-friendly initiatives. The entire Shared Interest team has been working from home since March 2020, and we have encouraged colleagues to continue being mindful of how we use resources. In terms of our membership, we have continued to promote

online Share Account management where possible, and the number of individuals using the secure Member Portal has increased further due to the impact of Covid-19. Our electricity usage also fell by 40.2% as no staff used the office facilities. Similarly travel across the organisation was very low throughout the year. The Environmental Team is also responsible for awarding our Carbon Offset fund, usually to projects linked to our work. We use the Climate Care website and carbon calculator to determine an appropriate offset. This year, the offset figure is £10.83 compared to £236.61 last year. In line with SDG 13 (Climate Action), Shared Interest Foundation has implemented a range of initiatives to increase producer resilience to the impact of climate change. These activities included planting 135,275 trees, training 515 farmers in climate smart agriculture and a further 405 farmers in organic fertiliser production.



CECANOR member Sabina Hernandez photographed during the coffee peeling process at a farm in La Florida district in Cajamarca, Peru.

We believe our work contributes to the attainment of specific Sustainable Development Goals (SDGs) from the 17 SDGs agreed by the United Nations in 2015 as goals for building a better world by 2030. Our ToC

process has helped us evaluate our impact more effectively. The diagram on page 7 shows how this works. We used this model to inform our monitoring and evaluation framework. As part of this framework, we have published four longitudinal case studies (Appendix 17-20).

We know that our producers and buyers have been affected at different stages of the pandemic. Covid-19 has seriously disrupted trade in agriculture and handicrafts. Lockdowns have reduced the movement of both people and goods domestically and internationally. This has been compounded by disruption of transport networks, shortage of containers worldwide and changing consumer patterns. Despite the challenges faced during the last 12 months, Shared Interest has continued to empower smallholder farmers and artisans to grow their businesses sustainably, increase trade, and create employment opportunities by providing a reliable source of finance during otherwise uncertain times.

In total, we have 200 customers, consisting of 175 producer groups and 25 buyers. Eighty-four per cent of our producer customers have a lending facility of under £500k. If we compare this with other social lenders, 57% of the facility limits provided are over 500k US Dollars (£368k). Shared Interest is one of the few social lenders to provide credit facilities to buyer organisations in the Northern Hemisphere. This provides support to marginalised producers who cannot access funds from other social lenders as (in most cases) this is below their threshold. Of the producer groups in our lending portfolio, 90 are based in Africa and 83 are based in Latin America. This year, payments made totalled £59.2m an increase of 22% on the previous year.

The producer groups we finance support 374,249 farmers and artisans (2020: 352,122). This shows an increase from last year due to new customer accounts.

From this year's overall figure, 33% are women (2020: 35%) and 8,262 are permanent employees (2020: 8,516). We estimate, based on annual review data, that collectively, these businesses earned £887.9m. This is an increase from last year's total of £802.2m.



Sampoko Egno is a shea nut producer at UGF co-operative based in Burkina Faso.

South America continued to receive the highest value of payments due to the high number of coffee producers based in that region, representing 34% of total payments made. However, it is important to note that, although lending has increased, many producers located in Peru have borrowed less than anticipated due to an emergency business loan programme introduced by the Peruvian government. In addition, Peru was impacted by the election held in July 2021. These political uncertainties and the potential impact on international trade have made some customers hesitant to borrow funds. There were also delays in the South American coffee market due to transport issues and, this led to some contracts being unfulfilled.

Central America saw fewer disruptions as most farmers completed their harvest before initial Covid-19

restrictions came into effect. We also found that many organisations were able to put the required systems and processes in place before the next harvest started in 2021. The export delays experienced in Central America were largely due to a lack of containers from sea freight companies operating worldwide.

In West Africa, producers experienced difficulties in 2020 as buyers were slow to commit to purchasing cocoa and agreeing on prices due to the Ivory Coast and Ghana governments setting a minimum price. As a result, short-term lending was extended to meet new delivery dates and terms of repayment were adjusted accordingly. Challenging transport networks and distribution systems in this region were intensified by government-mandated road closures and travel restrictions. However, demand considerably increased in 2021 and subsequently more payments were sent to cocoa producers, especially in Ivory Coast.



Ana Santiago of Artesania Urpi in Cochas Chico, Peru, carves a gourd. Artesania Urpi work with buyer customer Lucuma.

In East Africa, some coffee customers were impacted by delays in receiving payments from commercial buyers and the majority of handcraft businesses have been

unable to trade during the pandemic as their products were classed as non-essential, unlike food products.

In terms of lending products, coffee remains our largest focus, mainly due to the scale of Fairtrade coffee production, with more than half of all Fairtrade certified producers growing this commodity. Although the total lending for coffee has increased in 2021 in value terms, the overall percentage remains the same as we have increased our Share Capital from £46.1m in 2020 to £50.7m in 2021.

During the online producer committees, we heard that farmers feel that Shared Interest's financial support has allowed them to meet harvest targets. They appreciated the speed of the disbursements, the possibility to increase the facility limit and the flexibility to extend the maturity date of the finance, if justified. They also valued our excellent customer service and the tripartite relationship between their co-operative, its buyers and Shared Interest. In addition, those producers who received term loans commented on how this finance had allowed them to improve infrastructure and support more farmers.

When we surveyed producer groups to indicate if the number of people working in their organisation had changed during the past 12 months, the results showed that very few businesses had seen a decrease in workforce. In fact, the vast majority either have seen an increase or maintained the same number of individuals working throughout different sections of their business.

Shared Interest Foundation continued to provide capacity building training to producer organisations and community groups across Africa and Latin America. The objective of the training was to support these groups as they grow their businesses sustainably and to create more employment opportunities in their communities.

- 150 young cocoa and coffee farmers across Ghana, Ivory Coast and Rwanda received training in Good Agricultural Practices, climate resilience and agri-business management skills
- 75 women in rural Burkina Faso received training in modern beekeeping techniques and business skills
- 365 coffee farmers in western Uganda received training in passion fruit production and farm management
- 40 women in Nicaragua were trained in sesame farming skills and organic fertilizer production
- 60 basket weavers in northern Ghana received training in rural entrepreneurship and soilless farming techniques.

As part of the Customer Survey, producer groups were asked whether they carried out any community development projects during the past 12 months and 82% said yes. These projects were in the areas of environment, health, education, water and sanitation, and transportation. For the organisations who were not able to undertake such projects, in most cases it was due to either lower sales or travel restrictions due to the pandemic. Examples of development projects undertaken include supporting basket weavers to move into vegetable production, a school fee saving scheme, providing information on nutrition, installing drinking water provision near a producer washing station, and a tree-planting programme to combat the threat of climate change.

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 on fair terms. The fair trade producers we support tell us that we have helped transform their communities.

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	No 2020	No 2021
Beneficiaries	Organisations who benefit from the support of Shared Interest Foundation	Beneficiaries trained Producer groups receiving grants	1,515 4	740 9
Board of Directors	Collectively responsible for the direction and management of the Society, 7 of these 8 are also Trustees of Shared Interest Foundation	Elected Shared Interest Society Members	8	8
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	Producer group customers Buyer customers	174 28	175 25
	Other organisations that receive or make payments via Shared Interest Society	Recipient producers Non customer buyers	155 36	124 40
Donors	Shared Interest Foundation donors	Individual donors Corporate donors Churches and other groups	973 0	1049 0
		Grant-making bodies	5	5
Our people	The Shared Interest team	Our people	39	36
Members	Shared Interest Society investors	Members	10,228	10,456
Partners	Those we collaborate with for mutual benefit	People, groups and organisations we work with and umbrella groups of which we are members	39	27
Volunteers	Individuals who volunteer their time and expertise to Shared Interest	Volunteers	114	96

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

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 95 producer customers and 45 responses were received. A telephonic survey was completed with six buyer organisations.

This year the Producer Committee Meetings were held virtually, some of which were 1-2-1 interviews. 29 producers participated: Burkina Faso (2), Ivory Coast (4), Ghana (1), Honduras (1), Mexico (1), Nicaragua (3), Peru (8), Rwanda (4), Togo (1) and Uganda (4).

BENEFICIARIES

Information from organisations benefiting from the work of Shared Interest Foundation were consulted on a project basis:

1. Growing Fairer Futures: Ghana – To conclude this project an evaluation was conducted in January 2021 to inform our final project report. Due to Covid-19 we were unable to travel to the project, so we recruited an external consultant to conduct farm assessments and stakeholder interviews to gather the data to inform the report.
2. Bees for Business: Dakoro (Phase Two)– An end of project evaluation was conducted in July 2021 to inform the final report to the funder, Evan Cornish Foundation. All 50 participants completed a final evaluation and the results were compared against the baseline data collected at the start of the project to measure impact and change.
3. Bees for Business: Sideradougou - An end of project evaluation was conducted in August 2021 to inform the final report to the funder, Guernsey Overseas Aid. All 75 participants completed a final evaluation and the results were compared against the baseline data collected at the start of the project to measure impact and change.
4. Growing Fairer Futures: Ivory Coast – All 50 participants completed a baseline questionnaire and end of training evaluations which informed the six-month project report.
5. Building sustainable livelihoods for women in rural Nicaragua through organic sesame farming - All 40 participants completed a baseline questionnaire which will inform future reports.
6. Growing Fairer Futures (Rwanda) - All 50 participants completed a baseline questionnaire which will inform future reports.
7. Improving organic coffee production in Peru – 91 farmers completed a baseline questionnaire which will inform future reports.
8. Increasing economic opportunities for women through soilless farming in Ghana – A sample of 92 participants completed a baseline questionnaire to inform future reports.
9. Increasing the resilience of coffee farming households through income diversification - A sample of 155 farmers completed a baseline questionnaire to inform future reports.

MEMBERS

Our AGM took place online in March 2021. A total of 249 members attended the event. This was supported by six online member events. A total of 689 members attended these events. A General meeting was also held in September with 37 members in attendance. Correspondence with members is also shared with the Board on a regular basis.

VOLUNTEERS

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. We ran an events survey with our Ambassadors and Community Supporters in July. This survey went out to 50 volunteers and we received 36 responses.

BOARD OF DIRECTORS / TRUSTEES

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.

COUNCIL

Council is not consulted separately from members as part of the Social Accounts process. However, the final report is tabled for discussion during their annual 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.

DONORS

We have ongoing communication on a project-by-project basis with our grant funders. A quarterly digital newsletter is sent out to those donors who have subscribed to receive it.

OUR PEOPLE

We continue to work with People Gauge to carry out surveys to colleagues. In recent years, we implemented an engagement survey. In May 2020, we chose to do something different and instead ran an online survey specific to the current situation to help us understand how colleagues were feeling and managing with the ongoing remote working conditions. We also ran this survey again in December 2020 and in August 2021 to enable us to identify if there was anything we could do to help during this situation.

The latest results from September 2021 showed 36 staff had completed this which was a 100% response rate. The results of the survey were circulated to all staff for information.

PARTNERS

We reviewed and updated our Partners list, and consulted with two partners this year: Fairtrade Yorkshire and Plateforme National de Commerce Equitable du Burkina (PNCEB). These consultations were developed to show the purpose and value of these partnerships in helping us implement our ToC and contribute towards the achievement of the Sustainable Development Goals.

	2019	2020	2021
Customers	<p>Customer Survey to producer and buyer customers. (71/170)</p> <p>Producer committees were held differently according to region. (34 in total)</p>	<p>Customer Survey to producer and buyer customers (58/131)</p> <p>Producer Committee Meetings were held virtually, most of them in the form of telephone interviews with customers (23) to gather impact data.</p>	<p>Customer 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>
Beneficiaries	<p>To conclude the project an external evaluation was conducted which included data gathered from all active member businesses and representatives of SWIFT.</p> <p>Through the East Africa Governance and Finance Training project we surveyed 68 training attendees and collected data from 20 co-operatives for impact monitoring.</p> <p>The Malawi Sustainable Solutions to Poverty project carried out a post-training survey completed by 52 co-operative members who attended the Business Plan training.</p> <p>All 50 beneficiaries supported through our Bees for Business project completed a baseline and end of project survey.</p> <p>The 100 artisans supported through Crafting Fairer Futures completed a baseline and end of project survey</p>	<p>To conclude the East Africa Governance and Finance Training project and inform the final project report we gathered impact data from the 20 participating co-operatives.</p> <p>An external evaluation was conducted following the conclusion of The Malawi Sustainable Solutions to Poverty project involving stakeholders from the five participating co-operatives.</p> <p>All 50 beneficiaries from our Growing Fairer Futures project completed a baseline survey and a post-training evaluation.</p> <p>We interviewed five project participants as part of our Carbon Offset Project to provide qualitative data to evidence project impact for our end of project report.</p> <p>To inform our one-month progress report for the Livelihood Security Fund two beneficiaries were interviewed.</p>	<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>A sample of 92 participants of our Soilless Farming project completed a baseline questionnaire.</p> <p>A sample of 155 farmers participating in our passion fruit farming project in Uganda completed a baseline questionnaire.</p>
Members	<p>Feedback forms at AGM and member meetings.</p>	<p>Feedback forms at AGM and letters sent by members.</p>	<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 over number surveyed</p>

	2019	2020	2021
Volunteers	Individual Catch up call offered to all volunteers (Oct 2018) 40 calls carried out.	Individual catch up calls offered to all volunteers and 23 calls were carried out.	Ongoing conversations with volunteers throughout the year. Survey about events with Ambassadors and Community Supporters (36/50).
Board	Consulted as members.	Consulted as members.	Consulted as members.
Council	Consulted as members.	Consulted as members.	Consulted as members.
Our People	Engagement Survey (34/37), Volunteering Survey. (21/37).	Staff survey (32/39).	Staff Survey December 2020 (34/38) Staff survey September 2021 (36/36).
Donors	No formal consultations took place with this group.	Electronic donor survey (185/640)	No formal consultations took place with this group.
Partners	Partner consultations. (2/28)	Partner consultations (10/39)	Two partner interviews

How we have progressed over the year

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

What we said we would achieve	Progress to date
<p>Develop methodology to assess the risk of the lending portfolio, the social impact, and the activities undertaken to earn the income.</p> <p>Increase and diversify the lending portfolio through exploration of new markets, particularly Asia.</p> <p>Ensure that the organisation continues to fulfil its mission while maintaining a balance of risk, which is sustainable in the portfolio, by reviewing our mechanism for pricing and monitoring risk, with the goal of reducing outstanding arrears.</p> <p>Increase Share Capital and investor numbers to meet the increasing lending pipeline.</p> <p>Embrace virtual opportunities to maintain a strong focus on member engagement, creating opportunities for</p>	<p>New risk scorecard has been implemented to calculate risk on new and existing customers. The methodology will be reviewed in three months. Social impact scorecard is under revision and will be progressed during the new financial year. We will use information from Durham University to assess the risk and social impact variables combined.</p> <p>A research report related to the Asia market was presented in our May Board meeting. There are some limited opportunities for the Society. We will need to assess each of them individually from desktop research while we remain unable to travel.</p> <p>Several changes have been made over the course of the year to both reduce outstanding arrears and implement mechanisms to reduce the likelihood of future bad debts. Enhancements have been made to the data output used for all arrears reporting, making it automated and more accessible. Improvements have been made to money laundering procedures and we have tightened order management controls. We have expanded our network of global debt collectors and have increased the taking of collateral. The latter is factored into the new pricing model, which was launched during the year. Finally, we have a new suite of reports to inform the Non-Executive Directors and Senior Management Team of recovery activities.</p> <p>At the end of the year, Share Capital had grown to £50,750,469, an increase of £4.6m. Investor numbers have also increased, with 496 members joining the Society this year, leading to a net increase of 221.</p> <p>We held six successful virtual member events in the year. We also held a virtual AGM with a record attendance in March, followed by eight workshop sessions focusing on producers, Foundation, finance and the organisations' response to Covid-19. In addition to this we conducted a virtual General meeting in September for the sole purpose of changing our auditor following a competitive tender process</p>

<p>members to contribute, question and increase their knowledge.</p> <p>Maintain a strong focus on positive employee engagement and continue wellbeing initiatives.</p>	<p>In the last 12 months, we launched two 'Keeping Connected' surveys, the first in December 2020 and the second in September 2021. In September, we had a 100% response rate, which was up from the 94% seen in the December. Understandably, after more than 18 months into the pandemic, there has been some movement in engagement levels but it was good to see that 96.1% of staff remain 'engaged' or 'actively engaged.' Although there was some anxiety about returning to the office, many of the comments were positive about the support that Shared Interest has provided during the pandemic, the flexibility in working hours and the level of communication that has been maintained.</p> <p>We sent out emails and initiatives and held presentations on mental health and wellbeing, which included helpful tips on coping strategies and continuing healthy eating and exercise when returning to the offices. We provided online training on stress and anxiety and best practices when working from home. We provided a tool to help colleagues understand their own mental health and to recognise how they can help themselves to stay mentally well. It is designed to help staff identify what is 'normal' for them as individuals and what they do that helps them maintain that.</p> <p>The Activity Challenge, launched to encourage physical and mental wellbeing was successfully completed in December 2020 and since January, those who want to participate, have been encouraged to get involved in completing a number of short weekly or monthly challenges with the intention of staying physically active.</p> <p>We held a successful virtual team building afternoon in early February. Colleagues said that they valued the opportunity to work with different teams and regions and feedback was very positive.</p>
<p>Manage the transition to working in a post-Covid world.</p>	<p>After 18 months of working from home, a staggered return to the Newcastle office began on 4th October. We are trialing a hybrid working pattern for a period of six months. In the weeks leading up to the return, a risk assessment was carried out and contractors were engaged to complete inspection and service on facilities and equipment, for example air con, fire extinguishers etc. In addition, the office underwent a deep clean followed by a disinfectant fogging procedure. The Return to the Office Committee continued to meet in order to discuss ideas and concerns from colleagues. Regular emails and updates were sent to reassure everyone of relevant safety measures and inform them of ongoing plans. Colleagues in the regional offices continue to follow local Government advice to work from home.</p>
<p>Shared Interest Foundation will continue to develop its strategic plan by increasing our environmental projects, engage with new partners with environmental expertise and develop, through training, our understanding of environmental challenges faced by fair trade producers.</p>	<p>Over the past 12 months, we developed and implemented four projects with strong environmental focus and the Shared Interest Foundation Manager has successfully completed a Common Purpose leadership training programme on the environment.</p>

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.
- Retain and recruit key skills across the organisation including our Board.
- Manage a successful organisation-wide transition to new ways of working caused by the Covid-19 pandemic.
- Maintain Share Capital and investor/donor numbers with a strong focus on engagement, messaging, creating virtual opportunities for members to contribute, question and increase their knowledge.
- Launch the new member database, incorporating donor information to improve communications and administrative efficiencies.
- Create a more systematic and structured method to manage credit risk and debt recovery with the objective of reducing the impairment charge.
- Improve the accessibility and scope of the management information available from our current operating platforms.
- Continually improve our staff and technical resilience to cyber risk threats.
- Shared Interest Foundation will continue to develop and deliver environmental projects, engage with new partners and improve our understanding of environmental challenges faced by producers.
- Develop a new credit appraisal methodology that generates efficiency and helps us to assess existing and potential customers better.
- Improve communication and exchange of information including the development of a new transactional customer website.
- Assess new and existing markets to make a positive impact on more communities and enhance the organisations long-term sustainability.

GLOSSARY AND ABBREVIATIONS

AGM

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

Agri-business Management

The business of agricultural production including, sales and marketing of the product

Baseline Study

A baseline study is an analysis of the starting point before a project begins. 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 pre-finance to pay for orders in advance of shipment.

Capacity Building

Improving the knowledge and skills of producers through training and mentoring.

Cocoa Health and Extension Division (CHED)

A department of Ghana Cocoa Board responsible for the control of cocoa swollen shoot virus disease, rehabilitation of old and unproductive cocoa farms, and extension services.

Climate Smart Agriculture

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

Commercial Order Export Credit (COEC)

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

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.

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 (pre-finance).

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

Expoalimentaria

The commercial platform for food and beverages in Latin America.

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

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

FLO

See Fairtrade International.

FLOCERT

The global certification body for Fairtrade.

FX Swap

Forward exchange equals when currency is exchanged now at an agreed rate with a fixed commitment swap back at a future agreed date and rate.

GM

General Meeting of Members

Good Money Week

The national campaign to help grow and raise awareness of sustainable, responsible and ethical finance.

Insights

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

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.

MT

Metric Tonne, which is equal to 1,000 Kg

People Gauge

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

PNCEB

Plateforme Nationale du Commerce Équitable Burkina. This translates as 'The Burkina Faso network for fair trade organisations'.

Positive Statements

A set of values, which define Shared Interest's working culture.

Pre-finance

Pre-finance 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 pre-finance 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.

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 (SDG's), 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. This process involves identifying the desired long-term goals and then working back from these to identify all the conditions (outcomes) that must be in place for the goals to occur.

Tripartite agreement

This describes our Buyer Credit process, whereby we provide a producer with an advance payment of up to 50% of the value of a buyer order. Once the product is shipped, we then pay the remaining funds to the producer. The buyer then pays us the total sum, plus any interest. within the agreed term.

Trustees

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

UK GAAP

UK Generally Accepted Accounting Practice.

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

A Village, Savings and Loan Association (members of a community group together to save as a collective and then provide small loans to other members of their community)

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.

World Fair Trade Day

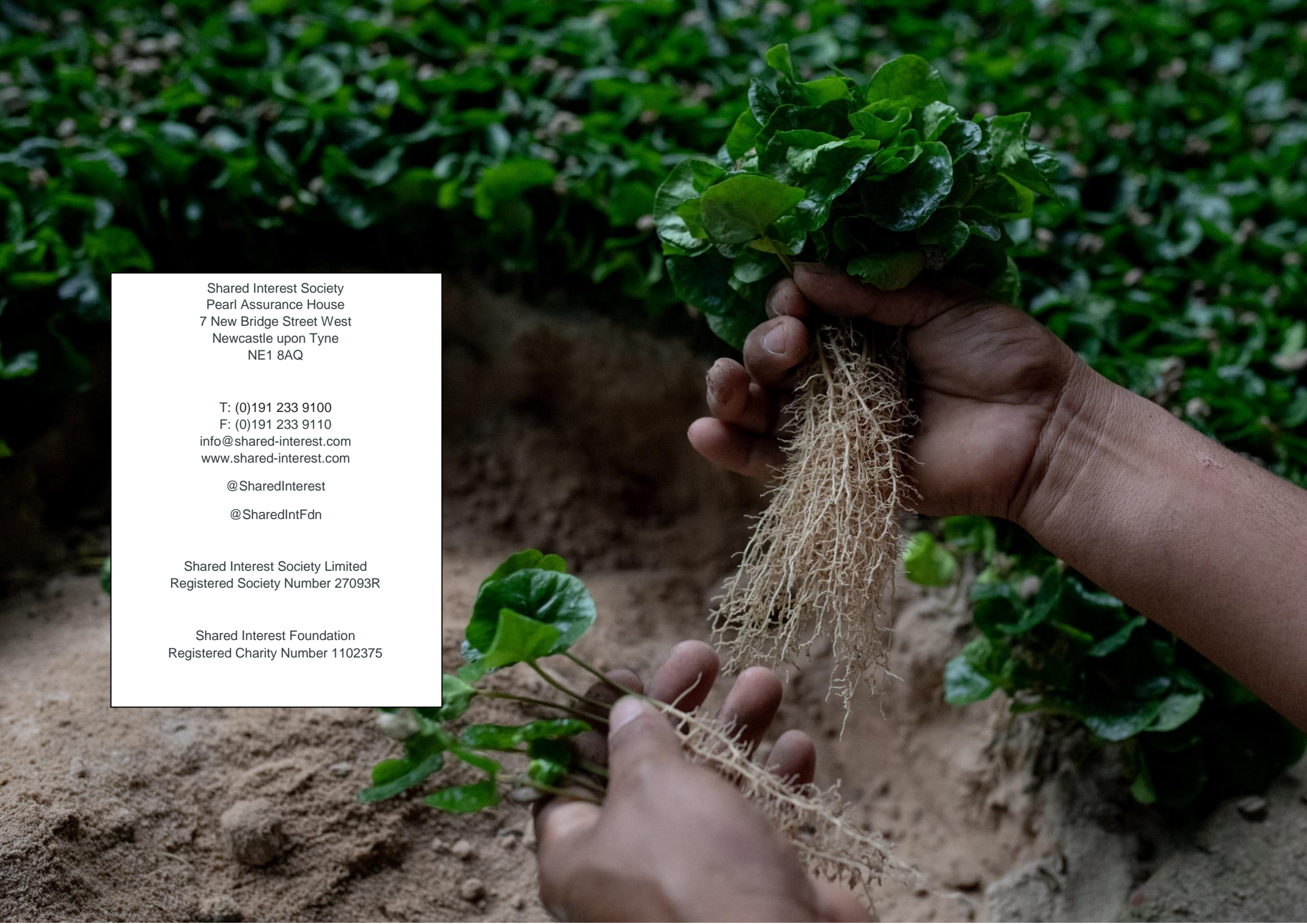
Organised by the World Fair Trade Organisation to celebrate Fair Trade and encourage consumers to choose Fair Trade goods.

LIST OF APPENDICES

All of these Appendices can be accessed online at shared-interest.com/SA21/App# (Replace # with the Appendix number)

- | | | |
|---|---|--|
| 1. Directors' Report and Accounts for the Society | 9. A detailed explanation of country risk | 17. Longitudinal Case Study: Kibinge |
| 2. Shared Interest Foundation Accounts | 10. Overseas Business Risk – Peru | 18. Longitudinal Case Study: Lemberona |
| 3. Members Survey 2021 | 11. Survey of impact of COVID-19 on African Trade Finance | 19. Longitudinal Case Study: TradeAID Integrated |
| 4. Members Survey Summary | 12. Budgeting control, financial reporting and secure authorisation | 20. Longitudinal Case Study: Alto Huallaga |
| 5. Foundation Partnerships Policy | 13. Environment Team: Green Policy | 21. Key Aspects Checklist |
| 6. The impact of COVID-19 on agricultural markets and GHG emissions | 14. Approach to procurement | |
| 7. A detailed explanation of lending products | 15. Volunteer Role Outlines | |
| 8. CSAF State of Sector 2021 | 16. Customer Survey 2021 | |

In addition to internal data systems, and the Appendices above, a list of consultations, reports and further information contributing to the Social Accounts, which was made available for inspection by the Social Audit Panel, can be found at shared-interest.com/SA21/supplementary



Shared Interest Society
Pearl Assurance House
7 New Bridge Street West
Newcastle upon Tyne
NE1 8AQ

T: (0)191 233 9100
F: (0)191 233 9110
info@shared-interest.com
www.shared-interest.com

@SharedInterest

@SharedIntFdn

Shared Interest Society Limited
Registered Society Number 27093R

Shared Interest Foundation
Registered Charity Number 1102375