

# Fairtrade

We have a long-standing commitment to Fairtrade, supporting better prices, working conditions and terms of trade.

We're committed to building on our Fairtrade leadership and strengthening producer communities around the world, as set out in our Future of Food ambition.

For over 25 years, driven by our passionate members, we've been proud to support Fairtrade and the difference a fair price, premium and empowerment makes for the lives of farmers across the world.

In 2020 we developed a bold new strategy setting out our objective to become the UK's biggest supporter of Fairtrade by growing the contribution we make to Fairtrade producers through a three-pillar plan and associated targets:

- 1. Sourcing:** Grow the contribution we make to Fairtrade producers by maximising the amount of Fairtrade we sell across all our channels.
- 2. Innovation:** The cornerstone of our Fairtrade difference is our commitment to producer engagement, the depth and authenticity of our relationship with producers and investment in climate change and international development projects that change lives.

- 3. Communications:** How we champion the Fairtrade movement and voices of producers through communications, campaigns and advocacy on behalf of the Fairtrade movement.

## Sourcing

To demonstrate progress against our new strategy, we've developed new, more sophisticated measures for assessing our Fairtrade impact and performance to track the material impact of our sourcing on Fairtrade producers, in terms of volume of Fairtrade ingredients, range, and customer perception. These are set out on page 93 and measure:

- Our commitment to Fairtrade across seven core categories - 100% of our tea, coffee, bananas, cocoa, bagged sugar and African roses are Fairtrade, and we are the biggest retailer of Fairtrade wine in the world
- The amount of Fairtrade ingredients we sell via our Fairtrade products (volume measured in tonnes/litres/stems)
- The number of Fairtrade lines in our range
- The minimum number of Fairtrade lines in any Co-op store
- Consumer awareness of our Fairtrade leadership
- Fairtrade overtrade and market share<sup>1</sup>

**In 2020, the volume of Fairtrade ingredients used in our own-label products, along with Fairtrade branded wine, amounted to 53,617 tonnes, 14.1 million litres of wine and 41.4 million cut flower stems.**



## Case study: Supporting the Fair Trade movement

There are no internationally recognised Fairtrade Standards for charcoal, so we work in a unique partnership with Traidcraft to support burners and workers in Namibia with our Fair Trade charcoal and barbeque set sales.

In 2020, as customers turned to barbecuing at home during lockdown, the Fairtrade premium generated from charcoal sales doubled, providing £132,000 for the community in Namibia. We've developed a 5-year strategic plan to support the development of the Fair Trade committee with Traidcraft and charcoal supplier Rectella International Ltd.

<sup>1</sup> Market Share is the proportion of retailers' Fairtrade sales in the take home grocery market in a defined time period. Overtrade is the direct comparison between the market share in Fairtrade vs market share in the total grocery market. An overtrade occurs when a retailer's market share in Fairtrade is higher than its market share in grocery.

## Innovation

We're working to build on our Fairtrade leadership, strengthening producer communities around the world. In 2020 we launched a new **Fairtrade Producer Engagement Strategy**. Producer Engagement is the cornerstone of our Co-op difference on Fairtrade – the depth and authenticity of our relationship with producers, some spanning decades.

Under normal circumstances we would visit Fairtrade producers and have producers visit us. However, during the pandemic, we've focused on maintaining our relationships remotely and building support for Fairtrade producers through our pioneering projects.

In 2020 we delivered 5 planned Co-op Future of Food [Sourcing Projects](#) despite the pandemic, investing in international development and climate change resilience of Fairtrade communities.

This has resulted in:

- **Cocoa:** Women's empowerment and leadership - a second cohort of students graduated from the Women's School of Leadership, which we've funded in Cote d'Ivoire
- **Roses:** Renovation of the Maua Primary School, Kenya
- **Coffee:** Tackling climate change and training young farmers in the Fairtrade East Africa Youth Programme, Kenya (a case study on this project can be found on page 62)
- **Coffee:** Raising health and safety in Coffee in Fields programme, Brazil
- **Sugar:** Protecting workers' rights in Good Hiring Practices in the Cane Farming Sector, Belize



In November, Jo Whitfield, Chief Executive, Food, issued letters to 24 key Fairtrade producers in our supply chain to offer solidarity and on behalf of Co-op colleagues, members and customers, we thanked them for their hard work that has ensured people across the world have been supplied with products during this global pandemic.

For more information on our project work see our Fairtrade [web-pages](#).

More information on our response to Covid-19 in our supply chains, is detailed on pages 45-46.

## Communications

We're working to champion the Fairtrade movement, campaigning on the issues that matter most for producers. Despite plans for 2020 being disrupted by the pandemic, highlights from the year include:

- The launch of our [Global Wellbeing Charter](#) reached 7.5m with 17 interviews across national and regional radio, raising awareness of the impact of the pandemic on Fairtrade producers
- Fairtrade Fortnight 2020 - we issued 3,902 Fairtrade packs to members, stores and academies
- We launched a new podcast series, [In It Together](#), and the sixth in the series is all about Fairtrade
- We celebrated [20 years of Fairtrade Bananas](#) on social channels and in store
- We held our first [online](#) Fairtrade Co-op wine tasting for members

## Growing Co-op contribution to Fairtrade producers – increasing our range

In 2020 we grew our Fairtrade range and also launched [Fairtrade Source Ingredient \(FSI\) Cocoa Labelling](#), making Fairtrade products more visible in store.

Coffee prices have recently been lower than they've been since 2004, sparking a global coffee crisis affecting more than 25 million smallholder coffee farmers. Fairtrade farmers and workers are protected from price volatility, thanks to the Fairtrade Minimum Price, yet they are reliant on customers buying their coffee on Fairtrade terms.

In response, we've expanded and revamped our Fairtrade coffee range, introduced new origins and a series of Limited Editions, as well as expanding our Fairtrade tea range. We've also launched Ever Ground, Co-op's new Coffee to Go brand, bringing Fairtrade coffee, tea and hot chocolate in trial participating stores. And our Honest Value range, which we launched in 2020, is the only own-label value brand in the UK that includes Fairtrade products.

Beyond our own-brand products, we've expanded our Fairtrade branded offering available such as launching CaféDirect's new Fairtrade London Tea range and expanding branded Fairtrade wines.

In addition, by making Co-op branded goods available in Nisa partners' stores we're getting Fairtrade products onto more shelves and into more communities.



### Case study: Long-term impacts of our Fairtrade support

We're delighted that Fairtrade wine producer La Riojana celebrated the 10th anniversary of the Tilimuqui school that we funded.

Since opening in May 2010 with just 33 students, the school now has an intake of over 530 students and 79 staff. It's Argentina's first Fairtrade-funded secondary school offering the youth of Tllimuqui and the surrounding areas the chance of a free technical education specialising in agriculture.



### 🎯 2021 target

In 2021, we will set targets to achieve our ambition to be the UK's biggest supporter of Fairtrade, based on the new metrics we developed in 2020.