



ANNUAL REPORT 2019/20



**Fair für mich.
Fair für alle.**



Photo: Private photo

Dear Readers,

we can look back on an eventful year. Joining forces with our partners in the Global South and in Austria, we've launched new projects whose positive resonance has definitely been a source of strength.

Look at the new motif of our Coffee for Future on page 5: a happy face that seems to grow out of the earth, with green leaves as its hair, in which a colourful bird is nestling. A motif that is more than vibrant fantasy. It also carries a message: as human beings, we're part of this one world, which needs to be protected. We contribute to safeguarding the basis of life for all of us, and the lives of future generations. That's what our Coffee for Future represents, as does our linking up with a continuously growing climate movement, our first coffee brought over the Atlantic by sail power, or the new photovoltaic system on the roof of our headquarters.

Our direct exchange with trading partners has once more shown that concern about the present climate change, extreme weather and its consequences are pressing problems and an enormous challenge that many of our partners are already forced to contend with, day after day. They are making endeavours to adapt their farming systems to the new situation, and to make them more resilient; they have turned to organic cultivation that preserves natural resources, or have taken action in their immediate environment to promote climate-friendly production processes. In this way – step by step – they are contributing to a better future.

EZA is the founder of Fair Trade in Austria. We have practised an alternative way of trading since 1975. Our shareholders are A3W Action Third World Association (40 %), as well as the Catholic Men's Movements of Upper Austria (40 %) and Austria (20 %).

A worldwide pandemic on a hitherto unprecedented scale has been the centre of attention for many months. What soon became obvious was that we need to close ranks to tackle such a challenge. All of a sudden, our own routines, as well the routines of millions of people in the world, were disrupted. And just as in the case of the climate crisis, it's the poorest people who have been most severely affected by the exceptional situation of the present day, and by its consequences. The pandemic has further exacerbated social inequality on a worldwide scale, as well as the fight for survival – particularly in those countries where people cannot rely on well-functioning government structures to provide support.

Over the past months, we've often wished to eventually return to a normal life. Still, it's up to all of us to define what should be normal. Together, we can sustainably change our patterns of behaviour by leading fair and climate-friendly lives. Every single small purchase of one of our products helps attain these goals.

EZA Fairer Handel GmbH
Wenger Strasse 5
A-5203 Köstendorf
Austria
Phone: +43 (0) 6216 20 200
Email: office@eza.cc
Web: www.eza.cc

'The time has come to support a holistic, sustainable human development. This ensures better relationships, oriented towards promoting equality, redistribution, justice and restoring the dignity of all people and communities,' as Sagrario Angulo from our partner organisation Camari in Ecuador puts it.

Let's join forces to build a new normal, with the focus on a human development based on solidarity and fairness, as well as the conservation of planet Earth, on which we are guests.

Warmest regards,

A handwritten signature in dark ink, appearing to read 'Daniela Kern'.

DANIELA KERN, GENERAL MANAGER

01

INFORMATION AND INSIGHTS

COFFEE FOR FUTURE – From product to movement

Autumn 2019 was marked by the launch of EZA's COFFEE FOR FUTURE. Also on board: the Austrian worldshops and the Austrian Climate Alliance. Its high-quality arabica beans from small farmers' cooperatives in Mexico and Uganda are more than just the basis for a good cup of coffee: they convey a very special message about our climate.

As a first step, EZA organised a programme day in the context of the Austrian Worldshop Conference of the Austrian Worldshop Association. Under the motto 'Joining forces for climate protection and Fair Trade – from product to movement', it provided room for highlighting both our trading partners' perspectives and the views of civil society organisations and initiatives in Austria. Around 170 worldshop staff from all over Austria took part in the Conference.

The guests from EZA's partner cooperatives included Josinta Kabugho, General Manager of the BOCU Bukonzo Organic Farmers Cooperative Union from Uganda, and Pedro Díaz Montejo, coffee farmer from SPOSEL, a small farmers' cooperative in Mexico. The Austrian Climate Alliance was represented by its then General Manager Markus Hafner-Auinger, and the Austrian Climate Referendum initiative by Michael Bednarsky.

**Together for
climate protection
and fair trade**

The members of the SPOSEL small farmers' cooperative in Mexico grow their coffee plants amidst the natural environment of the Selva Lacandona, a virgin forest of great biodiversity in Chiapas. Pedro Díaz Montejo described the life and work of the people in the remote Lacandona region, and explained how the organic farming approach of his cooperative contributes to the beneficial use of the areas bordering the virgin forest, as well as to its protection and preservation. 'It absorbs carbon dioxide and supplies us with air to breathe,' Pedro adds. 'We also reforest pastures by planting native trees.'

**Visitors to the worldshop:
Pedro Díaz Montejo
and Josinta Kabugho
touring Austria.**

Photos: EZA/mawi





Photos: EZA/mawi

For Future! The worldshops and EZA standing up for fairness in trade and for our climate.

Pedro underlined the importance of Fair Trade, and prices that enable the small farmers to meet basic needs. If farmers can only sell their products on the world market at very low prices, which is often the case, they will give up their land, leave the region or shift their focus to, for instance, animal husbandry, which in turn means clearing wood to make pasture. The cooperative aims to offer a viable alternative by encouraging organic farming and approaches to resource-friendly agroforestry, as well as Fair Trade. For SPOSEL, the trading partnership with EZA means guaranteed minimum prices as defined by the Fair Trade system as well as premiums, and in addition, further bonuses for high quality beans, and a separate climate protection premium to be used for afforestation.

The Ugandan cooperative BOCU, situated at the foot of the Rwenzori Mountains, also advocates the careful use of natural resources, with organic farming as its basis. In addition, the cooperative encourages building wood-saving stoves. This is particularly helpful for women and children. 'In this way, we need less firewood, and it reduces the smoke in the houses, which is bad for our health,' explained Josinta Kabughho at the conference. She painted a vivid picture of the installation of the first 400 stoves in a participative process, assisted by a local Ugandan NGO with much expertise in this field and funded through EZA's climate protection premium. Josinta, just like her 'colleague' from Chiapas, pointed to the perceptible consequences of climate change. 'We must join forces and act,' she emphasised. 'Small farming families lead very vulnerable lives. And climate change is making their situation even worse.' Experts are therefore training the small farmers in adapting their farming practices to the conditions of a changing climate. 'This is aimed at both securing coffee yields and increasing the amount of food that people can harvest on their plots,' explained Josinta.

Markus Hafner-Auinger from Austrian Climate Alliance presented this remarkable communal climate protection network to the participants, and described the cornerstones of its work. The Climate Alliance has, since 1990, championed a reduction of greenhouse gas emissions and the preservation of the Amazon rain forest, as Earth's lungs and the home of indigenous peoples, as well as a reserve of a unique biodiversity. The activities of the Climate Alliance extend across 26 European countries.

Numerous towns and enterprises – including EZA –, as well as schools, kindergartens and the Austrian provincial administrations, are part of the network and have thus agreed to take measures at the local level to protect the climate. Pursuing a climate-friendly lifestyle here has effects beyond the reduction of greenhouse gas emissions in Europa: it also reduces the pressure on the rain forests and their inhabitants. In this context, Markus also pointed to the long-standing partnerships with the Federation of Indigenous Organizations of the Rio Negro in Brazil, and with the Chocó region in Columbia. ‘EZA’s Fair Trade products are a further example of how our motto – thinking globally and acting locally – can be realised. And Coffee for Future is a new chapter continuing this story,’ concluded Markus.

Reducing greenhouse gases and protecting the rainforest: this is what the Climate Alliance has been championing for 30 years.

Raphael Bednarsky presented the tenets and demands of the Climate Referendum initiative, in which he is actively involved, alongside his study of bioinformatics. ‘I’ve realised for quite some time that global overheating is the greatest problem of our generations, since it affects the basis of life of so many people at the same time,’ Raphael said. ‘As I see it, in a democracy, one of the best ways to change things is to use the means offered by civil society to address political actors and to demonstrate that at least a large portion of society is willing to change our destructive way of life. I’ve therefore decided to take part in the Climate Referendum initiative.’ According to Ralph, one of the strengths of the movement is that it embraces numerous initiatives advocating climate-friendly approaches, such as Fridays for Future, System Change Not Climate Change or the Climate Referendum initiative, all aiming to convince as many people as possible of the need for a courageous climate policy.

After the conference, Josinta Kabugho and Pedro Díaz Montejo, accompanied by EZA staff, embarked on a 10-day lecture tour of Austria. On 15 occasions – at schools, public events, talks with journalists, meetings with local community representatives, farms and world shops – they presented the work of their organisations, their achievements and future challenges, to a wider public. The close cooperation with the local worldshops has once more proved its worth.

For instance, the ‘open classroom’ organised in the public space in Baden (Lower Austria) in cooperation with the local worldshop, linked up with the Fridays for Future and the Parents for Future movements. During the meeting of representatives of the Biosphere Reserve Lungau, Salzburg, with organic farmer Pedro Díaz Montejo, who lives next to a Biosphere Reserve in Mexico, it was decided to develop a special Biosphere coffee brand, as a symbol of global connections in joint endeavours to preserve biodiverse natural environments.

Photos: EZA/mawi/SPOSEL

Arabica beans from Uganda and Mexico: the basis of our Coffee for Future.

Josinta Kabugho and Pedro Díaz Montejo providing first-hand insights.



EZA's Fair Sailed Coffee: organic farming, fair trade relationships, climate-friendly transport, local roasting.

EZA's first coffee arriving by sail cargo ship

The organic arabica coffee beans from the SPOSEL cooperative, which are part of our Coffee for Future, are the protagonists of yet another story: a small quantity of these were among the goods crossing the Atlantic by sail cargo ship for the first time, to be used for our special, limited-edition Fair Sailed Coffee brand. The AVONTUUR, the only German sail cargo ship, travelled 15 500 nautical miles in a period of nine months – almost exclusively driven by sail power. EZA, in conjunction with other actors, thus underlines the importance of ecological approaches to sea transport. At present, approximately 90 % of worldwide trade takes place by maritime transport. The large container ships are powered by heavy fuel oil and contaminate the environment. It's true that this problem cannot be solved by a few committed activists alone. However, they can raise awareness of the need for promoting climate-friendly alternatives in the international transport of goods. First and foremost, this requires a set of measures that enable an improvement of the ecological as well as the social conditions for the international transport of goods – and that calls for political solutions. EZA's Fair Sailed Coffee was drum-roasted by an experienced local small roaster near Salzburg. A slow roasting process allows the aroma of the coffee beans to develop in the best way.

EZA as part of the energy transition

Protecting the climate requires concrete steps – such as installing a photovoltaic system on the roof of EZA's headquarters, which was put into operation in autumn 2019. This has been achieved by joining forces with the AEE renewable energy cooperative, which implemented the project, and with 26 citizens participating as share certificate holders. 'It's just great to be able to build the first jointly realised sun-powered energy generation system on a commercial building in Salzburg,' said Angela Lindner, head of the cooperative – with EZA as its new shareholding member. With the 28.8 kWp solar system, EZA can produce around 25 % of the electricity it uses annually, thus saving approximately 17 tons of CO₂. This roughly corresponds to the amount of CO₂ absorbed by 450 trees. The rest of the energy comes – as before – from ecological sources. EZA's ultra-low energy building approach saves an additional 90 tons of CO₂ per year – to the benefit of the environment and ourselves.



Photos: EZA/mawi, Verena Brünning

Markus Hafner-Auinger from the Austrian Climate Alliance and Pedro Díaz Montejo welcoming EZA's first Fair Sailed Coffee.

Cocoa farmer Marisol Villar from the COOPRO-AGRO cooperative in the Dominican Republic.

On the photos designed by d.signwerk, she represents the numerous farmers whose cocoa is used for EZA's chocolate brands.



Fair to me – fair to all

As a Fair Trade brand, EZA must hold its own in a situation of growing competition. Due to our history as a founder and pioneer organisation of Fair Trade, we can look back on many years of cooperation with our partner organisations, as we aspire to pursue our goal to offer good products and follow consistent practices in line with the principles of Fair Trade as a strong argument on the market – and to ensure constant further development based on exchange with others. This also includes reflections on how we present ourselves to the public. During the reporting period, we cooperated with the d.signwerk agency to review our corporate visibility. EZA's fairness manifesto Fair ist mehr is a tangible expression of what we are and what is important to us. We discussed and implemented new design ideas, and our slogan 'naturally fair' has developed into 'Fair to me – fair to all'. Its message is that not living at the expense of others is ultimately to the benefit of all.

That's what makes a difference: for us, Fair Trade is not the exception, it's the rule.

And suddenly, there was (not just) a virus ...

In March 2020, the second half of our business year was suddenly interrupted by the outbreak of the coronavirus pandemic. One thing has once again proved its worth during those extremely challenging weeks: particularly in difficult times, the strength of good trading partnerships and relationships – throughout the supply chain – is an invaluable asset. Our contact with our partners in the Global South did not decrease; instead, it intensified. We got first-hand information on the challenges that the pandemic means for our partners – for production, transport, and in everyday life, which is incredibly difficult to tackle when financial support from the government is unavailable or grossly insufficient, when public transport suddenly breaks down, markets are closed and living conditions are cramped, when it is not at all easy to get hygiene articles and masks or sufficient food, when the health system is weak and the appropriate care and treatment of patients cannot be guaranteed.

In several countries, this was accompanied by heavy storms and floods, which further exacerbated an already strained situation: the pandemic, in spite of lockdowns, has not called a halt to the climate crisis.



Photos: Chako/Tara

Coping with the pandemic work has been resumed at Chaco on Zanzibar.

In India, Tara supports people in Delhi's slums by providing information, issuing masks and distributing food.

At the same time, the first few months of the pandemic have also shown how important it is to our partner organisations to protect and support their staff: whenever possible, they used any financial reserves they had and made immense efforts to compensate for wage losses. They bought masks and informed their members on precautions to take. What's more, many of them also showed solidarity towards people in need outside their organisations, and supported them to the greatest possible extent.

It has also become apparent that people living in urban areas without access to a plot of land, where they can grow staple food, are under great pressure. And we were always happy about messages from partners who wrote, 'We're not yet affected – we live in remote villages and the virus hasn't arrived yet; we're growing our own food on our land.'

To respond to the crisis, the Worldshop Association established a support fund especially for severely affected trading partners with a high proportion of women among their members. EZA also contributed to the fund, which was promoted with great commitment throughout the entire worldshop movement. The first support funding has already been paid out during the reporting period, to EZA's partner organisations in India, Zanzibar, Sri Lanka and Bolivia.

There's one message that has been repeated in many emails: in order to continue, Fair Trade is more important than ever. Getting short-term help in an emergency is great, but it's the orders you place that secure our economic basis sustainably, in the medium and long term, so that life can go on.

For further information on our partners, please visit www.eza.cc/partnerinnen-corona

02

PARTNER COOPERATION

The basis for cooperation with our trading partners is EZA's partner policy paper. It is oriented towards the 10 Principles of the World Fair Trade Organization (WFTO; www.wfto.com) and lays down what we expect of our partner organisations, and what our partners can expect of EZA, in the context of a fair trading partnership. In the case of FAIRTRADE-certified products, the FAIRTRADE standards are an additional basis for our cooperation. In order to enable transparency, EZA's online shop includes a link to the people behind the products, where information on the partner organisations is presented for each product.

We reveal who our trading partners are, and how we cooperate with them.

At present, EZA's products come from 136 active trading partners in Latin America, Africa, Asia and the Middle East. We maintain direct trade relations with 84 of them, i.e. with EZA as the importer of their products. However, in the case of certain products, EZA cooperates with other Fair Trade organisations to enhance efficiency and enable a division of tasks: these organisations then import products on behalf of EZA or coordinate the further processing of foodstuffs. This applies to 52 partners in all, with whom we have indirect trading partnerships.

77 out of a total of the 136 partners work in the food sector. 62 of them carry FAIRTRADE certification, and 2 food partners have Fair for Life certification. The rest of our food partners have been integrated into other Fair Trade systems. With the exception of the footballs, no FAIRTRADE standards for handicraft have so far been adopted by Fairtrade International. For this reason, membership of the World Fair Trade Organization is particularly relevant. Its members commit themselves to following the 10 WFTO Principles in their work, and they document this in the context of a self-assessment procedure, followed by an external audit. 45 partner organisations of EZA, as well as EZA itself, are part of this system.

At the COPAVIC cooperative in Guatemala, new products are created from waste glass, with extraordinary skill.

Photos: EZA/U. Sladek/mawi





Fair Trade builds bridges:
coffee farmers from
UNICAFEM in Peru meeting
Birgit Calix and **Andrea**
Schlehuber from **EZA**.

Nancy Julca Puelles
harvesting coffee on her plot.

Nine organisations are not integrated in any of the above systems. However, they sell their products to various pioneer European Fairtrade organisations – among them, EZA – which closely cooperate in the EFTA European Fair Trade Association and are committed to carrying out, or funding, assessments of these partner organisations. The monitoring system is likewise oriented towards the 10 WFTO Principles. This also applies to the 16 partner organisations of EZA that have not been integrated into the Fairtrade or WFTO system, and do not deliver goods to EFTA members other than EZA. Here, only EZA is responsible for assessment and monitoring.

Initiation of new, and termination of existing, trade relations

EZA's partners' committee decides whether or not trade relations with an organisation should be initiated or ended. We stopped cooperating with two trading partners as the sales figures for their products had become too low. In the reporting period, trade relations were started with the following new partners: Hylea 1884 (organic Brazil nuts from Bolivia), Safe Herbs & Spices (organic sesame from Egypt), Sidama (organic coffee from Ethiopia), and FMI-Friends of Mothers Initiative (organic coffee from Uganda).

Journeys to our partner organisations

In the reporting year – before the outbreak of the coronavirus pandemic – EZA staff visited 23 partner organisations in 5 countries. Direct exchange on the spot is a good opportunity for gathering information on the partners' way of working, seeing – or jointly developing – new products, and informing our partners about EZA's current situation.

Visits to coffee partners

In the foodstuffs sector, as every year, a journey to coffee producers in Mexico and Guatemala was on the agenda. Among other topics, we talked about recent developments in the cooperatives, looked back on the latest harvest and attempted a prognosis for the upcoming season, and discussed the amounts of green coffee EZA plans to buy from the cooperatives, the price situation on the world market, and the development of our coffee on the Austrian market.

In Mexico, our food purchaser Franz Denk met with representatives of the cooperatives Flor del Cafetal, ISMAM, UCOAAC, Sierra Azul Café Gourmet, Yaxcoffee, CIRSA, UCIRI, Tiemelonlá and SPOSEL, as well as staff of Certimex, the Mexican organic certification organisation. In Guatemala, he saw representatives of EZA's long-standing partner organisations Guaya'b and CIASFA. The past year was very dry during the coffee flowering season, which affected the plants and resulted in a smaller harvest, as the coffee farmers at CIASFA explained. In addition, the climate change continues to be the key challenge, and its consequences felt throughout the farming sector. With financial support by EZA, i.e. a four-year loan that is paid back by means of regular green coffee shipments, CIASFA is currently investing in building roofed coffee-drying stations, in the treatment of pulp, a by-product obtained during the hulling process, and wants to establish a lab in which parasites are bred for natural pest control in coffee farming. 'During our partnership of many years, this has been the fourth loan programme in which EZA has been involved,' says Franz, who has known CIASFA for 30 years. 'Cooperating with CIASFA has always been a pleasure. And I'm sure that young people will continue to grow coffee there – as long as they can rely on adequate payment for their work.'

EZA empowers small producers in the supply chain.

The same applies to the coffee farmers in Uganda, where EZA cooperates with the BOCU Bukozo Organic Farmers Cooperative (Coffee for Future) and the UOCG United Organic Coffee Growers (Jambo coffee). Franz met representatives of these two organisations and established contact with a further group: the Friends of Mothers Initiative of 35 women, whose arabica beans will, in future, also be part of our Jambo coffee. 'I'm glad that United Organic and Bukonzo Organic will cooperate closely in future. The two organisations have started to visit each other for an exchange,' Franz remembers. For instance, United Organic used almost the entire FAIRTRADE premium of the past year to build wood-saving stoves – obviously inspired by the positive experience the Bukonzo Organic Coffee Growers have had with them (see also Chapter 1). They are also testing microwashing stations – similar to those of Bukonzo – for direct coffee processing after the harvest. 'Specially trained members of the cooperative take over the coffee cherries from the individual farmers at the local level, and thus ensure homogeneous quality levels at the decentralised units,' Franz explains.

The reporting period also saw a trip to the origin of coffee undertaken by Birgit Calix and Andrea Schlehuber, EZA's General Manager until December 2019. Their participation in the international conference of the World Fair Trade Organization WFTO in Peru provided them with a welcome opportunity for visiting EZA's trading partners in person.

Photos: EZA/bc

Farmer Maria Eufenia Maldonado Ocana from the UNICAFEM women's initiative in Peru, drying coffee beans in roofed structures that protect the harvest from rain.



Direct contact helps intensify trading partnerships.

They also saw members of the UNICAFEC coffee farmers' association and their women's initiative UNICAFEM, whose arabica beans are part of our Adelante coffee. Their stay on the spot also was a perfect occasion for an intensified personal exchange with the women from UNICAFEM and the team of the cooperative.

From the UNICAFEC headquarters in San Ignacio in northern Peru, which also houses the storage area, drying stations and processing plants, as well as a coffee lab and a small cafeteria, they travelled on to remote plots cultivated by women from the UNICAFEM initiative. In numerous talks, it became apparent how important it is for them to market their coffee in a way that enables them to benefit from their work themselves. They earn additional premiums, which raises their income; a rotating fund was established which helps them to be granted small loans. And it is obvious that the women do appreciate being part of a larger organisation. It enables access to technical consultancy and training, for instance, in organic farming, or assuring the high quality of coffee beans, and they are supported when it comes to further processing and marketing their harvest under fair conditions. 'At UNICAFEC, you find both ample experience, and well-trained, highly-motivated young people,' Birgit resumes. 'What has particularly impressed me is that the women's work is highly esteemed by the men.'

Visits to fair fashion and handicraft partners in Peru and Bolivia

The intensive visiting programme of our colleague Birgit Calix also included meetings with our fair fashion and handicraft partners: CIAP in Peru, as well as ASARBOLSEM, COPROCA and Qhana in Bolivia. In addition to workshops on the 10 Fair Trade Principles laid down by the World Fair Trade Organization, they discussed current developments in the individual organisations and their expectations of EZA, coordinated the production of our alpaca knitwear, and prepared comprehensive audits of a number of trading partners.

Improvements are planned particularly with regard to hand-knitted products. For, in spite of Fair Trade, the hand-knitters' income is considerably lower in terms of fee per working hour than of those producing knitwear with simple mechanical knitting machines. After discussing this point with our partner organisation Qhana, it was decided to buy 11 knitting machines, and additional members are now being trained in their use.



Photos: EZA/bc

At the Qhana association in Bolivia, knitters are trained in the use of new mechanical knitting machines.

Eva Seiwald from EZA, photographed with Sindhu Astage, is fascinated by the special atmosphere at Creative Handicrafts, our fair fashion partner organisation in Mumbai, India.

Photos: EZA/Creative Handicrafts



Qhana and EZA have been trading partners for almost 20 years. 'I've followed their progress every step of the way since then, and it's impressive to see what Qhana's members have achieved, in spite of numerous setbacks and problems,' Birgit says. 'The people at Qhana have opened up to Fair Trade, and they implement its principles in a unique way: they have become an integral part of their organisation.' However, there are new challenges to overcome. Qhana's main concern here is to tap into new markets in order to secure knitwear orders for the workers during the entire year, paralleled by developing their own designs and collections.

Meeting fair fashion partners in India

Eva Seiwald, who is in charge of fair fashion design and production, travelled to our partners in India, who tailor clothing made of organic-certified FAIRTRADE cotton. As a new member of the team, Eva wanted to get to know our partners in person and discuss the new models of our Anukoo collection with them. She met our confection partners Rajlakshmi in Noida, south-east of Delhi, where cotton knitwear is produced, and our confection partner Kishor in Agra. In Mumbai, she visited EZA's partner organisation Creative Handicrafts.

'The entire stay was an incredibly intensive time for me. In addition to our direct exchange on the prototypes for the upcoming collections, delivery schedules and ways of improving the packaging in which our clothes are shipped, I also gained insight into recent developments at the individual work units,' Eva remembers. For instance, Kishor proactively embraces issues such as a zero waste approach, a waste-reduction programme for reusing leftovers from fabric cutting, or the 'upmade' initiative of producing new products from second-hand clothes. Rajlakshmi is currently building an additional production unit in Noida. Eva talked with General Manager Rajat Jaipuria at the construction site, where good progress had already been made. The new building will be a 'green factory', primarily using renewable energy, and equipped with a water treatment system, air filters and air conditioning – and one of the most advanced fire extinguishing systems available. It will also include an infirmary, a canteen and a childcare centre – for the benefit of both the staff and the environment.

Our fair fashion partners in India are committed to good working conditions and environmentally friendly production.

From Delhi, Eva travelled on to the metropolis of Mumbai, to the headquarters of our longstanding partner organisation Creative Handicrafts, where women from the poor neighbourhoods are trained to become seamstresses and are organised in small cooperatives. 'The approach applied by Creative Handicrafts, and the atmosphere among the women in the workshops, were truly impressive,' Eva remembers.



Photos: EZA/K. Haack/Vink

Joshna Gouda, seamstress with Creative Handicrafts.

Clothes for the ANUKOO collection are tailored in the shared workshop space.

‘In many rooms, the 10 Fair Trade Principles of the World Fair Trade Organization hang on the wall in a prominent place. It’s not just for decoration. You feel that the organisation as a whole attaches importance to them. I got to know our direct contact, Kimberly Miranda Crasto, who visited Austria in 2017. We discussed the new fashion design; and Reggie Varkey, who coordinates the production processes, provided invaluable explanations and feedback on the pricing system at Creative Handicrafts, and what we should pay attention to when planning our collection in order to facilitate its realisation by the seamstresses.’ Creative Handicrafts also uses renewable energy sources. Financial support from a third party permitted the installation of a photovoltaic system on the building, which generates almost all the electricity needed.

Partner organisations visiting EZA

Visits to Austria are an opportunity for EZA’s partners to get to know their Fair Trade counterparts, obtain direct feedback on their products and their work, communicate first-hand information about their situation, and voice their expectations of Fair Trade (see also Chapter 1).

Representatives of the following partner organisations came to Austria:

Yasmin Alawiye (Kalangu Handicrafts/Ghana), Panchu Panchaksharam Kuppusamy (SIPA/India), Pedro Díaz Montejo (SPOSEL/Mexico), Josinta Kabugho (BOCU/Uganda), Hadas Lahav (Sindyanna of Galilee/Israel), Tekle Tadesse (Oromia Union/Ethiopia) and Indro Dasgupta (CRC/India).

Promoting and advancing Fair Trade

EZA is a founding member of the European Fair Trade Association (EFTA), as well as a founding member of the World Fair Trade Association (WFTO), and has since then played an active role in the further development of their European and international networks.

During the reporting period, EZA staff members took part in several meetings and working groups of the EFTA European Fair Trade Association, a cooperation platform of Fair Trade pioneers. At the level of various areas of responsibility (general managers, food and handicraft managers, partner relationship experts), efforts are being made to pool the extensive experience gathered by the pioneer organisations, and use it for the greatest possible benefit of producers and consumers.

EZA is in charge of coordinating the EFTA Fair Trade Assessment Group (the former EFTA Monitoring Group). Its focus is, for instance, on those Fair Trade partner organisations who neither carry FAIRTRADE certification nor are Guaranteed WFTO Members, and are therefore assessed and assisted by EFTA members. At two meetings at the European level, the local living wage approach to ensure minimum incomes sufficient to meet basic needs was developed further. In addition, the improvement of the digital database for information exchange was begun, and there is a general consensus that a focus needs to be on linking climate protection and Fair Trade. For instance, an exchange with partner organisations will be started to survey and document the specific effects of the climate crisis on the one hand, while on the other, we need to document the approaches that our trading partners are pursuing to meet this enormous challenge, and the role that Fair Trade plays in this context.

EZA plays an active role in international and European Fair Trade networks.

In the context of our WFTO membership, the reporting period saw a monitoring audit of EZA. Based on our statements about our Fair Trade practices made in the self-evaluation report, the auditor critically appraises what we have reported from the point of view of a third party. EZA's mode of operation was reviewed against the background of the 10 WFTO Principles. It feels good to read in the report that we are operating at a very high level and pursuing ambitious goals for the future; and auditor Olaf Paulsen recommended that we should harmonise these goals with the available resources.

September 2019 saw the 15th International Fair Trade Summit held at the WFTO level in Lima, Peru. Around 300 participants from the Fair Trade community, representatives of producers' organisations and import organisations, including EZA, attended the conference. The points on the agenda included the living wages approach and fair payment, the improvement of market access and product development, as well as an exchange of experience regarding the WFTO auditing system. At the WFTO General Assembly, Roopa Metha, head of the Sasha Association for Craft Producers in India for many years, was elected as the new President. She succeeds Rudi Dalvai, who had been in this position for many years, with extraordinary commitment to our cause. The WFTO members present also decided to revise and update Principle 10 of the WFTO, 'Respect for the Environment': it has been renamed 'Climate Crisis and Protecting Our Planet'.

Roopa Metha from India, the new President of the WFTO World Fair Trade Organization. She has been active in the Fair Trade Movement for over 40 years.

Photos: EZA/tp



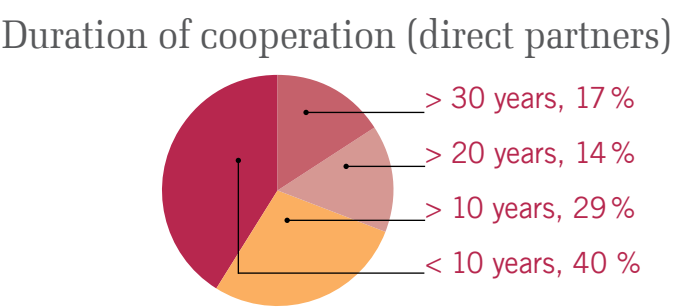
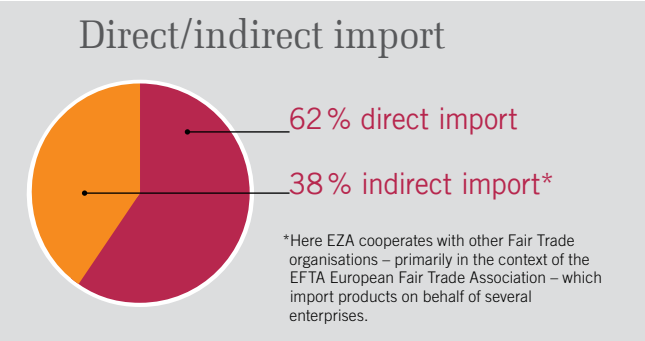
The partner organisations behind EZA's products

136 Partner Organisations

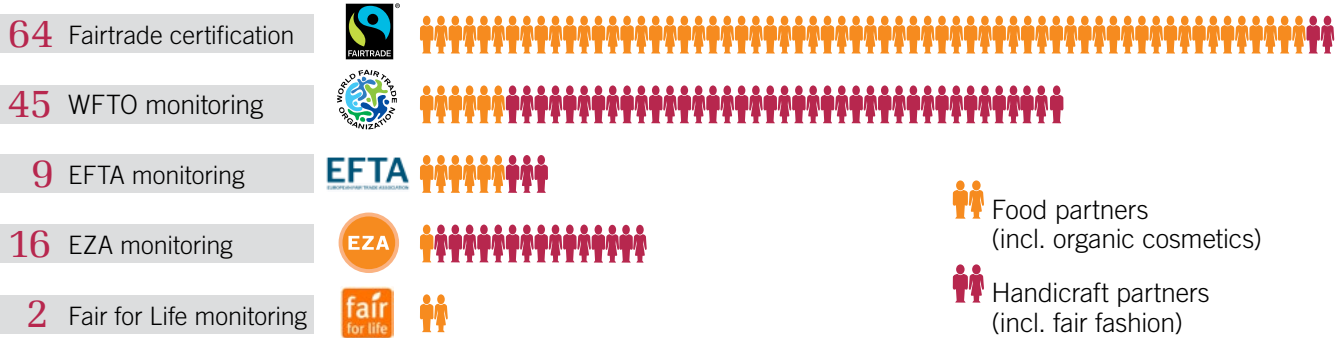


77 Food Partners
62 of them carry organic certification

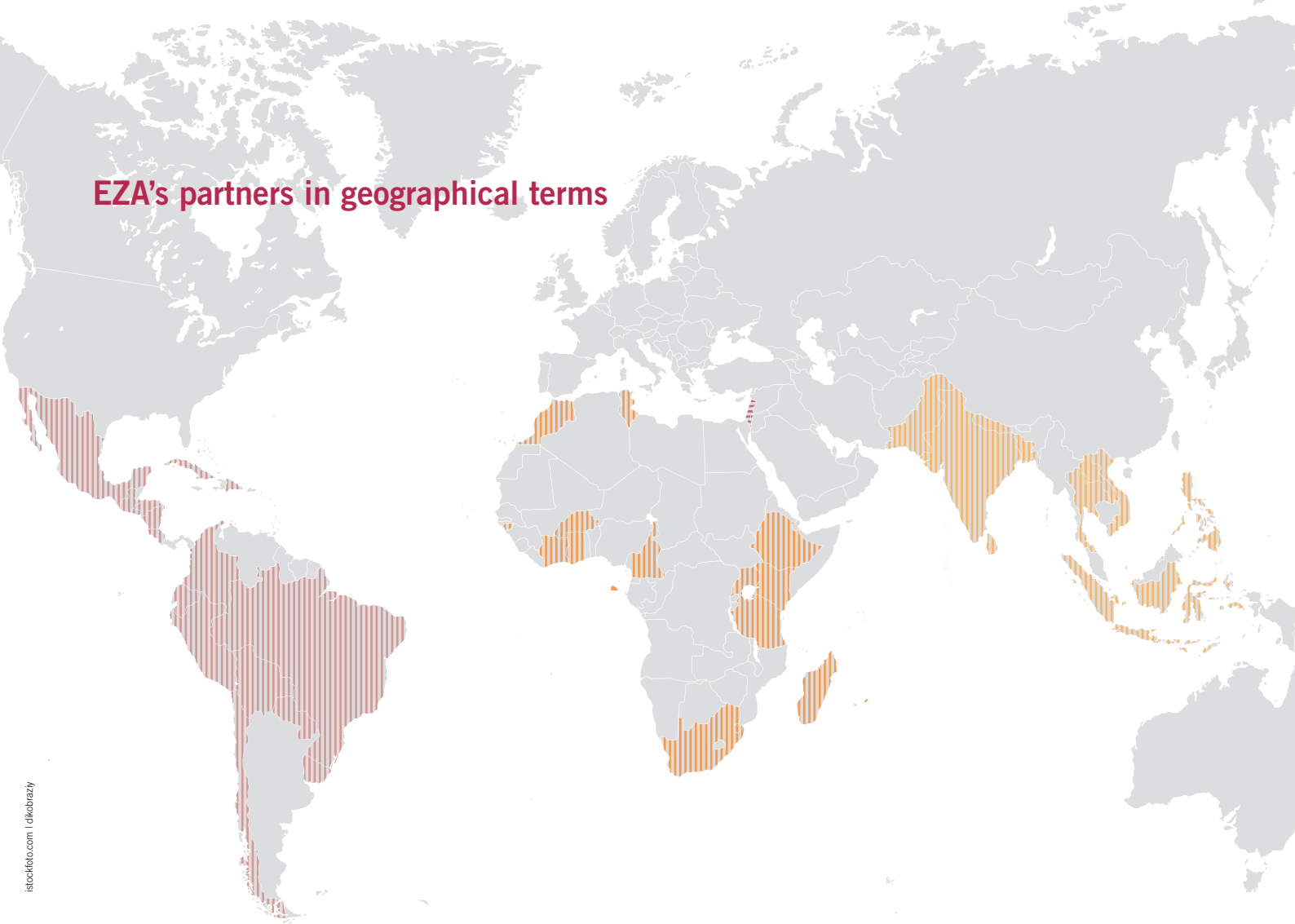
59 Handicraft Partners



Certification/monitoring of EZA's partner organisations



EZA's partners in geographical terms

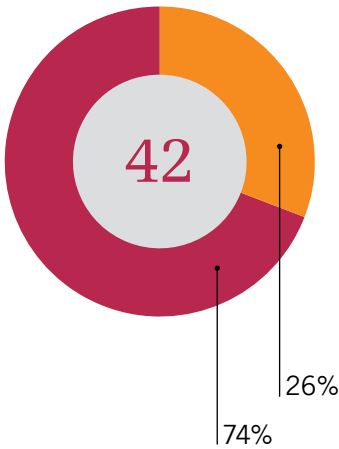
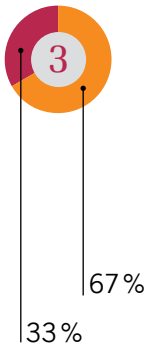
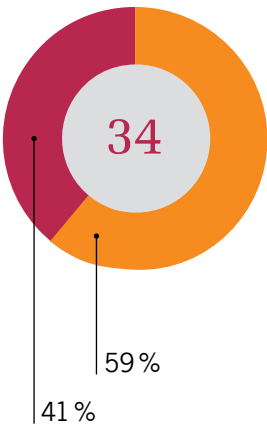
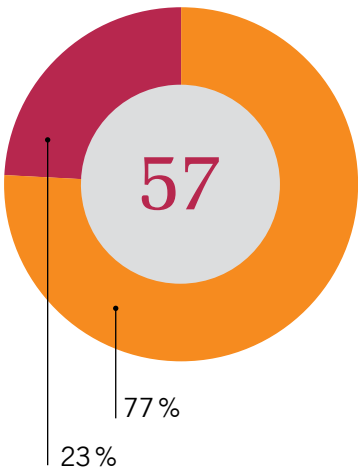


Latin America

Africa

Middle East

Asia



Food partners

Handicraft partners

03

OUR CUSTOMERS

Worldshops

The Austrian worldshops account for a turnover of approximately EUR 4.48 million, or 26 % of EZA's total sales revenue, and have thus been our second-largest customer group. Compared to the prior year, the sales volume has decreased by 1.1 %.

Whereas by the end of February 2020, considerable increases were still being recorded for all product groups except 'other foodstuffs' and organic cosmetics, after the outbreak of the pandemic and the subsequent lockdown, a decline in sales could not be prevented. However, in view of the difficult general conditions, it has been rather moderate.

A positive development has been apparent in the product groups 'fair and hand-made', with a 2 % increase, and coffee (+2.7 %). This is due not only to the successful launch of Coffee for Future, and EZA's involvement in the first coffee transport by sail cargo ship (see also Chapter 1) – it also reflects extraordinary commitment on the part of the worldshops, as well as the great loyalty of their regular customers.

During the challenging months since the outbreak of the pandemic, the cooperation between EZA and the Worldshop Association has been intensified further, to our mutual benefit. It includes the joint development of marketing ideas for online trade, and close collaboration in order to support EZA's partner organisations, particularly in the handicraft sector, which have been severely affected by the pandemic (see also Chapter 2).



Photo: EZA/K. Haeckl

The widest range of EZA products are available at the worldshops and our online shop.

Just relaxing:
delicious blends
based on South African
rooibos tea..

Elegant Craft Link ceramics
produced at a workshop in Bat
Trang, Vietnam.



Photos: EZA/J. Sladek/Craft Link



Our cooperation regarding the display of products, as well as shop design, resulted in the production of an interactive digital training tool for worldshops. EZA also contributed funds for sales training schemes for worldshop staff.

Grocery retailers

Sales in this group amount to EUR 6.4 million, which represents 38 % of EZA's total turnover. Grocery retailers are thus our largest group of customers. The 3.8 % rise compared to the prior year results from coffee and chocolate sales. Especially after the onset of the pandemic, the number of grocery customers buying EZA coffee saw a significant increase.

Resellers

This group of customers comprises various specialised retailers such as organic food shops, distributors, several fashion boutiques, a number of Fair Trade Shops, as well as customers from the catering sector. Whereas decreases were recorded for the latter due to the coronavirus, we saw a growth in turnover for many resellers. This resulted in a 3 % increase compared to the prior year, totalling EUR 1.56 million, primarily due to coffee and fair fashion sales.

EZA-owned worldshops

EZA's own worldshops recorded a total sales decrease of 7.8 %, which reflects the fact that they had to close for several weeks due to the coronavirus. The decrease was smallest at the worldshop in Salzburg: 0.84 %, which is only slightly below the sales figures of the prior year, and increases were registered for coffee and fair fashion.

The total turnover of the three shops amounts to EUR 1.1 million, thus accounting for 7 % of EZA's overall sales. Here, one has to bear in mind that this sum – as in the case of final consumers – comprises both retail and wholesale turnover, whereas the sales figures for the other distribution channels represent only wholesale figures.

Institutions

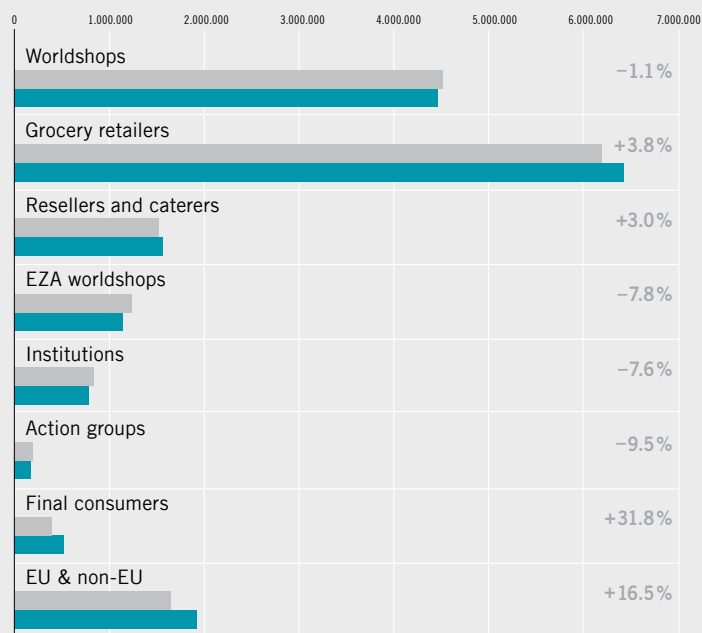
This group of customers includes private organisations and public agencies, such as educational institutions, hospitals and offices, as well as individual institutional customers placing large orders. Since many offices have switched to work-from-home schemes as of mid-March 2020, coffee sales to offices have seen a considerable decline. This has been paralleled by increases in sales of fashion accessories and handicraft, which have, however, not balanced out the losses in the coffee sector. In sum, a sales decrease of 7.6 %, almost amounting to EUR 790 000, has been recorded in this group of customers, which accounts for 5 % of overall turnover.

Action groups

In the beginning, action group volunteers represented a cornerstone of Fair Trade, and their sale of our products in the context of 'bazaars' helped spread the idea of Fair Trade in Austrian society. Due to the wider availability of Fair Trade products, the number of active groups has seen a marked decline in recent years. Many of them have meanwhile opened their own worldshops, and others cooperate with local worldshops or are now active in fair-community projects.

The activities of this group of customers also had to be reduced massively due to the lockdown, particularly in eastern Austria. This has resulted in a sales decline of 9.5 %, down to approx. EUR 160 000.

Sales by distribution channel



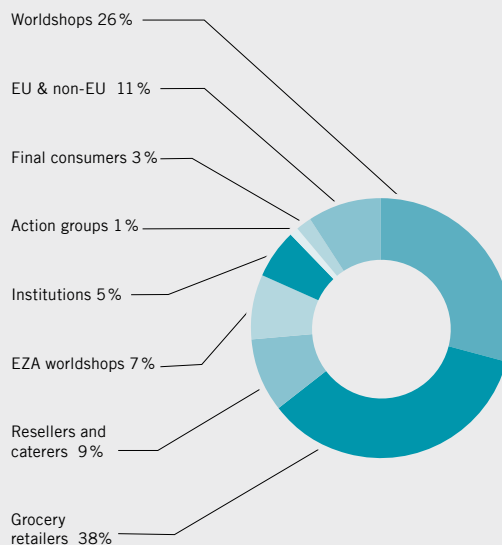
TOTAL SALES

2018/2019 € 16 101 326

2019/2020 € 16 540 272

■ 2018/2019 ■ 2019/2020

EZA's turnover is accounted for by sales of products to the following groups of customers:



Final consumers

Final consumers refers to those who buy EZA goods either in the shop room at our Köstendorf headquarters, or in our online shop. Whereas direct sales have seen a decrease due to the pandemic, particularly as of spring 2020, our online sales have developed very favourably. We intensified our digital communication with customers, and specifically promoted the option of online shopping. In this context, a cooperation with the worldshops has also shown positive results: during the lockdown, they introduced our online shop to their regular customers, and got a share of the sales margin when these customers bought goods online. The public debate about strengthening local trade instead of multinational online marketplaces has also had positive effects. Our efforts resulted in an increase of almost 32 % in this area. The corresponding turnover of EUR 525 000 represents 3 % of total sales figures.

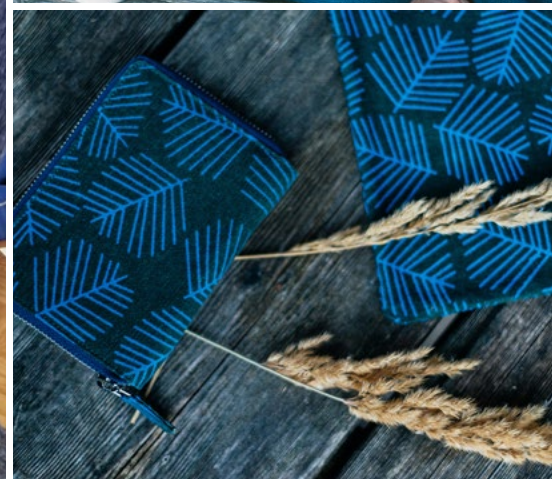
European Union and Switzerland

European Fair Trade organisations in Germany, Belgium, France, Spain and Switzerland, as well as worldshops in Germany and South Tyrol, and Fair Trade partners in Slovenia, the Czech Republic, Slovakia, Poland, Finland and Latvia also buy products from EZA: mostly fair fashion, fashion accessories, handicraft and organic cosmetics. Sales of green coffee also saw a considerable increase. Turnover in this customer group rose by +16.5 %, to EUR 1.9 million, and accounts for 11 % of total turnover.

Photos: EZA/vmk-Hack/U. Stadel

Guadalupe Mamani and
Antonia Rodríguez from
the Bolivian knitting
organisation ASARBOL-
SEM discussing new
products.

They create soft woolly
alpaca knitwear for our
ANUKOO collection.



04

OUR PRODUCTS

All our coffee brands are organic and produced under Fair Trade conditions.

Coffee

Coffee, accounting for 43 % of EZA's total turnover (or EUR 7.3 million), continues to be our most important product. Coffee is sold to virtually all customer groups. The largest proportion is accounted for by grocery retailers (EUR 4.1 million), followed by the Austrian worldshops (EUR 1.3 million).

Compared to the prior year, total coffee turnover has increased by 5.6 %. Launching our Coffee for Future in autumn 2019 has significantly contributed to this result (see also Chapter 1). Increases have also been recorded for Adelante – arabica coffee from women's cooperatives in Honduras and Peru – as well as Jambo coffee from Uganda. The first EZA coffee arriving by sail cargo ship has met with much positive interest, even though it does not yet play a large role in terms of quantities. Regarding green coffee, in addition to shipments to two European Fair Trade partners, we have increased our sales in particular to Austrian small-scale roasters interested in Fair Trade organic beans of high quality. In total, 663.5 tons of coffee were sold in the past business year: 595 tons of roasted coffee, 65 tons of green coffee, and 3.5 tons of instant coffee.

Chocolate

Chocolate is our second-most important product in the food category, accounting for a proportion of 14 % of total turnover. Our chocolate sales have seen a 4.1 % increase, which is mainly due to purchases by grocery retailers. We developed two new product lines: cream-filled chocolates and the Choc bar brand. However, due to the pandemic, their launch in grocery shops planned for spring 2020 had to be postponed, and will not yield results before the new business year.

The new organic Fair Trade Sonrisa chocolate line introduced in the prior year has, during the reporting period, become well-established on the market. The popular Belgian truffles have been complemented by biofair noisette seashells.



Photos: EZA/Th. Angerer/U. Sladdek

Our top-quality coffee is made from carefully processed Fair Trade organic arabica beans produced by small farmers.

All chocolates offered by EZA have FAIRTRADE-certified ingredients, which can be traced back to the cooperatives where they come from. Our producers take care to keep these ingredients separate from cocoa and cane sugar from non-Fair sources. In this way we ensure that our chocolates contain nothing but the high-quality ingredients produced by our partners.

Other foodstuffs

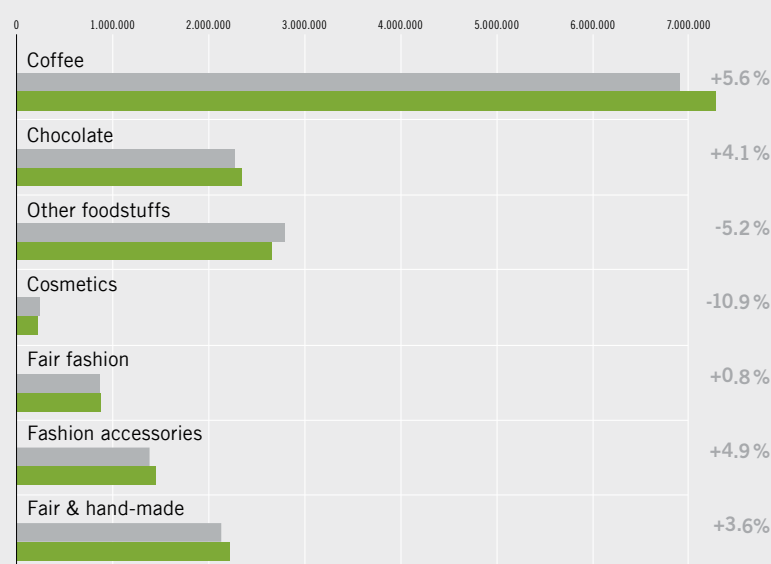
'Other foodstuffs' represent EUR 2.6 million of turnover and thus account for 16 % of sales. Our largest customer groups in this area are grocery retailers (just over EUR 1 million) and the Austrian worldshops (EUR 0.8 million). This product group includes products such as tea, cocoa, sugar, nuts, dried fruit, bread spreads, honey, spices, oil, rice, quinoa and various drinks. During the reporting period, new rooibos and spice blends were developed. The two-digit increases regarding rice, lentils, coconut milk and olive oil reflect a very favourable trend. However, for the entire 'other foodstuffs' group, a decrease of 5.2 % as against the prior year has been recorded. This results from the further streamlining of our range of products, as well as the delisting of certain articles by grocery retailers due to insufficient sales.

90 % of our food sales are accounted for by Fair Trade products that also carry organic certification.

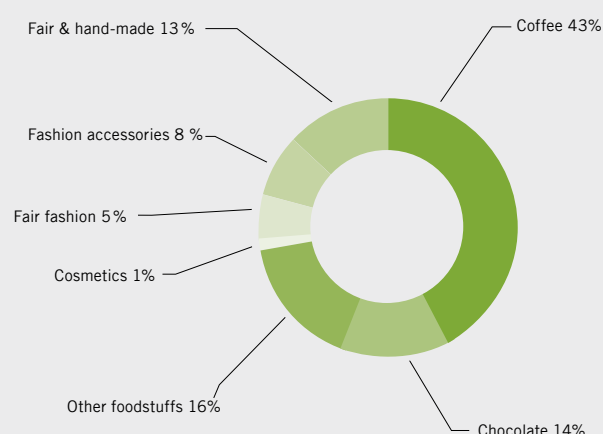
Cosmetics

BIOSFAIR represents high-quality face and body care products with Fair Trade ingredients from controlled organic sources. It is a vegan line that carries the Austrian ABG organic label, and is produced in Salzburg by Pieper Biokosmetik. Our BIOSFAIR cosmetics line is primarily offered at worldshops, as well as by grocery retailers and, to a smaller extent, through other channels. Its turnover of EUR 225 000 reflects a decrease of almost 11 %.

Sales by product category



EZA's turnover is accounted for by the following product groups:



TOTAL SALES

2018/2019 € 16 101 326

2019/2020 € 16 540 272

■ 2018/2019 ■ 2019/2020



Photos: EZAK Hackl

Attractive designs, expertly created by our partners

Transparent trade relations ensure that our products can be traced back to their origins.

Fair fashion

Fair fashion sales have remained stable, with a small increase of 0.8 %. Its total turnover amounts to EUR 874 000, and represents 5 % of overall sales. In addition to our Anukoo collections, comprising alpaca knitwear and certified organic Fair Trade cotton clothes processed in line with the G.O.T.S standard, we launched our own Soul Space brand of cotton clothing basics produced by our Indian partner Rajlakshmi. They meet the same high standards as our Anukoo cotton collection.

Due to the worldwide lockdown this spring, certain parts of our collection could not be shipped as scheduled from the countries of origin, which in turn shortened the selling season, and has subsequently led to decreases in turnover in our own worldshops. In the other customer groups, this had no direct effects on EZA's sales since the products were traded on an advance-order basis. The main fair fashion sales channels of the reporting season include worldshops in Austria and Germany, other boutiques and shops specialising in sustainable clothing in these two countries, EZA-owned worldshops, as well as our Swiss Fair Trade partner Claro. In order to improve our position in the boutiques sector, we presented our respective Anukoo spring and autumn collections in July 2019 and January 2020 at Europe's largest natural textiles fair, Innatex.

Fashion accessories

This product group comprises jewellery, bags and scarves. Its turnover of EUR 1.4 million accounts for 8 % of overall sales. EZA supplies products to worldshops in Austria, Germany and South Tyrol, as well as Fair Trade import organisations in several European countries, and individual institutional customers placing large orders. In the reporting period, the latter particularly often bought products from this group, which resulted in a noticeable 4.9 % sales increase.

Fair and hand-made

This product group comprises home decoration goods, kitchen and table textiles, toys and leisure articles, as well as musical instruments. Its customers are the same as those buying fashion accessories. A sales increase of 3.6 % has been achieved over the entire business year – which is remarkable in view of the difficult conditions as of spring 2020 due to the lockdown and the subsequent tight economic situation in the trade sector. The 'fair and hand-made' group accounts for 13 % of overall sales, or EUR 2.2 million.

We developed new designs in the groups of fashion accessories as well as handicraft, together with our partner organisations. In this way, our customers continue to be offered attractive Fair Trade products, and our partners can thus reckon with further orders by EZA in future years as well.

05

ANNUAL STATEMENT

Assets

Assets did not see any relevant changes. The investment of EUR 85 000 in a new server has been almost completely offset by the planned depreciation of our building. Inventories continue to be at the level of the prior year. The increase in other receivables reflects COVID-19 measures, particularly the subsidised short-time work scheme. The Public Employment Service did not pay out these subsidies before the start of the new business year 2020/21. Cash on hand and cash in banks rose by EUR 550 000. This results from a growth in turnover, as well as the continuation of cutbacks started in the prior year.

EZA's business year covers the period from 1 July 2019 to 30 June 2020.

Liabilities

EZA's share capital amounts to EUR 638 000. Cumulative net income has increased by the annual profit of EUR 352 395 to reach a total of EUR 1 245 213. The capital stock-to-assets ratio is 18.8%. The change in provisions is due to provisions for staff. Amounts due to banks declined as a result of the profit made, and loan repayments for EZA's storeroom and office buildings. The considerable increase in other liabilities represents the current situation as of the balance sheet day and is accounted for by goods in transit. In the case in point, they represent several containers with coffee on their way to EZA by 30 June 2020. Liabilities due to small lenders decreased slightly, to EUR 3 908 032.

There's only one
home for all of us:
our planet.



Photos: EZA/K Hackl

Annual statement by 30 June 2020

Figures refer to euros	18/19	19/20	Comparison
Intangible assets	10 982	10 698	-2.6%
Tangible assets	1 720 085	1 726 861	0.4%
Financial assets	1 099	1 099	0.0%
FIXED ASSETS	1 732 166	1 738 657	0.4%
Inventories	5 815 460	5 830 131	0.3%
Accounts receivable and other assets	1 153 238	1 235 040	7.1%
Cash on hand and cash in banks	523 477	1 107 592	111.6%
CURRENT ASSETS	7 492 175	8 172 762	9.1%
Deferred income	64 838	48 049	-25.9%
Deferred tax	81 596	83 842	2.8%
ASSETS	9 370 775	10 043 310	7.2%
Share capital	638 000	638 000	0.0%
Cumulative net income/loss	892 818	1 245 213	39.5%
CAPITAL STOCK	1 530 818	1 883 213	23.0%
ACCRUED LIABILITIES	1 076 461	1 083 182	0.6%
Due to banks	1 571 608	1 141 270	-27.4%
Due to small lenders	3 935 891	3 908 032	-0.7%
Other liabilities	1 255 997	2 027 614	61.4%
LIABILITIES	6 763 496	7 076 916	4.6%
Deferred income	0	0	0.0%
LIABILITIES	9 370 775	10 043 310	7.2%

Income statement

Figures refer to euros	18/19	19/20	Comparison
Sales revenues	16 101 326	16 540 272	2.7%
Other operating income	155 972	240 062	53.9%
Sales input	-10 041 715	-10 581 660	5.4%
INCOME	6 215 583	6 198 674	-0.3%
Personnel expenses	-3 280 528	-3 272 444	-0.2%
Expenses for premises	-203 575	-192 384	-5.5%
Selling expenses	-1 100 952	-1 116 425	1.4%
Administrative expenses	-936 069	-875 446	-6.5%
Depreciation	-243 893	-259 279	6.3%
Interest	-152 721	-108 271	-29.1%
Corporate income tax	-14 562	-24 275	66.7%
Deferred tax	7 842	2 246	-71.4%
EXPENSES	-5 924 458	-5 846 279	-1.3%
NET INCOME/LOSS	291 125	352 395	21.0%

THE 10 PRINCIPLES OF THE WFTO WORLD FAIR TRADE ORGANIZATION

As a Guaranteed WFTO Member, EZA bases its overall business policy on the following 10 principles.



Income statement

Even though sales rose by 2.7 % to reach EUR 16 540 272, gross yield fell by 0.3 %, down to EUR 6 198 674. This decline is primarily due to unfavourable dollar exchange rates. The increase in other operating income is accounted for by short-time work subsidies, and contributions to the part-time retirement scheme. These two items cannot be set off against personnel expenses.

In spite of a wage increase under the Collective Bargaining Agreement, personnel expenses have been slightly lower than in the prior year, as the cutback scheme started in the past year has been continued. Expenses for premises have seen a slight decline, as a few maintenance contracts (printers) have expired. The increase in selling expenses is due to the increase in turnover. Administrative expenses have decreased considerably. Here, a major factor is that product damage, for instance as a consequence of excessive stock, has been reduced considerably, and external consultancy expenses have also decreased. Depreciations have increased due to an investment in a new server. The profit of the prior year and good availability of liquid funds enabled a reduction of interest payments of almost one third.

In the business year 2019/20, EZA employed 70 staff (prior year: 71) at headquarters and in EZA's three shops. In terms of full-time employees, this corresponds to 56 FTEs (prior year: 55).



Fair für mich.
Fair für alle.

Let's build a new normal TOGETHER!

Based on transparency, solidarity, openness and fairness.
Caring about human beings and nature.

ANNUAL REPORT 2019/20

