



ANNUAL REPORT 2020/21



Fair für mich.
Fair für alle.



Photo: Private photo

Dear Readers,

This annual report provides an overview of EZA's focal activities and operational development in the past business year 2020/21.

Even though we have faced a difficult situation – with the pandemic continuing to present a major challenge, we are happy to have nevertheless achieved a positive result, and have been able to implement a number of important projects.

Since 1 July 2021, we have been using a new software solution for our ERP system, which represents a major step towards further digitisation. There are still a few obstacles we need to tackle, but we're well on the way to achieving that goal.

Digitisation has also enabled us to keep in touch with our trading partners. We know it can't replace meeting in person, but we're still happy to be able to keep in close touch with them in this way. Hardly surprisingly, many of our partners continue to struggle with the consequences and additional challenges of the pandemic. It has affected the social and economic situation in their countries and put additional strain on their organisations, and it creates further difficulties in everyday life.

Over the past few months, the crucial role played by a secure food supply has also become clear in many parts of the world. Especially in the Global South, it primarily rests on the shoulders of millions of small farmers. And even though the food industry is worth billions, those who profit least from it, all over the world, are those right at the beginning of the food supply chain: farmers and farm workers. And those affected most by the climate crisis are, again, those who least caused it.

'Poverty is more than just having little money,' Moon Sharma from our long-standing Indian partner organisation TARA writes. 'It has a lot to do with rights and relationships, with how people are treated, and the way in which they perceive themselves. It's about having no power, being excluded, losing your dignity.' Changing this imbalance, cooperating as partners, based on solidarity, in order to enable inclusion, participation and empowerment – that is our aim.

'Fair Trade is life. It's our lungs,' as Joan Heredia from the COOPROAGRO cocoa cooperative puts it. Let's join forces to keep this vision alive.

Best wishes,



DANIELA KERN, GENERAL MANAGER

We established fair trading structures in Austria and have been practising an alternative way of doing business since 1975.

Our shareholders are A3W Action Third World Association (40 %), Sei So Frei Upper Austria (40 %) and the Catholic Men's Movement Austria (20 %).

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01

FOCAL ACTIVITIES: INFORMATION & INSIGHTS

WHOLESOME FOOD PRODUCTION – more fairness and ecology from the fields to our plates: that was the motto of our autumn focal activities in 2020. To open the Austrian Worldshop Conference held by ARGE Worldshop Association at the end of September 2020, EZA organised a programme day which highlighted the issue of sustainable agriculture and food and gave a voice to actors in the Global South and in Austrian civil society.

Our partners' perspective was contributed by farmers and workers at our long-standing partner organisation Green Net in Thailand. This year, the Fair Trade product in the focus was rice. EZA has been importing Green Net's traditional HOM MALI fragrant rice for more than 20 years. Due to the coronavirus pandemic, it wasn't possible for our guests from Thailand to appear in person, so we conducted interviews and made videos with them before the conference to create a series of digital recordings. In addition, a live connection with our partners provided an opportunity for direct exchange.

Kanitha Jandai and Nongkhan Janleuang are organic farmers and members of the Nature Care Club, and thus part of the Green Net cooperative. 'Joining forces makes it easier in many respects. We make joint decisions on prices. We share experiences. If you're on your own, there's a lot you don't understand. So as a first step, we organised as a group,' Kanitha explained in her video message. The two farmers grow different rice varieties, including HOM MALI.

Rice is the world's most important staple food.

Only 10 % of the rice produced worldwide is exported.

HOM MALI
fragrant rice is
packaged in its
country of origin,
at Green Net.

It's available online
and in all Austrian
worldshops.

Photos: EZA/Michael Commons, Walddöden worldshop/Matthias Hochpöchlner





Photo: EZA/Michael Commons

Nongkhan Janleuang (l.) and Kanitha Jandai (r.) rely on diversified farming.

However, they don't depend on rice alone. They can also rely on vegetables, medicinal herbs and fruit trees on their land. Whatever they don't need themselves is sold at local farmers' markets. The diversity of plants on their fields is just like a 'growing life insurance'. They help increase food security, contribute to their independence, and provide additional income. Still, there are major challenges to be overcome. 'Climate change is our greatest concern.'

Control over your own products

Vitoon Panyakul, agronomist and co-founder of the Green Net cooperative, looked back on the early stages of the small farmers' network. 'I used to work with producers in a number of NGOs. We took care that they had access to domestic markets, we supported them in the conversion to organic farming - yet they stayed poor, because they were taken advantage of when they sold their products.' This gave rise to the idea of helping the farmers take the processing and trading of crops into their own hands, and thus strengthening their position.

As early as in 2007, Green Net launched its first programmes and measures in order to support producers in adapting their farming practices to respond to the increasingly harsh consequences of global overheating. 'We continue to do this,' Vitoon underlined. 'For instance, we're currently working with farmers who want to convert rice fields they cannot cultivate any longer due to drought, and to grow crops that can cope with dry conditions instead. We provide financial support, as well as advice for marketing these products.'

Joint efforts to cope with the impact of the climate crisis

Michael Commons, who talked with affected farmers in summer 2020, likewise confirmed that climate change has continued to be the main issue for them. 'For them, it represents a much greater threat than the pandemic.' Michael works for the Earth Net Foundation, a partner organisation of Green Net focusing on further training for farmers and mutual exchange between them. They collaborate to find answers to the current challenges – since heat waves, drought and unpredictable rainfalls do leave traces: harvests have been destroyed, yields have gone down, and the working conditions on the fields have become increasingly difficult due to rising temperatures.

'We now do most of the work very early in the morning and at night. This means that, overall, we have fewer hours when we can work outside. I've been told that some people even go out to work on their fields at night, using headlamps,' says Michael.

Crops close by and far away

Sónia Melo, a representative of the Sezonieri campaign, brought our attention back from the fields in Thailand to farms in Austria. Sezonieri is an initiative started by individual activists, NGOs and a trade union, and is aimed at informing harvest workers in Austria, most of them migrants, about their rights so they can stand up against exploitation at work. Not all workers are treated unfairly, but exploitation concerns are not just isolated cases, she explains.

'During the pandemic, they were defined as workers of critical importance and were brought to Austria in specially chartered planes,' adds Sónia. 'They were applauded, but that doesn't help them. Their work needs to be appreciated in a more down-to-earth way.' Sónia reports that many workers are not paid the hourly wage they would be entitled to by law, that they are refused overtime pay, that women are fired when they get pregnant, and that the way in which employers treat their staff is often inhumane.

Not even in Austria can farm workers be sure of being granted the labour rights to which they're entitled.

She calls for compliance with the legally binding collective agreements as a minimum standard and demands more frequent checks by the Labour Inspectorate and the Financial Police. As to who is to blame for the intolerable conditions, she does not offer a black-and-white answer. 'I'd wish harvest workers and farmers were not played off against each other. To a certain extent, they are in the same boat.' She points to the role of large stakeholders, as well as trade and trading policy, including agricultural policy: 'The big players receive most, the small ones get less, as subsidies are granted by acreage. This calls for intervention by policy makers.'

Franziskus Forster, an agricultural activist who works for the ÖBV Via Campesina association of Austrian mountain farmers and small farmers, agreed with Sónia. 'We're living in a time where it's essential to offer resistance to injustice, exploitation and ecological destruction, and to encourage alternatives.' Regionalism must not lead to exclusion; we need to take the entire production process of a product into account.

Photos: EZA/Michael Commons

Farmer Nongkhan Janleuang preparing typical Thai garlic-and-onion paste.





Photo: W. Berger

Joining forces for sustainable food production.

What kind of food do we eat – and who decides what we get?

‘Our “regional” pigs are fed soy, of which we import 600 000 tons in Austria. There’s a direct connection between the rainforest in the Amazon region that’s burned down and genetically modified soy from the U.S. And the pork is then marketed as regional food,’ criticises Franziskus.

Franziskus sees both promising and problematic sides to the recent debates at the EU level on the sustainable orientation of our nutrition system – with catchphrases like ‘Green Deal’ and ‘Farm-to-Fork Strategy’. ‘Things have started to move, and the Fridays for Future activists have played a part in this.’ Proposals such as expanding organic farming to 25 per cent in the EU, or halving the use of pesticides and artificial fertiliser, are laudable efforts. ‘But there’s much that’s being left out. Social issues such as working conditions are ignored – including in the EU’s common agricultural policy. Its trading policy, with a price-dumping system that places great pressure on Austrian farms as well, remains unquestioned. Social and ecological costs are outsourced. We need to overcome this.’

Finally, to round off this ‘feast’ of information, our colleague Gerd Haslinger ‘dished up’ a further interesting presentation: he provided an overview of the history of rice cultivation, its special properties and economic significance, as well as product-related information on EZA’s rice varieties and the conditions under which they’re grown, and presented the materials for the subsequent autumn focal activities in the worldshops.



Photos: EZA

Sónia Melo from the Sezonieri campaign and Franziskus Forster from ÖBV explaining what’s going wrong in agriculture and what needs to change.

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 specifies what we expect of our partner organisations, and what our partners can in turn 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. To ensure transparency, information on our partner organisations is available on our website.

At present, EZA's products come from 141 trading partners in Latin America, Africa, Asia and the Middle East. We maintain direct trade relations with 85 of them, i.e., with EZA as the importer of their products. However, in the case of certain products – for instance chocolate – EZA cooperates with other Fair Trade organisations and producers to enhance efficiency and enable a division of tasks: they import goods on behalf of EZA, or coordinate or carry out the further processing of foodstuffs. In all, this applies to 56 partners, with whom we have indirect trading partnerships.

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

81 out of a total of 141 partners work in the food sector. 67 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. Trade relations were started with three 'indirect' partner organisations in the food sector. 47 partner organisations of EZA – primarily in the field of handicrafts – are part of this system.

Marisol Villar from the COOPROAGRO cooperative, on her cocoa plot.

The organic cocoa beans from the Dominican Republic are used for many EZA chocolates.

Photos: EZA/Bernd Marler





Photos: EZA/Asarbolsen/Ulla Sladek

Our knitwear partner ASARBOLSEM in Bolivia is preparing the export of the alpaca winter collection.

Hand-made from renewable materials: a seagrass basket from Dhaka Handicrafts in Bangladesh.

Nine organisations are not integrated into 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 15 partner organisations of EZA that have not yet been integrated into the Fairtrade or WFTO system, and do not deliver goods to any EFTA members other than EZA. Here, only EZA is responsible for assessment and monitoring.

Initiating and terminating trading partnerships

EZA's partners' committee decides whether or not trade relations with an organisation should be initiated or ended. We stopped cooperating with one partner organisation as the sales figures for its products had become too low. Trade relations have been started with three partners in the food sector: CAPIM (honey from Mexico), COOPAIN Cabana (quinoa from Peru), as well as Gebana Togo (cocoa from Togo). Their biofair raw materials are used for producing articles which Fair Trade organisations in Germany and Italy have ordered on behalf of EZA. Our new direct partner in the handicraft sector, the Indian organisation Last Forest, produces beeswax food wraps.

Visits to and from our partner organisations

The direct exchange with our partners, whether on the spot or in the context of their visits to Austria, is an important aspect of our cooperation, and an opportunity for sharing information on developments in the respective organisations, as well as for getting to know or jointly developing new products. Due to the pandemic, we were not able to travel to our products' countries of origin during the reporting period, nor to invite any representatives of our partner organisations to visit us in Austria.

Partners in difficult times

Even though it was impossible to meet in person, the past year was one of the most intensive as far as communication and exchange with our partners was concerned. We sent them EZA's revised partner policy paper and, to ensure transparency, we provided them with a report on our self-assessment, the results of the monitoring audit carried out in the context of our WFTO membership, as well as our latest annual report. Still, the pandemic and its effects have continued to predominate. 'We contacted our partners at regular intervals and asked for information on the situation in their countries and the latest developments in the respective organisations, and we shared news from Austria,' as Birgit Calix from the Partner Attending Department explains.

In order to enable a direct exchange, we used digital means of communication more often. 'In some cases, this has even intensified our contact.' The emergency support fund programme that the Worldshop Association established last year to help trading partners who were most severely affected by the pandemic has been continued. EZA closely cooperates with them to enable the preparation and reporting of relief measures that have thus been made available. At the 2020 Worldshop Conference, Birgit presented the first interim results and messages of greeting from our partners.

Outside our trading relationship, money from the support fund was provided to a total of 16 of EZA's partner organisations: producers of handicrafts and of fair fashion in India, Nepal, Sri Lanka, Indonesia, the Philippines, Zanzibar, Kenya, Bolivia and Colombia. Four trading partners from India, the Philippines, Colombia and Peru received additional funding from an initiative organised by the Association of German Worldshops. 'I used the money from the emergency fund to buy two goats through our group's savings club. They will be a healthy source of milk for my grandchildren,' says Kamene Kukuvi, sisal weaver at our partner organisation Machakos in Kenya. Small loans, continued wage payments, groceries, contributions to household expenses, protective masks, as well as initiatives to develop products for local markets and for export – these are just a few examples of how the money from the fund was used.

Intensive exchange, emergency relief and orders for the upcoming season to stabilise our partners' situation.

Even though these measures have not solved all the problems by far, they've been a source of assistance to many producers facing a situation that was threatening their livelihood, and they've been an important signal to our trading partners in an exceptional situation. Under – sometimes extraordinarily – difficult conditions, they have thus been able to provide further help to their producers, and have made great efforts to organise safety measures at the workshops whenever possible and to manage the export business in spite of many obstacles, so that up to summer 2021 – with a few exceptions – the shipments delays were minimal.

The commitment shown by our trading partners has met with great interest in their communities. 'We've noticed that many women are applying for admission to our training centres,' reports Johny Joseph from our fashion partner Creative Handicrafts in Mumbai, India. 'And for good reason: during the pandemic, we were able to continue to pay our staff's wages. Including with contributions from Fair Trade. This news spread like wildfire in the poor neighbourhoods. (...) As a result, many want to join our organisation. That's a challenge, too. Now we're not just called upon to keep our existing staff in employment, we also need to try to create additional jobs.' The orders that are currently being placed will thus be a decisive factor.

Pratibna Pujari (l.) a worker with Creative Handicrafts, where clothing for our Anukoo collection is produced.

During the lockdown, the seamstresses continued to be paid their wages, and food packages were distributed among families that had been hit particularly hard.

Photos: EZA/IntCreative Handicrafts/K Heckl



The pandemic has not been the only challenge faced by our partners. Their commitment and solidarity are impressive.

Extreme situations apart from the pandemic

In August 2020, crisis-ridden Lebanon saw a massive explosion that destroyed half of Beirut. ‘This is a call for international aid, not just to support the people of Lebanon but also to free them from this corrupt regime that has bled them of their last penny, and even worse, their last breath,’ as Philippe Adaime from our partner organisation Fair Trade Lebanon put it in his appeal for help shortly afterwards. As part of a network of local Lebanese NGOs, Fair Trade Lebanon and its teams focused fully on efforts to repair the damage and help rebuild the houses that were destroyed. Philippe’s call was heeded by many people. Their donations enabled the families affected to be provided with food – and what’s more: most of the food came from the producers’ network of Fair Trade Lebanon, which meant additional work and income for its members.

In spring 2021, a major fire in the largest low-income area of Kenya’s capital Nairobi destroyed the handicrafts district there, including jewellery workshops of our partner organisation Bawa Hope. Thanks to funds raised through our call for support, Bawa Hope has started to rebuild the shops that represent the livelihood of the craftspeople affected.

Once again, as last year, several of EZA’s partners were confronted with extreme weather due to global overheating. For instance, in November 2020, two enormous hurricanes swept the entire Central American region, one after the other. Our coffee-producing partners reported landslides, destroyed roads, houses and infrastructure, as well as damage to their plots of land.

Good news from our partner organisation Bukonzo Organic Farmers Co-operative Union reached us in summer 2020: after flooding in spring, the plots of 1200 members affected by the disaster had been restored to their original state, and the small farmers’ families had also been provided with seeds to enable them to grow their own staple foods as soon as possible. ‘The beans are growing again’, reported Josinta Kabugho, general manager of the coffee cooperative. In addition, the programme promoting wood-saving cooking stoves, funded primarily through EZA’s climate protection premium, has developed successfully. By now, 1600 out of a total of 3000 members’ households are using these cooking stoves, which produce less smoke and consume less wood.



Photos: EZA/Esther RuhnWabazi

Coffee farmer Harriet Businge preparing a meal on her new wood-saving stove.

Beauty from our partners' workshops: fine knitwear and elegant jewellery – for instance, from Bawa Hope from Kenya.

Photos: EZA U.S. / S. Haeckl



Promoting and advancing Fair Trade

EZA is a founding member of the European Fair Trade Association (EFTA) and 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. Representatives from various areas of responsibility (general managers, staff in charge of food and of handicrafts, partner attending, information and communications) made efforts to pool the experience gathered by the pioneer organisations, and to use it for the greatest possible benefit of producers and consumers.

To make a further step towards linking fairness in trade and fairness for our climate, we prepared the joint campaign Climate Justice – Let's Do It Fair, scheduled for autumn 2021. The campaign calls upon all people to take part in our endeavours to bring about a climate-friendly society; it highlights the situation of our trading partners and focuses on the challenges they are facing and the expectations they have. We drew up a series of materials to accompany the campaign.

The EFTA Fair Trade Assessment Group (the former EFTA Monitoring Group), which is coordinated by EZA, focused on topics such as support for partners, exchange of information on the EFTA members' trading partners, on activities aimed at developing digital assessment methods (as a temporary alternative to visits on the spot, which have not been possible due to the coronavirus), and on drawing up guidelines for interviews with our partner organisations in the context of the joint climate justice campaign. To prepare the campaign, representatives of Creative Handicrafts and Last Forest in India, Village Works in Cambodia and Coopecanera in Costa Rica were interviewed by EZA to be able to include their views on climate protection, the climate crisis, and the role of Fair Trade.

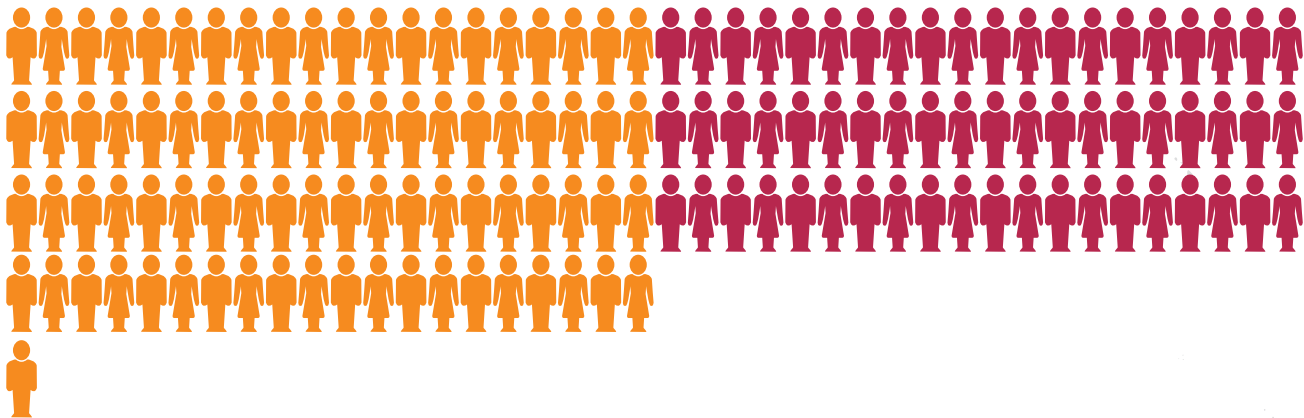
In the context of our WFTO membership, it was proposed that our colleague Birgit Calix, who is in charge of partner organisations in the South, should make a peer visit to the German Fair Trade organisation El Puente. During peer visits, the work of an organisation is examined and reflected on in a mutual exchange, using the documentation of a prior self-assessment in line with the 10 WFTO Fair Trade Principles as a basis. After an appropriate time has elapsed, the peer visit is followed by a monitoring audit. Even though the talks with El Puente staff had to take place digitally due to the pandemic, they were no less intensive and conducted in a fruitful atmosphere of trust.

Cooperation at the European and international levels helps to advance Fair Trade.



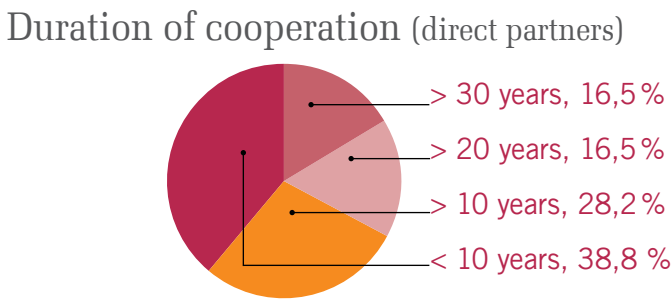
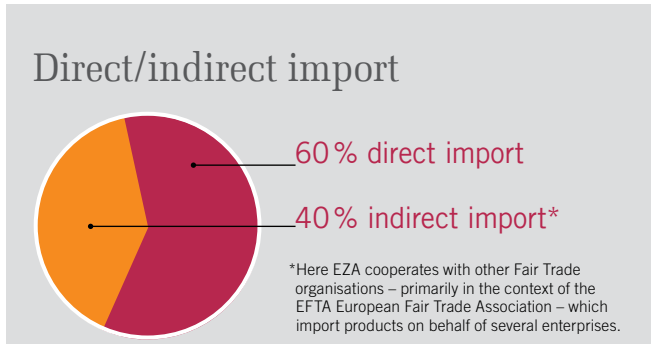
The partner organisations behind EZA's products

141 Partner Organisations

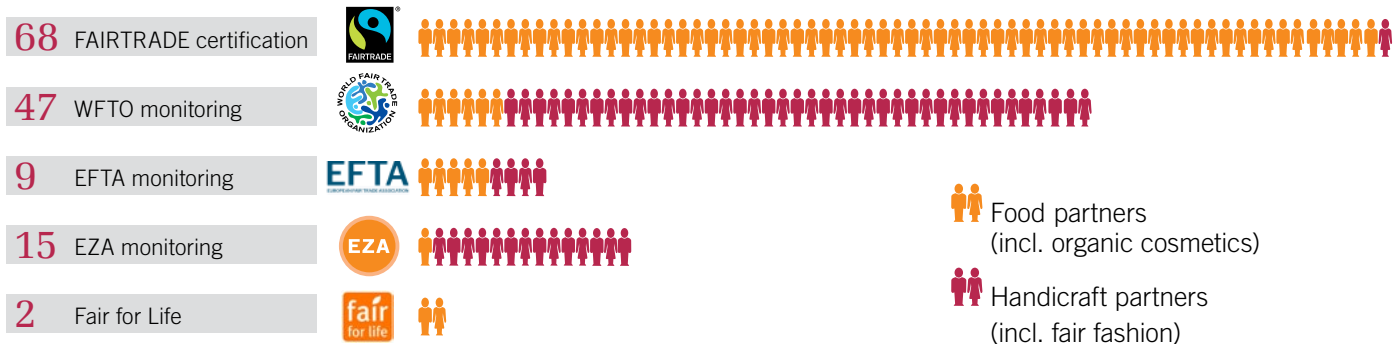


81 Food Partners
66 of them carry organic certification

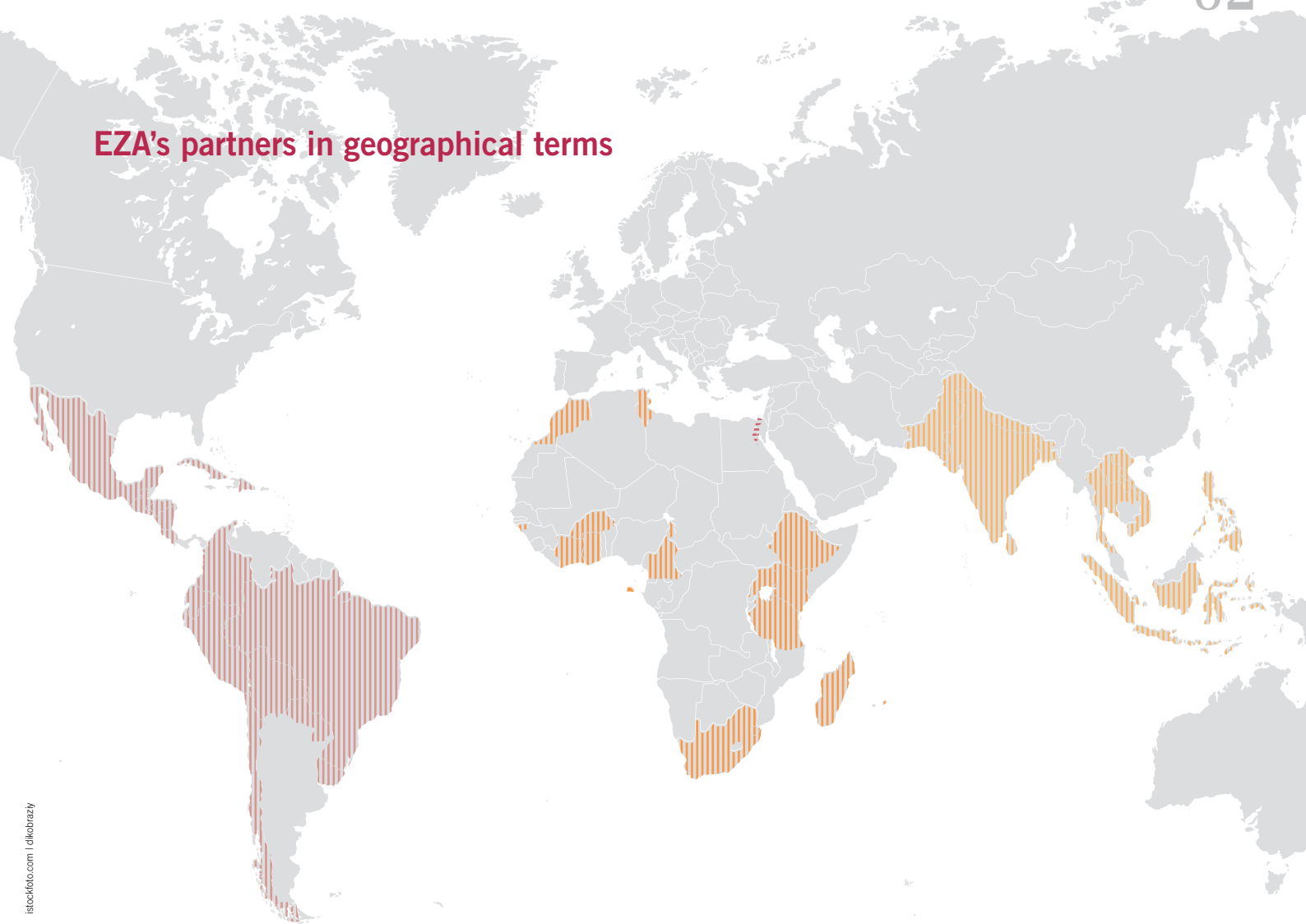
60 Handicraft Partners



Certification/monitoring of EZA's partner organisations



EZA's partners in geographical terms



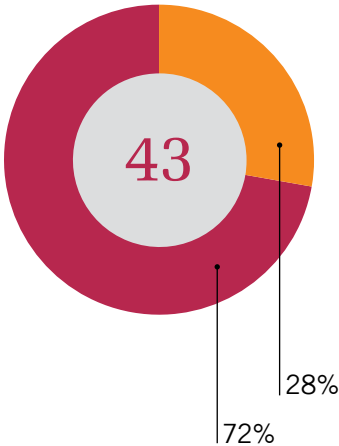
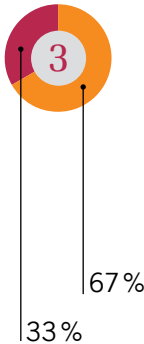
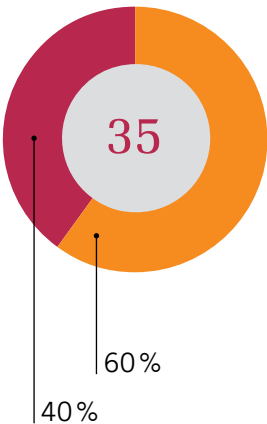
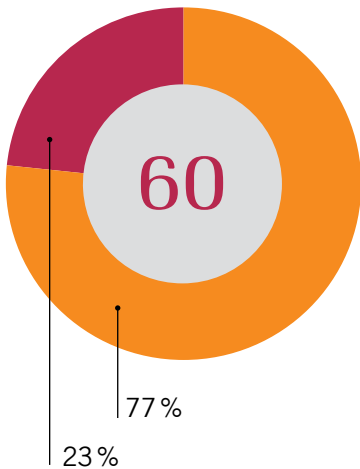
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Latin America

Africa

Middle East

Asia



Food partners

Handicraft partners

03

OUR CUSTOMERS

Worldshops

The Austrian worldshops account for a turnover of approximately EUR 4.2 million, or 25 % 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 5.4 %. The business year 2020/21 saw nine – and in Eastern Austria, as many as 13 – weeks of lockdown for the worldshops, i.e. even more restrictions due to the coronavirus pandemic than in the prior year. Operating with reduced opening hours, offering click-and-collect sales and, to a certain extent, delivery services during these extraordinary weeks, the worldshops tried to make up for some of the revenue lost. The product groups in which the sales decrease was most pronounced were chocolate, coffee and fashion accessories, whereas a 6 % increase was recorded for 'fair and handmade' products.

A key area of cooperation between EZA and the worldshops, or the ARGE Worldshop Association respectively, included the focal activities in autumn 2020 on sustainable food production: under the motto of encouraging small-scale farming structures, promoting diversity and protecting the climate from the fields to our plates, the worldshops invited consumers to taste rice specialities and many other Fair Trade foodstuffs, and learn more about the conditions under which they are produced. EZA organised one day of the Worldshop Conference, with audiovisual statements and specific sales materials, as well as a focal activities article in the worldshops' customer magazine (see also Chapter 1).

This year's Worldshop Day, in May 2021, again highlighted the importance of Fair Trade for empowering women. It focused on buying at local worldshops to help support local specialised shops and the corresponding producers in the global South.



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

'It's important for women to become independent,' says Mosmeen from the Indian state of Uttar Pradesh.

She founded a jewellery workshop in her village, and our partner TARA has enabled access to Fair Trade.

Photos: EZA/J. Siedek/TARA



During the international World Fair Trade Day, women from different parts who work in Fair Trade and help make it special of the world were portrayed. In this context, the Worldshop Association decided to continue the emergency support fund to help trading partners who were most severely affected by the pandemic. EZA has contributed to its activities by maintaining intensive communication with partner organisations, preparing projects, reporting and facilitating contact with external players (see also Chapter 2).

Coffee, chocolate, rice and many other tasty specialities of EZA have meanwhile become widely available in Austrian retail shops.

Grocery retailers

Sales in this group amounted to almost EUR 6.9 million, which represents 40 % of EZA's total turnover. Grocery retailers have thus been our largest group of customers. The increase as against the previous year has been 6.9 %, and results from an increased tendency to do grocery shopping in supermarkets, due to the pandemic. A noticeably larger number of supermarket customers bought EZA coffees, EZA chocolates and other foodstuffs from our product lines.

Resellers and caterers

This group comprises various specialised retailers such as organic food shops, distributors and a few fashion boutiques. Whereas decreases were again registered for the latter group, due to Covid-19 the sales in the 'fair and hand-made' product group, as well as coffee sales, developed well, under the circumstances. Resellers and caterers account for a turnover of EUR 1.6 million (+3.2 %), which represents 9 % of EZA's overall sales.

EZA-owned worldshops

EZA's own worldshops recorded a total sales decrease of 9.6 %. This was brought about by the lock-down during usually busy weeks in the 2nd and 3rd quarters of the business year, with the lock-down extending into the 4th quarter in the case of the two worldshops in Vienna.

The total turnover of the three shops amounts to EUR 1.0 million, and thus accounts for 6 % of EZA's overall sales. Here, one must bear in mind that this sum – as in the case of final consumers – comprises both retail and wholesale figures, whereas the sales figures for the other distribution channels only represent wholesale turnover.

Institutions

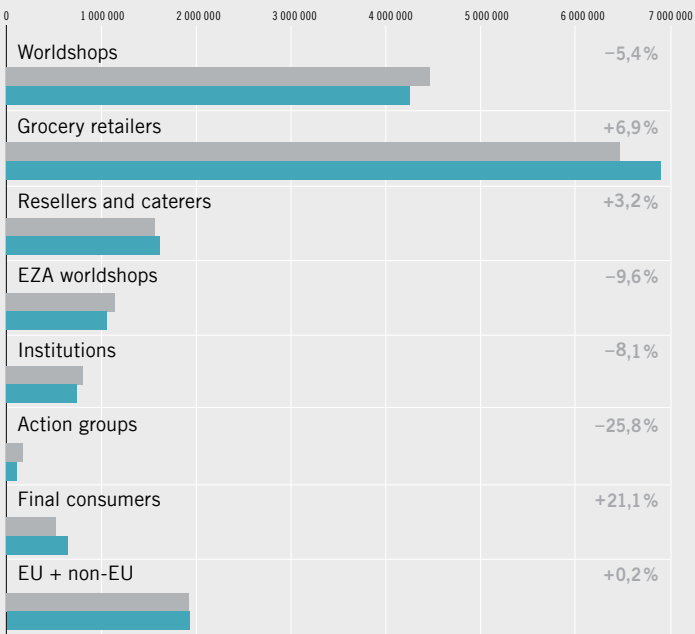
This customer group includes private organisations and public agencies, such as educational institutions, hospitals and offices, as well as individual institutional customers placing large orders. Increases were recorded for ‘fair and hand-made’ products, which, however, could not compensate for the decreases regarding coffee due to the lockdowns and intensified work-from-home schemes. In sum, a sales decrease of 8.1 %, to EUR 725 000, was recorded in this group of customers, accounting for 4 % of overall turnover.

Action groups

The number of active groups that promote the idea of Fair Trade in society in the context of events where they also sell our products has seen a considerable decline over the past years. This trend has been intensified by the wider availability of Fair Trade products in traditional grocery stores.

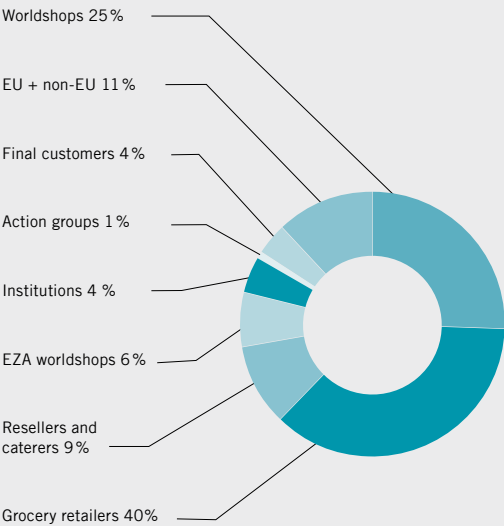
Those groups that are still active have often tended to work with worldshops as their local cooperation partners. As a result of restrictions for several weeks due to the lockdowns and a difficult general situation for organising events, the turnover accounted for by groups that buy their goods directly from EZA has seen a 25.8 % decrease to just under EUR 120 000.

Sales by distribution channel



TOTAL SALES
2019/2020 € 16 540 272,-
2020/2021 € 16 662 088,-

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



The diversity of Fair Trade:
long-lived favourite pieces,
timeless accessories and practical
everyday articles.

Photos: EZA / U Sladec / K Hackl



Final consumers

The term 'final consumers' refers to customers who buy EZA goods either in the shop room at our Köstendorf/Weng headquarters or at EZA's online shop, Austria's largest online shop for Fair Trade products. Direct sales have again seen considerable restrictions due to the pandemic, but as a result of the measures taken in response to the new situation we have even been able to top the sales figures of the past year, which had already represented an increase.

A growth in sales – in the two-digit per cent range – has been recorded for almost all product groups. An increasing number of customers have grown to like our articles, and obviously appreciate our wide range of products. To enable a still more attractive presentation of our 'world of Fair Trade products' at Köstendorf/Weng, the reporting period saw planning activities to redesign the shop room, and we've taken the first steps towards implementing the new shop concept.

Sales to final customers increased by 21.1 %, to EUR 636 400, and thus account for 4 % of total turnover.

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, handicrafts and organic cosmetics. During the reporting period, our cooperation with the world shop movement of South Tyrol has been intensified further. A newsletter tool was established, with EZA instructing the shops in its use and providing newsletter content.

Turnover in this group of customers has remained stable, at +0.2 %. It accounts for 1 % of overall sales, or EUR 1.9 million.

04

OUR PRODUCTS

Coffee

Coffee, accounting for 44.4 % of EZA's total turnover (or EUR 7.6 million), is our most important product group. Our coffees are sold to virtually all customer groups. The largest proportion is accounted for by grocery retailers (EUR 4.4 million), followed by the Austrian worldshops (almost EUR 1.3 million).

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

Compared to the prior year, total coffee turnover has increased by 4.8 %. Regarding roasted coffee, our COFFEE FOR FUTURE launched in 2019, as well as the ADELANTE brand of arabica coffee produced by women's cooperatives in Honduras and Peru, developed particularly favourably, with increases at good two-digit levels. Regarding green coffee, in addition to shipments to a European Fair Trade partner, we were able to further increase our sales, particularly to Austrian small-scale roasters.

In sum, during the past business year EZA sold 717 tons of coffee – 604 tons of roasted coffee, 110 tons of green coffee, as well as 3 tons of instant coffee. This corresponds to a quantitative increase of 8.5 %.

Chocolate

Chocolate is our second-most important product in the food category, accounting for a proportion of 13.2 % of total turnover. Sales in this product group saw a 3.5 % decline.

The worldshops were particularly affected by the repeated lockdowns and had to face considerable decreases in sales volume. Increases as against the prior year have been recorded in sales to grocery retailers, mainly due to the introduction of two new biofair product lines: cream-filled chocolates and the Choc bar brand. The refreshing new packaging design for our well-established biofair Compañera chocolate line comes with a home-composting interior wrap, and has thus become even more ecologically friendly.



Photos: EZA.U. Sladek

An overall redesign of our Compañera chocolates:

an eco-friendly wrap inside and a refreshing outer packaging. What remain unchanged are their fine ingredients and careful processing.

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

This group includes products such as tea, cocoa, sugar, nuts, dried fruit, bread spreads, honey, spices, oil, rice, quinoa, and various drinks. 'Other foodstuffs' represent EUR 2.6 million in turnover and thus account for 15.4 % of sales. Our largest customer groups in this area are grocery retailers (slightly over EUR 1.1 million) and the Austrian worldshops (EUR 0.7 million).

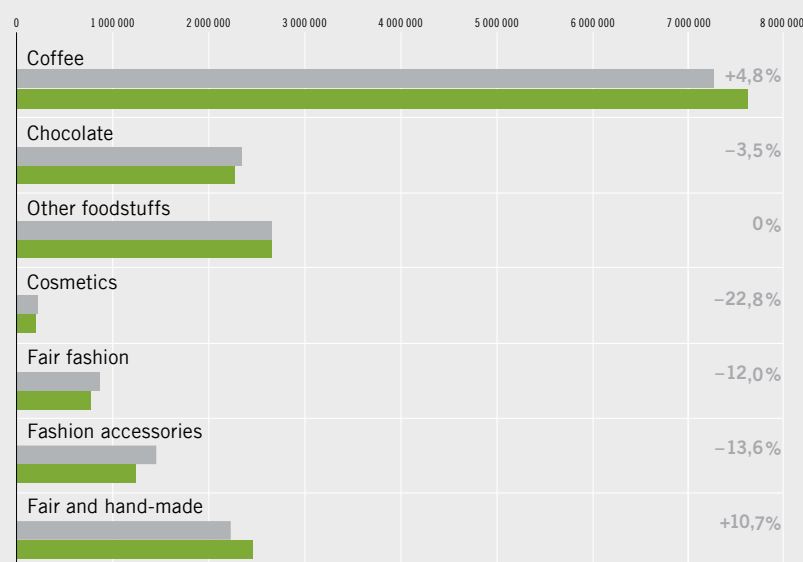
Promising two-digit sales increases have been registered for our organic coconut milk from Thailand, as well as red lentils from Lebanon. Rice sales have also developed very well in terms of quantity. In sum, however, this product group has remained stable at the level of the prior year.

Cosmetics

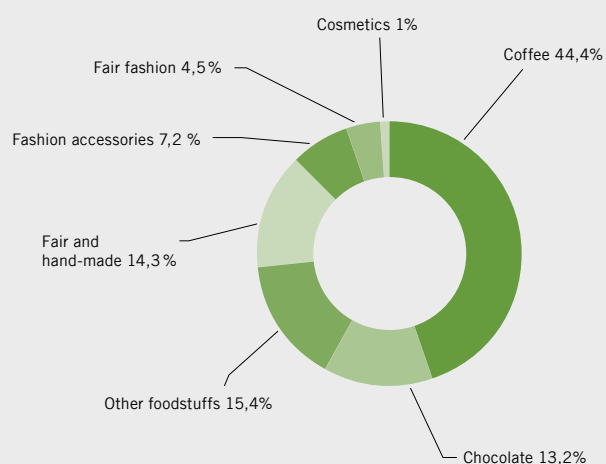
Our BIOSFAIR cosmetics line is primarily sold at worldshops, and to a smaller extent, through other channels. Its high-quality face and body care products with ingredients from Fair Trade partners and from controlled organic sources are vegan, carry the Austrian ABG organic label, and are produced in Salzburg by Pieper Biokosmetik. Lockdowns for several week in our main distribution channels, paralleled by the phase-out of our cosmetics at grocery retailers led to a decline of 22.8 %, to EUR 173 000.

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

Sales by product category



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

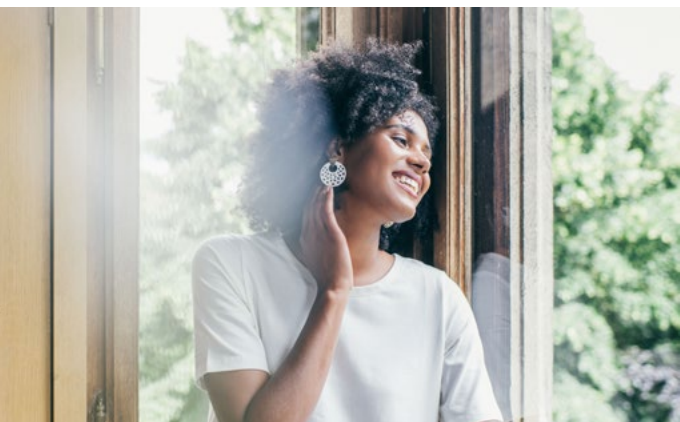


TOTAL SALES

2019/2020 € 16 540 272,-

2020/2021 € 16 662 088,-

■ 2019/2020 ■ 2020/2021



Photos: EZA/K Hacı/U Sladek

Attractive designs, expertly executed by our partners.

Transparent working methods, humane production, ecological and fair trade. That's Anukoo, EZA's fair fashion label.

Fair fashion

This product group comprises our Anukoo collections, comprising alpaca knitwear and certified organic Fair Trade cotton clothes processed in line with the G.O.T.S standard, and our own Soul Space brand of cotton clothing basics produced by our Indian partner Rajlakshmi, which meet the same high standards as our Anukoo cotton collection. 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 those two countries, EZA-owned worldshops, as well as our Swiss Fair Trade partner Claro.

The pandemic affected the fashion sector in many ways. As a result of changes in scheduling and procedures for Innatex – Europe's largest natural textiles fair – we did not present our collections there. Several fair fashion customers still had products they could not sell in time during the past winter season, which had also seen lockdown phases. Whereas the sales to worldshops in Austria and Germany remained at the same level as in the prior year, the unstable general situation prevented a large customer from placing an advance order for the same amount as usual, and the orders by boutiques turned out to be more cautious. In addition, the direct sales at the three EZA-owned worldshops were massively restricted due to weeks of lockdown. In the past business year, our clothing sector saw a 12 % decrease – which, however, is considerably less than the industrial average. Fair fashion sales account for 4.5 % of overall turnover, or almost EUR 770 000.

Fashion accessories

This product group comprises jewellery, bags and scarves. It accounts for 7.2 % of overall turnover (EUR 1.2 million); sales in this area have thus decreased by 13.6 %. EZA supplies fashion accessories to worldshops in Austria, Germany and South Tyrol, as well as Fair Trade import organisations in several European countries, online customers and individual institutional customers placing large orders. Sales through the online shop and to our European Fair Trade partners have developed well, with increases in the two-digit range, while sales to the other customer groups have seen a decline.

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. Here, a favourable development was recorded in the reporting period, with an increase of 10.7 %, which is remarkable in view of the difficult situation of trade in times of pandemic. The 'fair and hand-made' group accounts for 14.3 % of overall sales, or EUR 2.4 million. New designs – prints and model patterns – have been developed for both home decorations and fashion accessories, with the latter designed to match our fair fashion outfits.

Assets

The increase in assets results from the item of assets in course of construction/payments on account and relates to the funds needed for our new ERP software, amounting to EUR 320 000. Work with the new software was started as scheduled, from the beginning of July 2021, despite facing major challenges. In order to best utilise the system's potential to fulfil our company's requirements, further optimisation activities will be continued until the first quarter of 2022.

At the balance sheet date, inventories were slightly higher than in the prior year. This is due to a larger green coffee inventory, which we have expanded to ensure a secure supply and due to sales increases in this area of activity. Cash on hand and cash in banks decreased by EUR 605 000. This results from amounts invested as well as from the lower result.

EZA's business year covers the period from 1 July 2020 to 30 June 2021.

Liabilities

EZA's share capital amounts to EUR 638 000. Cumulative net income has increased by the annual profit of EUR 17 024 to reach a total of EUR 1 262 237. The capital stock-to-assets ratio is 19.2%. The change in provision is due to provisions for staff. The reduction in other liabilities represents the current situation as of the balance sheet date and is accounted for by goods in transit. Liabilities due to the small loan campaign decreased slightly, to EUR 3 761 791.

Fascinating star creations – extraordinary handicrafts by Pekerti, Indonesia.

Photos: EZA/U. Siadek



Annual statement by 30 June 2021

Figures refer to euros	19/20	20/21	in comparison
Intangible assets	10 698	336 074	2962.8%
Tangible assets	1 726 861	1 627 521	-5.8%
Financial assets	1 099	227	-79.4%
FIXED ASSETS	1 738 657	1 963 822	13.0%
Inventories	5 830 131	5 952 004	2.1%
Accounts receivable and other assets	1 235 040	1 363 055	11.1%
Cash on hand and cash in banks	1 107 592	502 407	-115.6%
CURRENT ASSETS	8 172 762	7 817 467	-4.7%
Deferred income	48 049	21 658	-40.7%
Deferred tax	83 842	106 617	27.9%
ASSETS	10 043 310	9 909 563	-1.4%
Share capital	638 000	638 000	0.0%
Cumulative net income/loss	1 245 213	1 262 237	1.9%
CAPITAL STOCK	1 883 213	1 900 237	1.1%
INVESTMENT ALLOWANCE	0	1 937	
ACCRUED LIABILITIES	1 083 182	1 102 798	1.8%
Due to banks	1 141 270	1 145 543	0.3%
Due to small lenders	3 886 641	3 761 791	-3.2%
Other liabilities	2 049 005	1 997 256	-4.1%
LIABILITIES	7 076 916	6 904 591	-2.5%
LIABILITIES	10 043 310	9 909 563	-1.4%

Income statement

Figures refer to euros	19/20	20/21	in comparison
Sales revenues	16 540 272	16 662 088	0.8%
Other operating income	240 062	428 121	120.6%
Sales input	-10 581 660	-10 899 691	3.2%
INCOME	6 198 674	6 190 518	-0.1%
Personnel expenses	-3 272 444	-3 528 448	7.8%
Expenses for premises	-192 384	-205 611	6.5%
Selling expenses	-1 116 425	-1 123 322	0.6%
Administrative expenses	-875 446	-935 644	6.4%
Depreciation	-259 279	-279 966	8.5%
Interest	-108 271	-114 487	4.1%
Corporate income tax	-24 275	-8 790	-106.3%
Deferred tax	2 246	22 775	261.8%
EXPENSES	-5 846 279	-6 173 494	5.5%
NET INCOME/LOSS	352 395	17 024	-115.2%

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

Turnover saw a 0.8 % increase to EUR 16 662 087, whereas gross yield fell by 0.1 %, to EUR 6 190 518, primarily due to unfavourable dollar exchange rates. The increase in other operating income results from short-time work subsidies received, the federal grants for special holidays, the aws Austria Economic Service funding for investments in digitisation, contributions to the part-time retirement scheme and product damage compensation.

Personnel expenses saw a 7.8 % increase as against the prior year. This was primarily due to changes in interest rates for provisions for staff, as well as overtime payments accruing in the course of the ERP introduction.

Expenses for premises have risen, since the figures of the past year included rent reductions for our own worldshops. The slight increase in selling expenses is due to the increase in turnover. The rise in administrative expenses results from product damage, as well as digitisation measures (MS Office, access for work from home, changes in the IT infrastructure, as well as two optical fibre cable connections). The entire office building was equipped with air conditioning, which increased depreciation. Due to investments, interest has also risen.

In the business year 2020/2021, EZA employed 70 staff (prior year: 70) at headquarters, as field workers and in EZA's three shops. In terms of full-time employees, this corresponds to 53 FTEs (prior year: 56).



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 2020/21

