

# Social Accounts

| Year ended: September 2024

# Investing in a Fairer World.

# Contents

Welcome	4
Social Audit Statement	6
Introduction	7
Our Theory of Change	8
Our outcomes	9
The Sustainable Development Goals (SDGs)	10
About Shared Interest	11
Our Mission	12
Part 1: Our activities and operations	
Our members, donors and supporters	13
Our lending	18
Our projects	27
Our team	28
Environment	33
Financial stewardship	34
Part 2: Our impact	35
Long-term outcome 1: Increased income for farmers, artisans and workers	39
Long-term outcome 2: Stronger, more resilient and sustainable businesses	45
Long-term outcome 3: Employment creation for farmers, artisans and workers	47
Summary	60
Stakeholders and consultations	61
How we have progressed over the year	65
What we want to achieve next year	67
Glossary and abbreviations	68
List of appendices	71

## Acknowledgements

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**Front Image:** COOPARM farmer and President of the Womens' Committee, Elizabeth Arisata Salazar, picks coffee cherries on her farm in Peru.

**Back Image:** A coffee seedling.

# Welcome to our 2024 Social Accounts

As we compile this set of Social Accounts, farmers and artisans continue to face challenge and uncertainty. The impacts of climate change are having a lasting and devastating effect on harvest seasons, resulting in lower volume and quality yields, as well as increased pests and diseases. Handcraft and agricultural SMEs, continue to navigate a landscape marked by volatile commodity prices and significant disruptions in global supply chains. In addition, it is the smaller producers who are both subject to the impact of climate change and the supply chain implications of new legislation to meet the European Union Deforestation Regulations (EUDR).

According to the UN Sustainable Development Goals (SDGs) Report 2024 (Appendix 1), globally only 17% of the targets are on track, and 10% of the global population still live in extreme poverty. 'Furthermore, systemic deficiencies and inequities in the global economic and financial system leave developing countries to tackle enormous and growing challenges with only a fraction of the international support they need and deserve.'

In the face of these challenges, Shared Interest Society and Shared Interest Foundation stand as pillars of support for those communities most severely impacted. Our focus remains on working in areas where others are less keen to operate, enabling us to reach the smaller more marginalised groups who have no other access to financial support. Recognising the volatility of the markets in which our producers operate, we have increased our efforts to stay closely connected with them, both

by closely tracking market trends and by increasing our customer visits.

This hands-on approach has enabled us to remain supportive, even when organisations have struggled to meet their repayment obligations. In many cases, we have provided additional support by extending repayment terms or revising loan agreements, allowing producers the time they need to navigate financial difficulties.

At the heart of our organisation is a community of members united by a shared goal of investing in a fairer world.

Our strong Share Capital position continues to fully support our lending activities. We are actively working to enhance member engagement and attract new investors but over the past two years, we have seen the number of new enquiries slow, while the number of Share Account closures has remained constant. This imbalance has resulted in a decline in both membership numbers and Share Capital. Investment decreased by £729k, leaving us with a Share Capital total of £50.9m.

I am proud to report that over the last year, we disbursed a total of £42.1m to 166 organisations, supporting the livelihoods of over 416,979 farmers and artisans in 47 countries. Our regional teams in Costa Rica, Ghana, Kenya and Peru have continued to meet with producers in person, visiting 46 customers during the year, to gain a comprehensive understanding of the true impact of our support as well as attending multiple industry events and trade fairs to gather market knowledge

and business intelligence. Twenty-five customers also participated in our producer committee meetings.

Our primary objective is to empower people in remote and disadvantaged communities to engage in trade and sustain their livelihood. While financial support is crucial, our impact extends far beyond providing finance. The case studies woven throughout this report illustrate the lasting effect our finance can have for farmers and their families.

In western Uganda, coffee co-operative Bukonzo Organic Co-operative Union (BOCU) are placing climate resilience at the centre of their support strategies to mitigate the impact on farmers and ensure the sustainability of the sector. We have established a long relationship with the co-operative, working together since 2014. BOCU are receiving financial support from Society to prefinance their coffee harvest, meanwhile our Foundation is working with the co-operative to support them in income diversification projects, such as beekeeping and passionfruit production.

In Peru, gender inequality impacts the coffee sector. Women engage in 55% of coffee production tasks, yet own 15% of farmland and receive only 5% of relevant training available. In Rodriguez de Mendoza Province, coffee co-operative COOPARM are breaking down barriers to support gender equity. COOPARM has a Womens' Committee which promotes and supports the voices and activities of female members.



In addition to farming, Elizabeth Arista Salazar is the President of the Womens' Committee.

She said: "The main vision for the Women's Committee is that we are given visibility of women's issues and women's needs - as mothers, as well as producers ... We don't have much in the way of resources ourselves ... We are the people who select the grains to get a good harvest. In this area, women have a very important role ... here, we do not have a gender distinction, we work hard and do incredible things."

The majority of our lending (89%) supports producer groups directly. While this represents the core of our finance activities, it is important to note that buyer lending also remains crucial in the fair trade system. As outlined in the WFTO Fair Trade Principles, buyers are required to provide 50% upfront payments to producers. This year, we supported 19 buyers located in Europe and North America to meet this requirement. So, while the majority of our lending directly supports producer groups, not all of this finance is the responsibility of producers to repay.

We remain committed to financing a wide range of products, including fruit, seeds, sugar, honey, herbs and nuts. Handcraft and textile products continue to hold an important place in our lending, as we maintain our focus on small and disadvantaged producer groups. Coffee remains the key player in our value chain, highlighting the robust demand for Fairtrade and organic coffee within trade finance. Despite fluctuations in the financing landscape, we saw an increase in disbursements to 51% in 2024 (2023: 48.3%). This rise aligns with the steady

increase in coffee prices, driven by climate change impacts on major coffee-producing nations. Cocoa also remains critical in our commodity mix, accounting for 25% of disbursements.

We were delighted to celebrate the 20th anniversary of our charity, Shared Interest Foundation this year. Over the past 20 years, the Foundation has delivered 51 projects, in 15 countries, reaching over 13,000 farmers and artisans. The Foundation continues to deliver vital work in supporting organisations to develop sustainable enterprises, empowering women and youth, and building climate resilience in remote communities in Africa and Latin America. This year, these projects have enabled us to establish six new enterprises, providing a source of income to 724 farmers (64% women). Furthermore, 655 women received training in a variety of topics including savings group management, agro-processing, agroforestry, entrepreneurship skills and climate smart agriculture, 108 young coffee and cocoa farmers received training, inputs such as fertiliser, and support to increase their income and resilience and 23,500 trees were planted including coffee seedlings and agroforestry trees supporting 510 coffee farmers.

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



**Dr Yvonne Gale**  
**Shared Interest Chair**

# Social Audit Statement

The Social Audit Panel

*L. Allen*



\* the notes of the Social Audit Panel meeting form part of the social accounting and auditing process and may, by arrangement, be inspected along with the full social accounts at the offices of Shared Interest offices, Pearl Assurance House, 7 New Bridge Street West, Newcastle upon Tyne, NE1 8AQ. Members of the Social Audit Panel have acted in an individual capacity.

# Introduction

**These Social Accounts cover our year' and '2024' should therefore be read**

The present set of Social Accounts align with our Theory of Change (ToC) and the report is divided into two parts: Part 1 describes our activities and operations and Part 2 covers our impact.

A full picture of our work can be gained by reading these accounts in conjunction with our Director's Report and Financial Statements, which are available for both Shared Interest Society and Shared Interest Foundation (Appendix 2 and 3).

These Social Accounts were produced in accordance with the process recommended by the Social Audit Network UK (SAN). This includes an audit by an independent panel, chaired by a SAN qualified social auditor, members of which are listed on page 3. In accordance with this approach, we compile these accounts using a combination of internally generated data and consultations with key stakeholders. Full details of our stakeholders and our methods of consultation can be found on pages 61-64.

Where we have quoted comments in the Social Accounts, we have selected these to be an illustrative sample of the balance of opinions from the consultations conducted.

**financial year from 1 October 2023 to 30 September 2024. References to 'this as the above 12-month period.**



**Image:** Banyankole Coffee Service (BCS) beekeeper and coffee farmer Beebwa Joseph Baryamutuha tends to his coffee plants in Kibutamo-Kyabandara ward, Sheema district, Uganda.

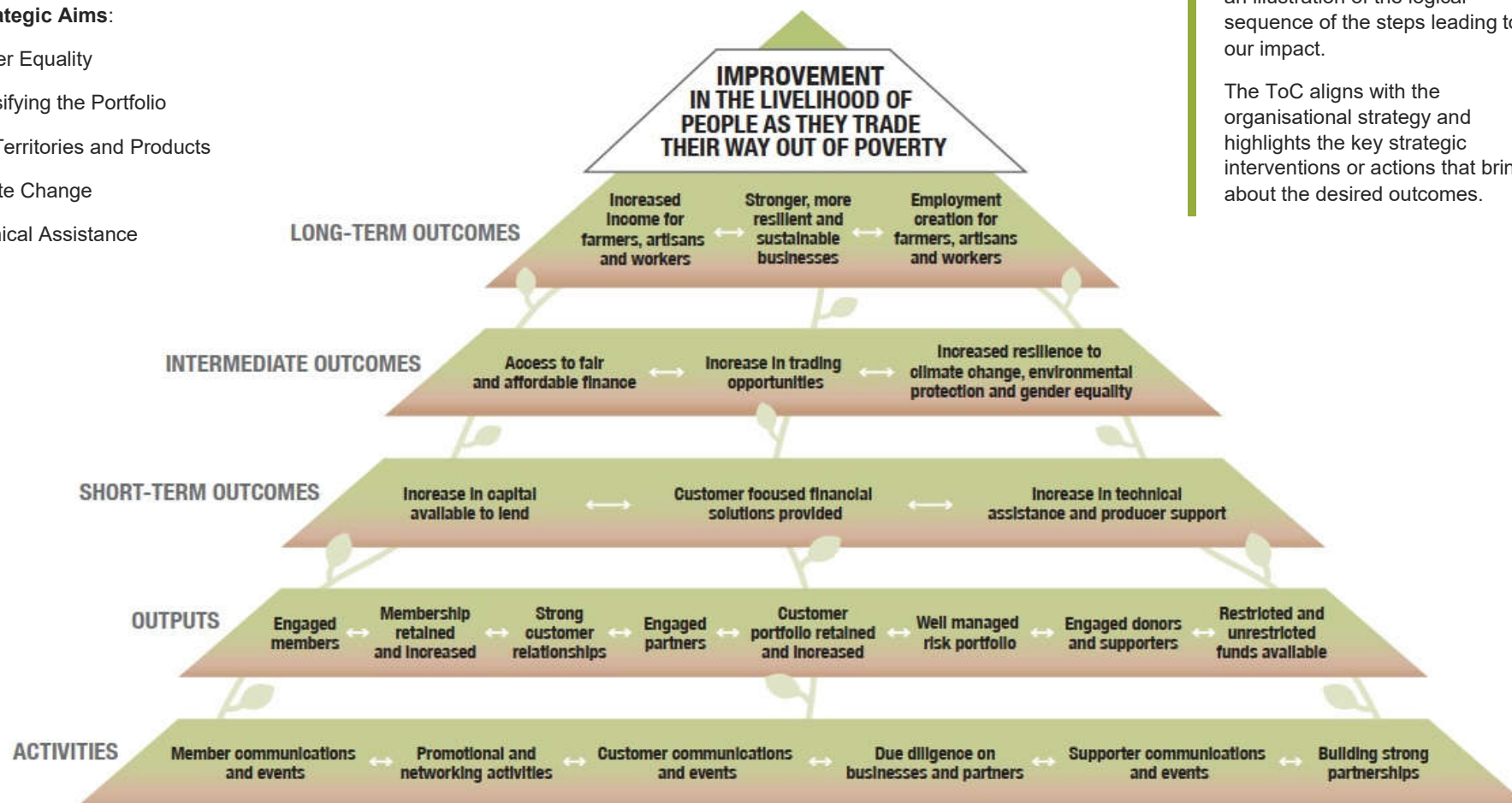
# Our Theory of Change

## Our Strategic Aims:

1. Gender Equality
2. Diversifying the Portfolio
3. New Territories and Products
4. Climate Change
5. Technical Assistance

Our Theory of Change (ToC) outlines the pathway through which we intend to achieve our outcomes and impact. It provides an illustration of the logical sequence of the steps leading to our impact.

The ToC aligns with the organisational strategy and highlights the key strategic interventions or actions that bring about the desired outcomes.



**GLOSSARY** **Member:** Shared Interest Society investors **Customer:** Borrower organisations which enter into a business contract with Shared Interest Society  
 Other organisations that receive or make payments via Shared Interest Society **Donor:** Shared Interest Foundation donors **Partner:** An organisation we work in partnership with to achieve a specific goal, event or activity  
**Supporter:** People who help us achieve our goals such as colleagues and volunteers, together with potential members and future donors



# Our outcomes



## SHORT-TERM

- Increase in capital available to lend.
- Customer focused financial solutions provided.
- Increase in technical assistance and producer support.

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**Image:** ECOOKIM cocoa farmer Akissi Madeleine Konan (L) is assisted by her mother-in-law to collect cocoa pods.



## INTERMEDIATE

- Access to fair and affordable finance.
- Increase in trading opportunities.
- Increased resilience to climate change, environmental protection and gender equality.

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**Image:** Quality Supplier Manager Jose Ruiz visiting quinoa farmers in Puno, Peru.



## LONG-TERM

- Increased income for farmers, artisans and workers.
- Stronger, more resilient and sustainable businesses.
- Employment creation for farmers, artisans and workers.

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**Image:** Shared Interest Foundation project participant Namara Scolah holding pods from her groundnut garden in Kikarara, Rukungiri district, Uganda.

# The Sustainable Development Goals

In 2015, the United Nations released its blueprint to achieve a more sustainable future for all. The subsequent Sustainable Development Goals (SDGs) are a framework for peace and prosperity for people and the planet. We believe our work contributes to the attainment of specific SDGs from the 17 agreed goals for building a better world by 2030.

Overall, we believe that seven of the SDGs are embedded in our mission and values:

1. No Poverty
5. Gender Equality
8. Decent work and Economic Growth
9. Industry, Innovation and Infrastructure
12. Responsible Consumption and Production
13. Climate Action
17. Partnerships for the Goals



# About Shared Interest

## History

Our journey started in 1986 when development agency Traidcraft Exchange sponsored research into the role of banking and investment within the fair trade movement. It was discovered that the main challenges faced by fair trade producers was access to working capital and buyers struggling to make pre-payments for goods. It was out of this that Shared Interest was created; a unique financial organisation aiming to do business for mutual service rather than for investor profit. The Society was publicly launched in October 1990 with the financial backing of the Joseph Rowntree Charitable Trust and Oikocredit, formerly, the Ecumenical Development Co-operative Society (EDCS). Within a year, we had attracted £750,000 of Share Capital and 600 members.

Today, we have 10,082 members in the UK, each investing between £100 and £100,000. This provides Share Capital of £50.9m. In 2004, Shared Interest established a subsidiary, Shared Interest Foundation. The charity aims to improve livelihoods through the development of sustainable businesses and income generation initiatives across Sub-Saharan Africa and Latin America. The story of our past 34 years is detailed at [shared-interest.com](http://shared-interest.com).

## Ownership and governance

Shared Interest is an independent organisation with its headquarters in the UK and further team members based in Costa Rica, Ghana, Kenya and Peru. Shared Interest consists of Shared Interest Society and a charitable subsidiary, Shared Interest Foundation. Shared Interest Society is owned and controlled by its membership. It is the sole member of Shared Interest Foundation. Shared Interest Society is governed by a Board of Directors which is currently made up of 10 members; four executives and six non-executives.

Seven of these ten Directors also form the Trustee Board, which governs Shared Interest Foundation. A Council of eight Society members monitors the work of the Society's Board of Directors. The Council has the power to question the Directors and Management Team and, if it sees fit, to address the membership independently.

To ensure the Council is a representative body, four members are randomly selected for nomination from the membership, while the other four members apply for their roles; all are subject to a ballot of members.

We hold annual producer committee meetings to ensure the producer voice remains within our governance and decision making. The meetings were held physically or virtually with producers in four of our five lending regions. No consultation took place in Europe and Asia due to the small number of producers in this region.

## Legal structure and reporting

Shared Interest Society is incorporated with limited liability under the Co-operative and Community Benefit Societies Act 2014, Number 27093R. The Society has submitted timely annual returns to the Financial Conduct Authority as its registrar.

Shared Interest Foundation is registered as a company limited by guarantee in England, Number 4833073, and is a registered charity, Number 1102375. It has submitted timely annual returns to the Charity Commission and to the Registrar of Companies.

Shared Interest has an annual compliance action plan, ensuring a regular review of internal processes and external audits against the relevant statutory and voluntary codes. This covers areas such as money laundering and bribery checks; health and safety compliance; risk reviews and data protection.

These topics are also included in induction schedules for all new members of the team. In addition, a key aspects checklist (Appendix 4) is produced by the Social Audit Network to enable standardised reporting on areas such as human resources (HR), governance, finance, and environmental / economic aspects.

# Our mission

*Our mission is to provide financial services and business support to make livelihoods and living standards better for people as they trade their way out of poverty.*

*We work collaboratively and innovatively with those who share our commitment to fair and just trade.*

*With a community of investors and the support of donors and volunteers, we seek to contribute to a world where justice is at the heart of trade finance.*

The investment of our members enables us to lend money to businesses across the world that follow fair trade principles.

With the support of our stakeholders, we are able to contribute towards building stronger, more sustainable businesses and improving the livelihoods of people in some of the world's most disadvantaged communities. The businesses we support range from small producer organisations to large scale coffee and cocoa co-operatives and buyers. We offer a variety of lending options that enable our customers to finance orders, access working capital, purchase essential machinery and infrastructure, and make advance payments to farmers and artisans.

In addition to finance provided by Shared Interest Society, Shared Interest Foundation provides technical assistance and business support to producers.

The Foundation works with community-based groups to develop income-generating activities to support their livelihoods.

We report on our performance during the year under the main activity areas and outcomes detailed on pages 65 - 66. These activities and outcomes contribute to the achievement of our mission.

The Society and Foundation have a shared mission and set of values, which is to conduct our business in a manner, which reflects the principles of love, justice and stewardship.

We will:

- **Work co-operatively with our members as we take and share risk**
- **Value and engage our donors and supporters**
- **Encourage the commitment, talents and energy of our staff in an environment of mutual respect**
- **Work to recognised fair trade standards**
- **Respect the diversity of different cultures**
- **Place partnership at the heart of what we do**

All activities and outcomes are reviewed annually by the Social Reporting Team and approved by the Board of Directors.

The key stakeholder groups within each activity area are listed but a full stakeholder list is available on page 61. Read in conjunction with our Directors' Report and Accounts (Appendix 2) and Trustees Report for Shared Interest Foundation (Appendix 3), these activities and operations, as well as our impact, cover all areas of our organisation.



**Image:** COOPARM coffee farmer Wilmo Rodriguez on his coffee plantation located in Rodriguez de Mendoza, Peru.



# Part 1:

## Our activities and operations

We engage in various activities to fulfil the mission of Shared Interest. This section describes how our members, volunteers, donors, customers and colleagues contribute towards reaching our operational goals, and highlights key results achieved during the year.

### Our members, donors and supporters

To fulfil our mission, we depend on the support of members, donors, volunteers and partners. Their contribution, alongside our international team of colleagues and the producers and buyers we support, enables us to carry out work in 47 countries.

#### Membership

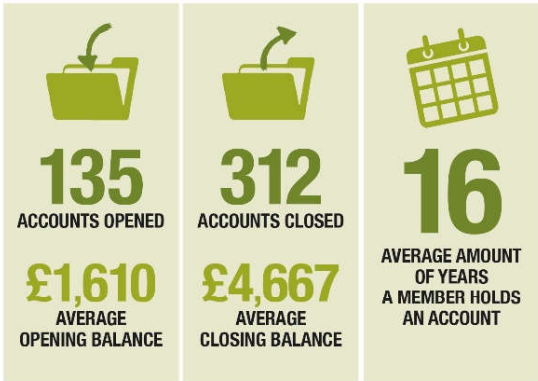
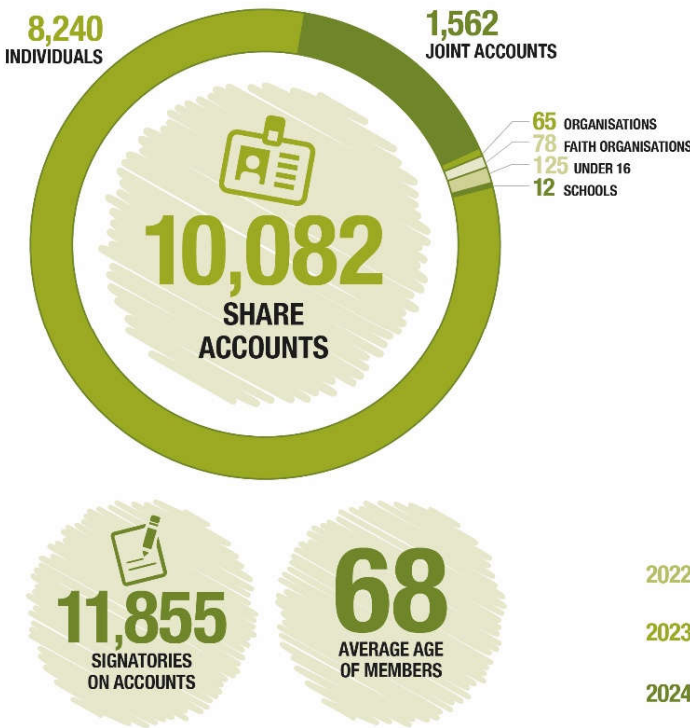
We bring together a community of members united by a common purpose.

Our members include faith groups, fair trade partnerships, small businesses, schools and community organisations. However, 82% of Share Accounts are held by individuals. We closed the year with 10,082 members and investment decreased by £0.7m.

A total of £320k was invested online, 11% of overall investments made, equal to last year, and Share Capital totalled £50.9m at the end of 2024.

The average age of a member is 68. The average age of a new member as they open a Share Account is 65 (2023: 65). We have a very loyal and supportive membership and the average length of time a member holds a Share Account is 16 years.

### Our membership



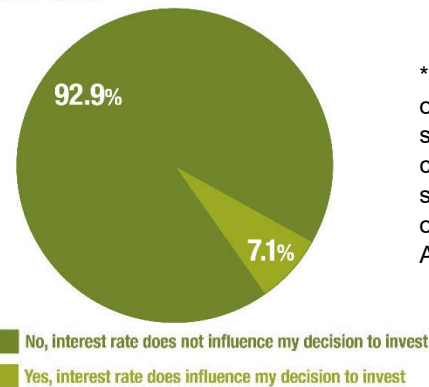
#### SHARE CAPITAL

NET DECREASE IN SHARE CAPITAL: £0.7m

2022	£52.3m
2023	£51.6m
2024	£50.9m

Our Share Capital position remains strong and continues to fully support our lending activities. We are actively working to enhance member engagement and attract new investors but over the past two years, we have seen the number of new enquiries slow, while the number of Share Account closures has remained constant. This imbalance has resulted in a decline in both membership numbers and Share Capital. We believe this slowdown has been caused by the cost of living crisis, exacerbated by geopolitical factors such as the war in Ukraine and the Middle East, as well as the disparity between our interest rate and risk free rates offered in the market for regulated savings products. In addition to this, word of mouth has always been a cornerstone of marketing activity, but volunteer opportunities have not returned to pre-pandemic levels. It is also clear from our analysis that a large proportion of our withdrawals are from members who have invested for over 25 years; many such withdrawals have been to subsidise living and retirement costs. These Share Accounts are also generally higher in value, so individual withdrawals have a greater impact on the overall result.

**MEMBER SURVEY:**  
**Our interest rate varies and currently stands at 0.25%. Does the interest rate influence how you invest with us?**  
1,428 responses



\*Extract from our member survey. You can read a summary of our survey in Appendix 5.

**Communication to members and supporters**

Although our communications span both recruitment and retention, one message remains constant: the power of collective action to create positive change. Over the last three years, we have seen changes in consumer behaviour, desires and demands following the continued impact of the pandemic. According to the 2024 Global Consumer Trends report by Mintel, consumers are increasingly valuing human relationships and community, as well as dealing with the reality of climate change and economic uncertainties.

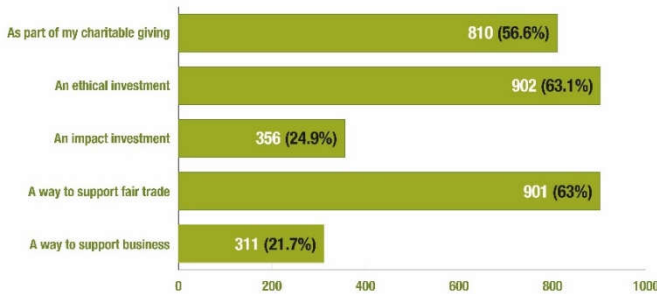
We engage with our members in a number of different ways to showcase the impact of our work. This impact extends beyond the businesses we support to encompass the individuals whose lives are transformed, their wider communities, as well as the broader contributions to the SDGs.

Our research into membership patterns shows a clear conversion journey with prospective members typically engaging with us through three different touchpoints – such as promotional materials, events and word of mouth – before opening a Share Account. Enquiries tend to be converted in the first seven months after initial contact although this is significantly shorter for online applications, which are typically more immediate, however generally lower in value.

This echoes our results and over the year, we attracted 135 new members to the Society (2023: 167) with an average opening balance of £1,610 (2023: £2,724). Due to account closures, we saw a net reduction of Share Accounts following a net reduction in last year. Although we are not always able to identify why members close their Share Accounts, over the year, 27% said the funds were needed for a project or personal expense, 12% said they were investing elsewhere, 13% closed after

the member passed away and the remaining 48% gave no explanation.

**MEMBER SURVEY:**  
**Which of the following phrase(s) best describes how you view your investment in Shared Interest?**  
1,430 responses



\*Respondents can choose more than one option for this question.

For the fifth year running, Shared Interest Managing Director, Patricia Alexander was named in the top 100 women leading social enterprise and impact investing in the UK in the NatWest WISE (Women in Social Enterprise) Awards. The Society also proudly continues to hold the Queens Award in Sustainable Development, which we achieved for a third time in 2020. These awards provide us opportunities to raise our profile, show our impact, and enhance our credibility to existing and potential supporters.

This year, we held 12 insert campaigns in magazines such as Amnesty International, Ethical Consumer and Earthmatters, which explored how our finance is impacting Ivorian cocoa producer CAYAT and Mexican honey co-operative EDUCE.

In September, during Fairtrade Fortnight, we commissioned a cover wrap with The Big Issue magazine, which shared the story of Ugandan coffee producer Banyankole Coffee Services.

These activities underpinned our relationship with fair trade and demonstrated the impact of our members' investments as a means to strengthen enterprises and support smallholder livelihoods.

We strengthened our digital marketing presence through advertising packages across leading ethical media platforms, spanning the websites and social media channels of Ethical Consumer, The Guardian, The Big Issue and The Independent. We also partnered with a specialist sampling agency Brand Planet, to target audiences at BBC Gardeners World Live in Birmingham, and Country Living Fairs in Birmingham, Harrogate and London.

Every year, we produce an Annual Review for both the Society and Foundation, and include a summary of these documents within the winter issue of Quarterly Return (QR). For our younger investors, we produce a 'Little Book of Fairness' as part of our efforts to engage members under the age of 16. The theme for this year's edition was Mexican honey production and the content featured our customer EDUCE, alongside our new honeybee mascot 'Zumbido' (buzz in Spanish). Targeted at primary school children, this publication continues to evolve and is now part of a comprehensive set of resources.

### Online promotion

The ability to apply for a Share Account online remains key to member acquisition, with most Share Accounts opening with the minimum investment of £100 and gradually increasing over time. This year, we improved our online application process and integrated analytics to track user behaviour. We will report on this in more detail in Social Accounts 2025.

We also refreshed both Society and Foundation website content to elevate our impact. With the support of our volunteers we improved the multilingual content of our website, improving its accessibility to website visitors. From 1 October 2023 to 30 September 2024, our website welcomed over 9,500 visitors. The primary identifiable demographic visiting our website were users aged between 25 and 34 (1,027).

Our blog provides us with a platform to share content on a variety of topics and we continue to collaborate with our Lending Team to share reflections of their trips to visit producers, as well as updates on their experiences at key industry events. It also allows us to cover relevant global events such as Earth Day, International Women's Day and the 30th anniversary of the Fairtrade Foundation.

Leveraging a Google Ads grant, we significantly expanded our online reach in 2024 with our targeted adverts seen 40,953 times and led to 4,752 website visits. Our most successful campaigns centred on Earth Day and Fairtrade Foundation's 30th anniversary.

We also worked with an external agency during the year, to develop a special film to commemorate the 20th anniversary of the Foundation.

Our social media presence strengthened significantly in 2024, showcasing customer stories, team updates, project impacts, and campaign content across all platforms. YouTube engagement grew to 3,200 views (2023: 2,061) and 99 hours watched in total. Facebook reach almost doubled to 16,207 accounts (2023: 8,320), our followers also rose to 2,200 (2023: 2,069). Our collaboration 'Exploring the cocoa supply chain' campaign with Tony's Chocolonely during Chocolate Week, reached 4,676 accounts. Instagram growth continued steadily with improved posting consistency, growing from 414 to 484 followers and generating over 3,500 content views. X platform (formerly Twitter)

engagement resulted in over 20,000 organic views and 297 reposts. LinkedIn showed particularly strong growth, with content views exceeding 200,000 and over 7,000 link clicks. Follower count increased 51% to 1,371.

### Ethical content gathering

We maintained our commitment to authentic storytelling by leveraging volunteer interpreters and translators to amplify producer voices. This approach has enhanced our communication impact while upholding ethical content management standards across written, photographic, and video materials.

Our content gathering process centres on sustained producer engagement and informed consent. We strengthened these practices through active participation in the People in the Pictures group and Communications Working Group both organised by Bond, a UK network for organisations working in international development. Additionally, we continued our involvement with Mile 91's storytelling strategy development initiatives. Mile 91 support organisations to develop robust systems for story gathering and co-creation.

Professional content production expanded through collaborations with our vetted in-country photographers and filmmakers. This content has been featured across our online channels and print publications such as QR and our Annual Reviews.

Our Impact Studies and more detailed impact case studies, featured in this report, form a large part of our content gathering activity. This encompassed comprehensive supply chain documentation through interviews, photography, and film, conducted by our team with translation support where needed.

## Member retention

Community remains central to our identity as a membership organisation. Our collective commitment to achieving shared goals strengthens our global community, which encompasses our customers and international team.

Our triennial Member Survey, conducted this year, provided valuable insights into the views of our members (Appendix 5). The survey achieved a 16% response rate, down from 23% in 2021, with 47% responding online. Our QR magazine continues to be our primary engagement tool, with 85% of survey respondents stating it gives them the best sense of our social impact, and 83% saying they read all or most issues. Digital engagement is growing, with over one-third of members accessing QR online, achieving an exceptional 61% email open rate compared to the 2022 industry average of 26%. Member Portal usage increased slightly to 46% from 45% in 2023.

The 2024 Annual General Meeting (AGM), led by Chair Dr Yvonne Gale, was held online with 115 members attending. While voting participation decreased to 913 from 1,003 in 2023, we maintained strong digital engagement with 342 online votes, representing 37% of total votes compared with 41% the previous year.

The following comments are a selection taken from online feedback forms provided to members:

*“Thank you for an excellently presented AGM and thank you for the excellent Annual Reports sent before the AGM. I’m proud to be a member of Shared Interest.”*

*“I thought the whole meeting was very well presented, very professional, clear and inspiring. Thank you to everyone involved for making it easy to follow and understand.”*

UK regional supporter events demonstrated strong engagement with 171 attendees across three locations. Events featured senior management representation and guest speakers including Emily Pearce, Senior Sustainable Sourcing & International Development Manager from Co-op (Manchester), Joanna Abena Fianu from British Association of Fair Trade Shops (BAFTS) (Durham), and Liberation Foods Managing Director Dan Binks (Bristol). Members of Council and our Board were also present together with a virtual link with overseas colleagues at each event. Over 50% of attendees were first-time participants, with all respondents indicating satisfaction with content delivery and expressing interest in future events.

Questions across the three events were very varied and covered the fair trade market, Fairtrade and other certifications, lending criteria, debt recovery process, Foundation projects and doubtful debt.



Image: A supporter event in Bristol, June 2024.

Comments on what attendees enjoyed or why they attended included:

*“To gain a larger understanding of Shared Interest and the people they help throughout the world.”*

*“To find out more about the organisation with a possible new increase of our investment.”*

*“Had never been. Curious. Very pleased to now be better informed.”*

During Fairtrade Fortnight, we hosted two virtual events, which attracted 213 members. The events focused on our impact case studies which were completed in 2023 featuring CAYAT an Ivorian cocoa customer and EDUCE, a Mexican beekeeping co-operative.

Feedback from members included:

*“To hear one of the women saying that she now knows her true value - that moved me to tears. These projects are clearly so good for the esteem of both women and men. This is fabulous work. Although the magazine is good, and I do read it, this webinar just brings it all to life. Thank you.”*

*“Very interesting. I liked especially hearing from the female beekeeper - courage and humility combined. Good also to see the finances involved and the beneficial effects of Fairtrade; plus, the emphasis on bio diversity and working with nature.”*



## Supporting our charity

Shared Interest Foundation receives support from 1,205 donors alongside trust and foundation grants. Members of the Society constitute 99% of our donor base. While this appears to show a year-on-year decrease in donors, the figures reflect a thorough database review that removed duplicate accounts. Unrestricted income totalled £350,481 (2023: £393,071) and restricted income totalled £172,414 for 2024 (2023: £142,921).

Although not to the level of 2023, the healthy unrestricted income was largely due to an increase in large donations from members who have left a legacy or closed their Share Accounts and donated their investment. This money is used to implement projects aimed at the development of sustainable enterprises, empowering women and youth, and building climate resilience in remote communities within Africa and Latin America.

Our Member Survey showed that 61% of respondents were aware of the Foundation (2021: 57%) and 78% (2021: 68%) said they would consider donating in the future.

During February, the Foundation held a virtual event to mark its 20th anniversary. The event explored its history, projects, global impacts and plans for the future. The event was attended by 26 people, and we also welcomed guest speaker Issaka Sommandé, a founding member and the Chair of Burkina Faso Fair Trade Country Network (PNCE-B).

In July, the Foundation hosted a virtual event with the British Beekeepers Association and Bunyangabu Beekeepers Cooperative Society, providing beekeeping management support to communities in Uganda.

The event was attended by 61 people and highlighted beekeeping's role in rural development, whilst drawing parallels with British beekeeping practices.

## Partnering with purpose

Shared Interest's ability to achieve our mission, as well as our ability to contribute towards the achievement of the Sustainable Development Goals (SDGs), relies on cooperation and collaboration with others.

According to the UN, the SDGs require 'an unprecedented level of cooperation and collaboration among civil society, business, government, NGOs, foundations and others for their achievement'. SDG 17 - Partnership for the Goals, demonstrates the importance of partnerships, referencing them as 'the glue for SDG implementation...essential to making the Agenda a reality.'

Our partnerships, as well as the networks and organisations we are members of, form a valuable community for us. Working with this community, we can increase, develop and broaden our impact as we progress towards our mission. We take care to nurture and develop partnerships with organisations with whom we believe we are stronger together.

This year we have strengthened and formed relationships with a community of 33 organisations. These connections support our work along our key strategic themes, such as climate resilience, gender equality and technical assistance, as well as our core work, including lending and project activity. For more information on our relationships, see Appendix 6 and the case studies on pages 28 and 39.



**Image:** Foundation project participant Kiconco Peace during the groundnut harvest in Kikarara, Rukungiri district, Uganda.

# Our lending

## Providing a reliable source of finance

We continue to support fair trade organisations through direct producer lending in Africa and Latin America (producer lending) and indirect lending to Northern Hemisphere fair trade wholesalers, FLO Traders (companies who sell unfinished Fairtrade products, raw materials and ingredients to other Fairtrade registered companies who are either also acting as traders or are licensees making a final Fairtrade product), and retailers (buyer lending). Our lending portfolio comprises short-term solutions including Export Credit, Buyer Credit and Stock Facilities for working capital, alongside medium-term Term Loans for infrastructure and equipment investment.

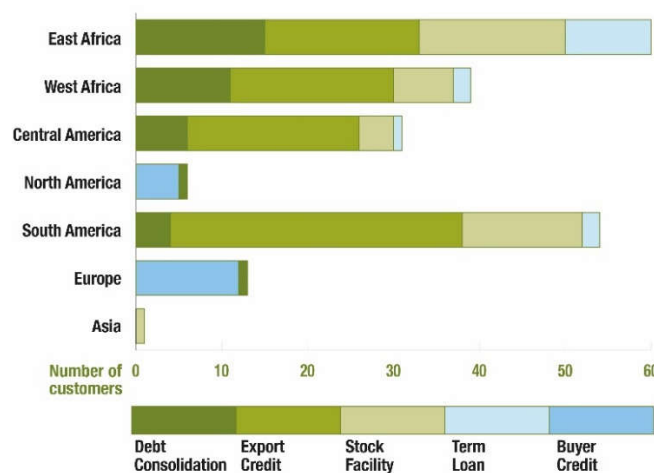
- Export Credit and Buyer Credit are revolving lines of credit tied to contractual agreements, which are repaid as contracts are fulfilled. This provides us with the flexibility to offer loans over the course of a year meeting the differing peaks of regional harvest seasons, which allows us to exceed the total of our Share Capital.
- Stock Facilities provide financing when contracts are not available during critical harvest periods. This is because not all customers borrow at the same time due to the different harvest periods across regions.
- Term Loans are essential for supporting customers' infrastructure projects, enabling them to acquire the materials and machinery needed to expand production capacity. These loans also help with the construction of buildings that support long-term growth.

(See Appendix 7 for a full description of our lending products).

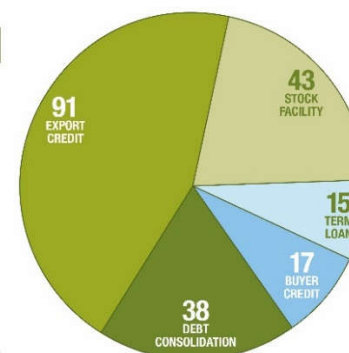
Our current portfolio encompasses 204 facilities allocated to 166 customers with short-term financing via Export Credit remaining the most popular borrowing option (as demonstrated in the graph adjacent).

Debt consolidations (accounts that have defaulted but have since been restructured over a new term) represent 19% of our total portfolio, down from 22% last year. Historically, most debt consolidations have occurred within our African portfolio, but in the last 12 months we have seen an increase in default level in the Latin America region, largely due to governance issues and the impact of climate change. It is important to note that we are often working with vulnerable organisations, with slim profit margins, who rely on the dedication of their members in product supply, and the commitment of reliable buyers to ensure a viable market route. Given these market challenges, it can take time to agree on a repayment plan that works for both parties.

Type of facilities per region



Number of facilities



\*Customers can have more than one type of facility. Europe and Asia are managed as one region as is Central America and North America.

The majority of our lending (89%) supports producer groups. Buyer lending has decreased as organisations have accessed cheaper lines of credit and have experienced a lower demand for premium priced products, due to the cost of living crisis. However, buyer lending remains crucial in the fair trade system, as WFTO Fair Trade Principles require them to provide 50% upfront payments to producers.

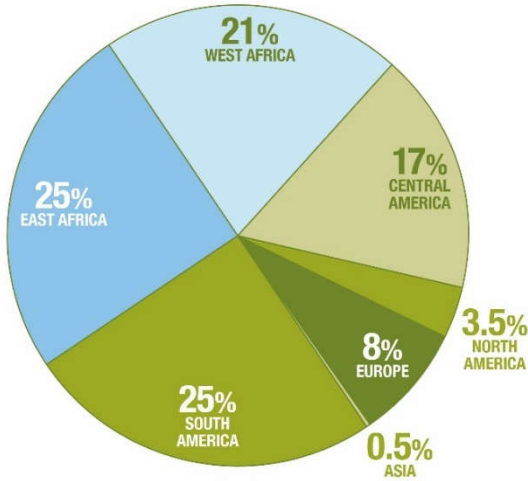
Financial regulations prevent direct lending in many parts of Asia, including India, Bangladesh, Nepal, and Pakistan. Instead, we facilitate producer access to working capital by extending credit to European and North American buyers, enabling them to pay artisans and procure raw materials, ensuring timely order fulfilment.

For the third consecutive year, our total customer base has declined. At the end of this year we had 166 customers, comprising 147 producer groups (2023:153) and 19 buyers (2023: 20). Producer groups span Latin America (70), Africa (76), and Asia (1), while the buyers are located in Europe (13) and North America (6), as shown in the graph opposite. This reduction also stems from closing longstanding arrears accounts, inactive accounts. We closed 16 customer accounts (14 producers and two buyers) due to poor account management, market volatility, leadership instability, financial underperformance, reluctance to provide available security, more attractive interest rates and unfortunately some instances of insolvency. In total nine new customers were onboarded against a target of 38 with challenges including the limitations of working only in the fair trade sector, poor financial documentation, high perceived interest rates, and prospects pursuing multiple lenders simultaneously. Overall, the number of closed customer accounts surpassed new additions, resulting in a net reduction of seven accounts in our lending portfolio.

We have witnessed yet another challenging year for many sectors. Handcraft and agricultural SMEs, continue to navigate a landscape marked by volatile commodity prices and significant disruptions in global supply chains. These disruptions, compounded by financial constraints such as limited liquidity (when an organisation has limited liquidity, it means they have difficulty accessing or generating the necessary cash to cover their short-term obligations and operational expenses), rising raw material costs, and reduced Fairtrade sales, have led to a challenging marketplace. Market volatility, characterised by fluctuating prices and increased competition in the coffee and cocoa industries, has further strained resources. In addition to financial and market pressures, coffee and cocoa producers have had to adapt to new regulatory

demands, particularly the EUDR. Compliance with these regulations requires detailed traceability and documentation to prove that their products do not contribute to deforestation. These new requirements have created operational delays, diverted already scarce resources, and increased costs, making it even harder for producers to remain competitive in global markets. Production issues, such as declining output and supply chain challenges driven by poor infrastructure and third-party buyers, have significantly reduced income and impact. The pressure on these businesses has been exacerbated by compliance with not only the EUDR but also national legislation and governance issues. Additionally, in Ivory Coast, cocoa producers also faced a temporary suspension on Fairtrade certified cocoa bean sales which prevented certified co-operatives from selling their beans under Fairtrade terms during May and June. This was enforced by the Ivorian regulatory body, Conseil Café Cacao (CCC), in response to concerns about contract fraud.

Customers per Region in 2024

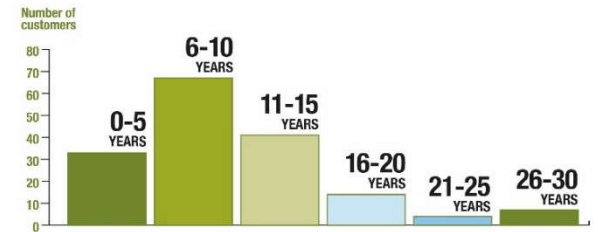


In this uncertain environment, social lenders have a more critical role than ever before. We are well positioned to provide the timely financial support that farmers and artisans need to access resources, sustain production, and adapt to rapidly changing conditions. By offering adequate financing at the right time, we help mitigate the impact of these challenges and foster more stable, sustainable agricultural and artisanal communities.

Customer relationship, communication and events

Effective portfolio management relies on consistent yet tailored communication with our diverse customer base. We recognise the unique challenges faced by customers in remote rural areas where communication infrastructure remains limited, necessitating adaptable messaging strategies that ensure clarity and accessibility. Throughout 2024, we strengthened customer relationships, identified new business opportunities, and addressed performance and arrears issues during various events, fairs, and visits across South America, East Africa, West Africa, and Central America. Although we could not visit all customers, a total of 46 customers were visited across 18 trips during the year. The graph below demonstrates the length of our relationships with our customers.

Length of relationship with Shared Interest customers



In South America, we attended key industry fairs, starting with Expocafé in Lima, Peru where colleagues met with existing coffee customers to discuss ongoing relationships. This was followed by the Cacao and Chocolate Fair in Lima which provided colleagues the opportunity to meet face-to-face with customers, reinforcing support and collaboration. Our presence at Biofach Brazil in June 2024 opened new portfolio expansion possibilities.

In East Africa, our team participated in critical industry events and customer visits. The Africa Fine Coffee Association (AFCA) Conference, a key event for the coffee sector, allowed us to interact with regional and international stakeholders. Aceli Africa is a programme designed to address the perceived \$65 billion financing gap for agricultural SMEs, in Africa (small and medium-sized enterprises). Shared Interest is a beneficiary of this as we receive incentives for some new lending and can access their first loss cover fund. We attended the Aceli Africa Convening which helped strengthen our relationship with financial partners and technical service providers, while the Africa Food Systems Conference enabled us to engage with players in the agri-food system. Focused monitoring and due diligence visits to Uganda enabled engagement with eight prospective and one existing customer. While a trip to Rwanda encompassed monitoring of five accounts and evaluation of two potential prospects.

In West Africa, we actively participated in sector-focused events and engaged with customers to address key challenges and opportunities. The Ivorian Fair Trade Network (RICE) Conference in Ivory Coast was pivotal, due to the visibility it offered with key industry partners. Our team presented on social finance opportunities and connected with key prospects at this event.

We continued our presence in Central America with key

customer visits, including Sintercafé in Costa Rica, where our team engaged with coffee industry stakeholders. At Specialty Coffee Association of America (SCAA) Chicago, the main global coffee trade fair, we further developed relationships and identified opportunities to grow our portfolio. Throughout the year, we conducted visits to both potential and existing customers in Honduras and Nicaragua, ensuring continuous support and oversight of customers current trading performance. Similarly, at Biofach Germany we focused on expanding connections with both potential and existing customers.

### Products financed

The chart on the following page shows the split of lending for different types of products as a percentage of overall disbursements made.

### Coffee

Coffee remains the largest sector in our value chain, and in our Latin American portfolio. This highlights the robust demand for Fairtrade and organic coffee which require trade finance. Despite broader fluctuations in the financing landscape, we saw an increase in disbursements from 48% in 2023 to 51% in 2024, reflecting the growing importance of financing in this sector. This rise aligns with the steady increase in coffee prices, driven by climate change impacts on major coffee-producing nations. Drier conditions in Brazil and extreme heat as well as a drought in Vietnam have significantly reduced both Arabica and Robusta outputs, pushing prices higher. Additionally, new EUDR requiring precise tracking of coffee origins are expected to further increase expenses. Despite a slight dip in global demand, coffee prices are forecast to remain elevated in the near term, driven by reduced supply and logistical challenges.

Current data shows that smallholder farmers produce 60 percent of the world's coffee yet nearly half of them live in poverty and nearly 25 percent of them live in extreme poverty, earning less than USD \$2.15/day.

Arabica accounts for about 75% of global coffee production, with Brazil remaining the dominant producer (now approximately 35-40% of world supply) followed by Colombia. Robusta makes up the remaining 25%, predominantly used in European and espresso coffees, while Arabica beans continue to dominate the US market.

The C price – the benchmark price for commodity-grade Arabica coffee on the New York International Commodity Exchange – has shown significant volatility. While 2022 saw prices above \$2 per pound, by late 2023 prices had fallen to \$1.47 per pound. The market saw a dramatic reversal in early 2024, with prices surging above \$2.20 per pound due to concerns about Brazilian drought conditions and global supply constraints. The decade-long average price remains around \$1.45-1.50 per pound.

The Fairtrade Minimum Price continues to provide crucial protection for coffee farmers against market volatility. The August 2023 increase to \$1.80 per pound for Arabica beans (up from \$1.40) proved particularly timely given market conditions. Since its implementation in 2011, the Fairtrade Minimum Price has exceeded market prices approximately 52% of the time, demonstrating its value as a safety net.

Fairtrade certified farmers continue to receive a \$0.20 per pound social premium, which they collectively invest in community-chosen projects spanning productivity improvements, climate adaptation measures, quality enhancements, infrastructure development, and essential community services. With more than 80% of all Fairtrade coffee sold being washed Arabica, producers maintain certification largely for the consistent price floor and differential, enabling them to focus on capacity-building and environmental protection initiatives.



## Cocoa

The majority of our cocoa customers are based in West Africa. We have seen cocoa disbursements decrease of our total from 30% to 25% in the year, reflecting broader challenges in the sector. Climate change is exerting a significant impact on agricultural production across the region. Cocoa farmers are grappling with increasingly unpredictable rainfall patterns, which have contributed to lower yields. Moreover, pest and disease outbreaks, such as the spread of the swollen shoot virus, are becoming more prevalent. This issue has been particularly severe in Ivory Coast, where a major pest infestation in 2023 led to a 40% reduction in cocoa harvests among co-operatives. Similar to coffee, cocoa is also a commodity subject to the new EUDR.

Current analysis shows that cocoa farmers in West Africa typically receive between 4-6% of the retail price of a chocolate bar. Under Fairtrade terms, farmers are guaranteed a minimum price plus a premium, which as of 2024 stands at a minimum price of \$2.40 plus a premium of \$0.24 per kg of cocoa beans. However, the challenge persists that even within the Fairtrade system, African cocoa farmers struggle to achieve a living income, typically selling only about half their production under Fairtrade terms due to limited market demand for Fairtrade certified cocoa.

The co-operative structure continues to provide significant advantages for Fairtrade certified farmers, offering collective benefits including shared costs for transportation, equipment, and storage facilities, along with enhanced negotiating power. These co-operatives provide essential training and enable farmers to offer buyers more reliable quantity and quality guarantees, leading to more favourable contracts.

The world's cocoa supply remains concentrated in tropical zones around the Equator. West African countries - Ivory Coast, Ghana, Nigeria and Cameroon - now account for approximately 75% of global cocoa bean production, with Ivory Coast alone producing about 45% of the world's supply. Latin America contributes roughly 18% of global production.

Recent studies from early 2024 indicate the situation for cocoa farmers has deteriorated. The global cocoa market has seen unprecedented price increases, with futures reaching record highs above \$12,000 per tonne in early 2024, yet farmer poverty remains endemic. Despite these market conditions and the chocolate industry's value approaching \$150 billion annually, the majority of Ghanaian and Ivorian cocoa farmers still struggle to earn a living income, with many of the country's approximately 800,000 farmers surviving on less than \$3 per day. Research indicates that farmers' real incomes have continued to decline when adjusted for inflation.

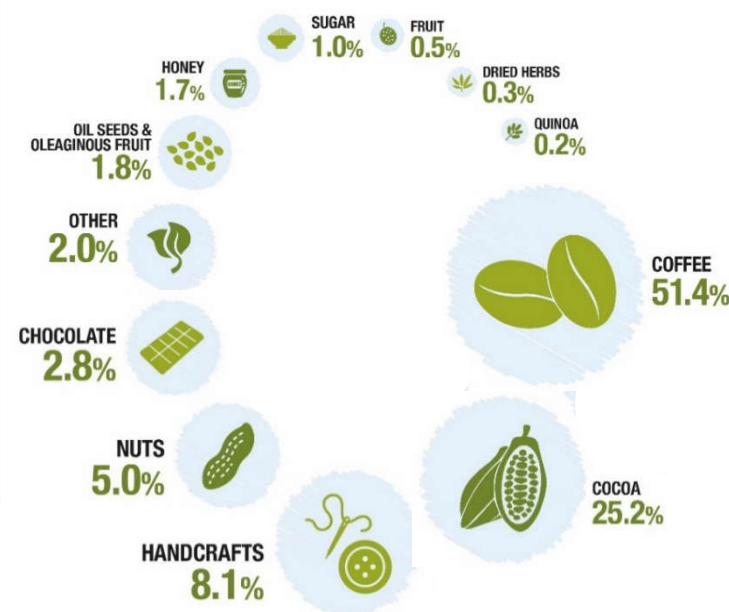
These challenges were further compounded when the Ivorian regulatory body, Conseil Café Cacao (CCC), implemented a temporary suspension on Fairtrade certified cocoa bean sales in response to concerns about contract fraud. This suspension prevented certified co-operatives in Ivory Coast from selling their beans under Fairtrade terms during the affected period, further impacting farmer incomes.

\*The right-hand graph reflects disbursements made during the year.

## Handcrafts and Textiles

The handcraft and textile sectors continues to play a significant role in our portfolio, accounting for 8.1% of total disbursements, down from 8.4% in 2023. The global recession has reduced demand for handcrafts, including textiles, impacting lending in this segment. Nevertheless, we remain committed to supporting small and disadvantaged producer groups, maintaining our position as the only social lender active in this sector. The majority of disbursements for handcrafts continue to be made through buyer lending.

### Our lending for different types of products



## **Due diligence and management of our risk portfolio**

We are dedicated to providing financial support to businesses in vulnerable regions, particularly those grappling with the impacts of climate change and volatile commodity prices. Our core objective is to extend financial services to these enterprises while employing rigorous risk management strategies to protect our members' capital. To meet this objective, we have established a robust due diligence framework, which has proven increasingly critical amid the disruptions in global supply chains and other operational challenges that have surfaced in recent years.

### **Due diligence framework**

Our due diligence framework is designed to assess the operational viability, financial health, and long-term sustainability of the businesses we support. The cornerstone of this process is the physical on-site visit, which allows us to conduct a comprehensive evaluation of a business's assets, management practices, and local market conditions. Through these visits, we can collect qualitative and quantitative data that are vital to our risk assessment and decision-making processes.

We do however recognise that logistical challenges—such as political instability, geographical remoteness, or travel restrictions—can make physical visits impractical. In such cases, we accept virtual due diligence reports and hold virtual recorded meetings. These reports must meet stringent accuracy and comprehensiveness requirements, ensuring that the integrity of our assessment is maintained even when on-site evaluations are not feasible. Once conditions allow, these virtual assessments are supplemented with a physical visit and information from other social lenders to verify the findings and enhance the depth of our evaluation.

This hybrid approach enables us to maintain a high level of rigor in our due diligence, regardless of external constraints.

### **Lending policies and risk mitigation**

Our lending activities are governed by a set of credit policies that play a fundamental role in risk mitigation. These policies are based on prudential lending limits, which have been approved by the Board of Directors. The limits are carefully designed to manage our exposure to different sectors, commodities, and geographies by capping the proportion of Share Capital that can be allocated to loans in each category. The limits are further stratified based on commodity-specific and country-specific risks, ensuring a diversified portfolio that minimises overexposure to any single risk factor.

These lending limits are not static; they are subject to periodic reviews informed by real-time assessments of market conditions, borrower performance, and sectoral risks. This dynamic approach allows us to adapt to changing market environments while ensuring that our lending portfolio remains within acceptable risk parameters. As fluctuations in Share Capital occur, we simultaneously adjust the funds available for lending in specific commodities or countries, ensuring compliance with our prudential lending framework.

This methodical adjustment of lending capacity ensures that we continue to expand our support to businesses in need, without exceeding the risk tolerance thresholds defined by our credit policies. By closely monitoring capital inflows and outflows, we optimise our lending operations while maintaining a balanced risk profile.

### **Management of arrears and default risk**

Our robust approach to managing default risk adapts to the evolving needs of our 166 customers while maintaining our social lending principles.

Within our current portfolio, 95 customer accounts (2023: 102) are in arrears at various levels, including 59 extending beyond three years. Each case receives individualised attention, with recovery strategies tailored to business viability, availability of security or collateral and social impact considerations.

We maintain a conservative write-off policy, only closing accounts when the businesses permanently cease operations, and no further recoveries can be made from guarantors or signatories. Our assessment indicates significant recovery potential across the arrears portfolio, supporting our proactive approach to working with customers facing challenges.

Recovery efforts increasingly involve carefully selected third-party debt collection agencies and legal professionals, who demonstrate alignment with our ethical standards and social mission. These appointments undergo rigorous vetting to ensure their practices reflect our values and commitment to fair treatment. The decision to engage these external services is made after careful cost-benefit analysis. In cases where businesses are still operational but have no saleable assets, we weigh the cost of collection against the potential recovery. Conversely, when we hold security—such as a land title, mortgage, lien on stock, personal guarantee, or promissory note (widely used in Latin America)—the decision to pursue collection becomes more straightforward and often results in a higher likelihood of recovery.

### **Provision for doubtful debts**

Our doubtful debt provisions reflect detailed portfolio analysis incorporating age of the debt, the financial condition of the debtor, and the existence of collateral or other security.

Currently, we have made a 100% provision for 29 customers, meaning that if these accounts were written off, there would be no direct financial impact on our balance sheet. As these businesses are still operational, any recovery from these accounts would positively impact our balance sheet and reduce our overall doubtful debt expenses for the year. This approach ensures that our financial statements reflect a fair calculation of expected credit losses, while maintaining flexibility to realise gains from debt recovery efforts. For a more detailed breakdown of our doubtful debt provisions, please refer to the Directors' Report and Financial Statements for fiscal year 2023/24, located in Appendix 2.

### Country risk assessment

To manage country-specific risks in our lending portfolio, we have established a detailed risk assessment system from Coface, an independent credit insurer. This system classifies countries into distinct risk bands, ranging from A (lowest risk) to D (highest risk), based on economic, political, and financial stability indicators. Each country risk band is accompanied by prudential lending limits, designed to restrict our exposure to higher-risk regions while allowing greater flexibility in more stable markets. (See Appendix 8)

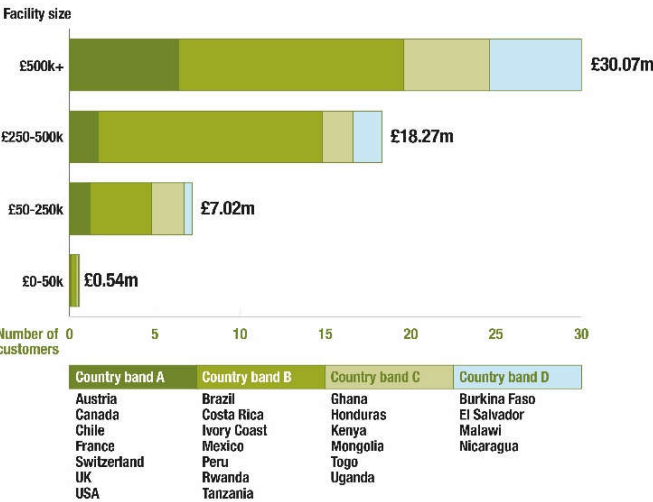
This classification system provides us with actionable insights and data that inform our country-specific risk management strategies. Our portfolio concentrates lending in lower-risk A and B categories, with restricted exposure to C and D markets, ensuring balanced risk distribution while maintaining support for developing regions as shown in the graph below. Although Nicaragua is rated as Category D, the abundance of lending opportunities in the market led us to increase our available exposure to that country.

This decision reflects both the demand for funding and the potential for returns, despite the elevated risk level associated with the rating.

### Sector and lending size focus

Our commitment to supporting smaller-scale enterprises distinguishes us in the social lending sector. While 80% of our producer customers operate with facilities under USD 500k (£382k equivalent), we know that the broader Council on Smallholder Agricultural Finance (CSAF) portfolio shows only 39% of lending at this level (Appendix 18). This focus on smaller enterprises reflects our intention to create meaningful impact where traditional financing proves difficult to access.

Facility Size vs Country Band: Committed GBP



### Disbursements

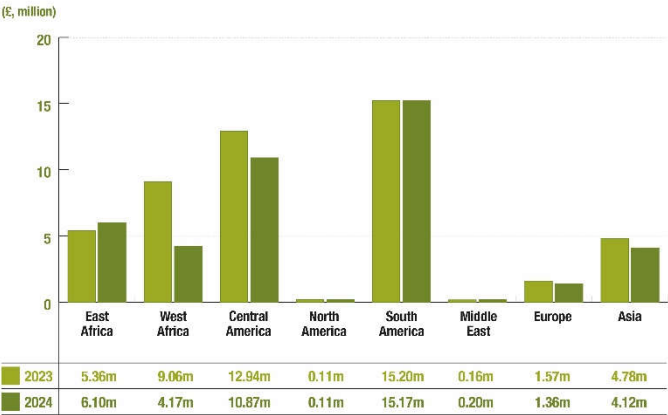
When we refer to disbursements, we are encompassing all funds issued under Export Credit payments (prefinance requests), Buyer Credit payments made to suppliers, and the payment of Stock Facility or Term Loan funds. In 2024, total disbursements amounted to £42.1m, down from £49.2m the previous year. This reduction is largely attributed to the shrinkage of our portfolio and fewer new facilities. Disbursements in Central America declined due to several factors: one large facility went unused, two accounts were closed, and some customers were ineligible to borrow due to defaults. In West Africa, challenges in mobilising cocoa to fulfil contracts last year led customers to request early disbursements, which were made primarily in August and September 2023.

East African disbursements saw modest growth of £740k, while those in South America remained consistent with last year.

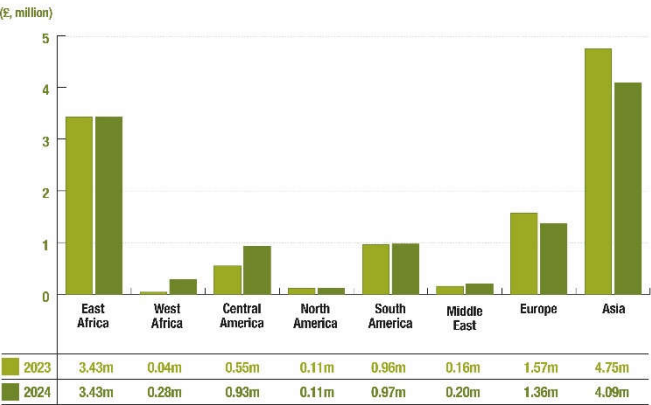
In regions where, direct lending faces political and economic restrictions, our buyer relationships prove crucial for reaching disadvantaged communities. This approach enabled 538 payments totalling £2.7m to organisations in India, demonstrating our ability to support fair trade despite regulatory constraints. Additional buyer-facilitated payments reached fair trade organisations across Africa, Europe, Latin America and North America.

Our strategic focus on smaller enterprises, combined with robust risk assessment and flexible disbursement mechanisms, ensures continued support for communities most in need of ethical financing, while maintaining portfolio stability.

Disbursements made per region to  
producer customers and recipient producers



Disbursements made on behalf  
of buyer organisations  
(this data is a subset of the graph above)



Lending per region

In Latin America, coffee producers are navigating a delicate recovery. Previous disruptions, such as logistical delays and global price fluctuations, have continued to impact the coffee sector. Farmers are still grappling with challenges such as unpredictable weather conditions and the impacts of climate change, which have affected yields. Co-operatives are also facing increasing difficulty in securing contracts, as many buyers are gravitating towards lower-cost, non-Fairtrade conventional coffee options.

The region's cocoa sector shows greater stability, benefitting from the growing interest in high-quality, specialty cocoa, including fine-flavour varieties. However, producers contend with market access constraints, escalating input costs and continued supply chain challenges which have kept profit margins tight. As a result, producers have focused on sustainable production practices, to tap into the growing global demand for ethically sourced cocoa.

African cocoa production, particularly in Ghana and Ivory Coast, faces significant challenges from erratic weather patterns and crop diseases affecting harvest volumes. Global supply constraints have driven price increases, creating complex market dynamics. The Living Income Differential (LID) continues to play a critical role, aiming to ensure that farmers receive a fair price for their crops. However, some international buyers have been reluctant to absorb the additional costs, leading to a preference for lower-premium contracts, creating market friction and reduced purchases of Fairtrade cocoa.

In the coffee sector, East African countries such as Rwanda, Uganda and Kenya continue to perform well, with demand for specialty and high-quality coffee beans remaining robust.

Smallholder farmers face ongoing challenges accessing finance and building farm resilience against market and climate fluctuations. The region's producers are increasingly focusing on enhancing value-added processes and certification, to remain competitive in a global market that prizes traceability and quality.

The evolving regulatory landscape, particularly EUDR requirements, adds complexity across both regions, requiring enhanced traceability and documentation systems. These developments, while necessary for sustainable practice, create additional operational pressures for producers already managing tight margins and market uncertainties.

Living Income Differential (LID)

The Living Income Differential (LID) is a pricing mechanism in the global cocoa industry designed to address the economic challenges faced by cocoa farmers in Ghana and Ivory Coast, which came into effect on 1 October 2020. It is an additional sum of \$0.4 per Kg paid to cocoa producers on top of the prevailing market price for their beans. The purpose of the LID is to ensure that cocoa farmers receive a fair income that covers the cost of production and provides a reasonable standard of living for them and their families. The Fairtrade Minimum Price is currently higher than the farm-gate price of \$1.6 per Kg plus the LID set by the government, so producer organisations selling on Fairtrade terms will benefit from this and the additional Fairtrade Premium \$0.24 per Kg.

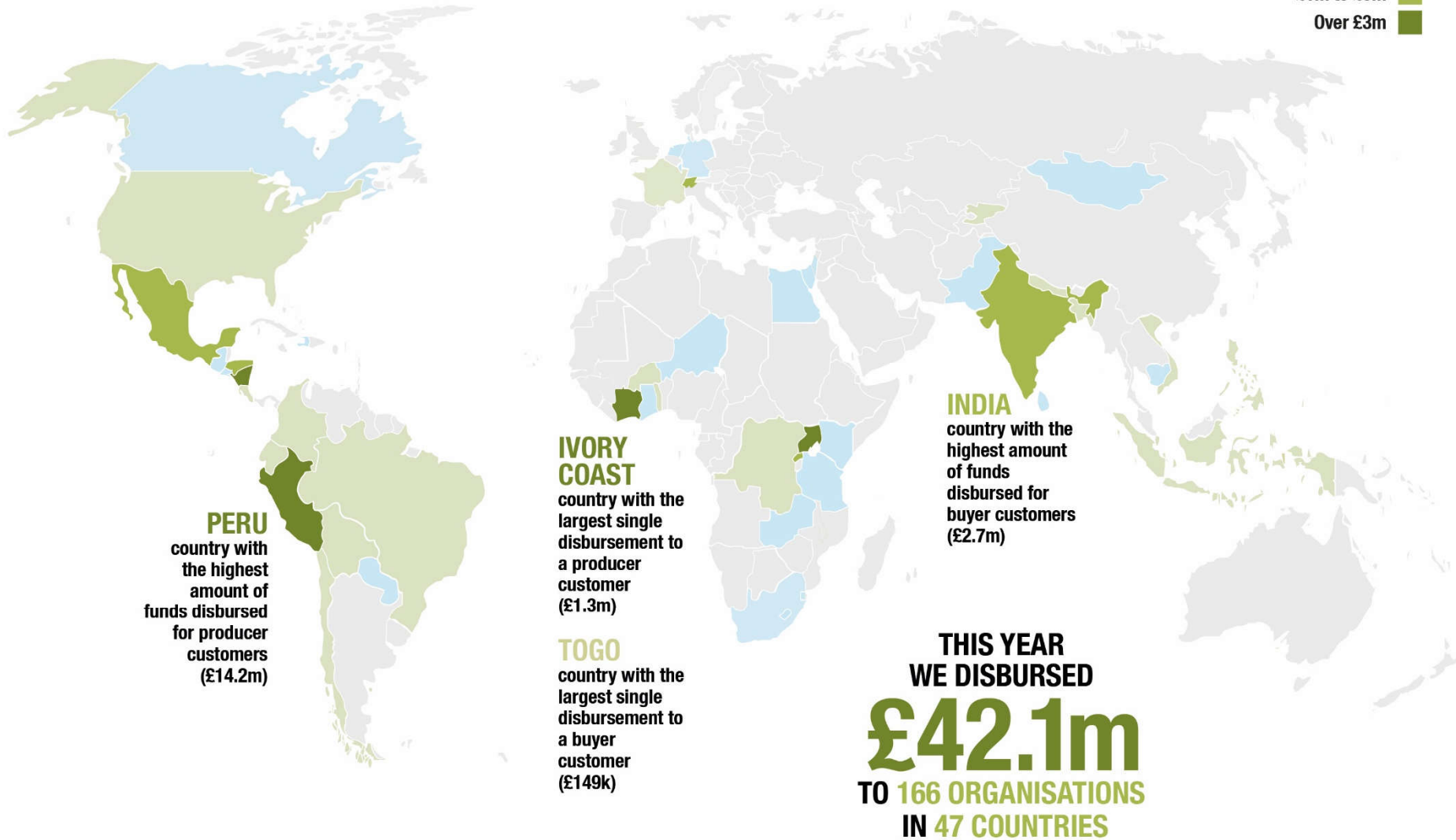


# Number of customers per country in 2024

 Location of Shared Interest team



# Where we made disbursements in 2024



# Our projects

Working in partnership with local organisations including producer groups, universities, NGO's and fair trade country networks, our charity, Shared Interest Foundation implements projects that aim to:

1

**Support the development of sustainable income generating enterprises to improve livelihoods and contribute towards a reduction in poverty.**

2

**Economically and socially empower women and youth to improve participation in economic activities and increase their income.**

3

**Support farmers to implement climate adaption techniques to build their climate resilience and increase environmental protection**

Over the past year, we delivered 14 projects, which supported the development of innovative solutions to strengthen the climate resilience of producers, created income-generating opportunities for women and young people, and established enterprises, which generate vital income for rural communities.

While we support all SDGs, we feel our projects align closest with No poverty (1), Gender equality (5), Decent work and economic growth (8), Climate action (13) and Partnerships for the goals (17). These areas are represented in our ongoing projects along with an additional theme of 'Youth engagement'.

## This year we launched seven new projects:

- Bees for Business: Rwenzori jointly funded by Allan and Nesta Ferguson Charitable Trust, a Trust who wishes to remain anonymous and designated unrestricted funds
- Soiless Farming: Burkina Faso funded by EA Foundation
- Improving Livelihoods through Shea Agro-processing funded by Evan Cornish Foundation
- Bees for Business: Kabwohe funded by Fitzer Lacy Trust
- Technical Assistance: Increasing the profitability and sustainability of producer groups funded from designated unrestricted funds
- Improving cocoa production in Ivory Coast through the biological control of pests and diseases funded from designated unrestricted funds
- Improving the resilience of young farmers through the production of dehydrated coffee pulp funded from designated unrestricted funds

## During the year, we concluded five projects:

- Growing Fairer Futures Rwanda (Expansion) funded by Charles Hayward Foundation
- Bees for Business: Dakoro Solar Panels in Burkina Faso funded by Shared Interest Society Member
- Building Resilience of Coffee Farmers in Western Uganda through Agroforestry funded from designated unrestricted funds
- Increasing the resilience of coffee farming households through income diversification funded by The Marr-Munning Trust

- Strengthening coffee producers' resilience to climate change for increased yield funded from designated unrestricted funds

In addition to the new projects launched during the year, we continued to manage two ongoing projects. These include: the Brian's Legacy Project ~ Sustainable Empowerment through Enterprise Development (SEED) in Uganda supporting female groundnut farmers through value addition and Growing Fairer Future project in Ivory Coast, supporting 50 young farmers to establish and manage their own cocoa farms. Details of all these projects and their impact is found in Part 2 of the Social Accounts.

This year, we secured five restricted grants with a total value of £171,429 to deliver four projects launched throughout the year. We were delighted to secure repeat funding from the Evan Cornish Foundation, Allan and Nesta Ferguson Charitable Trust and a Trust who wishes to remain anonymous. We were also grateful to the EA Foundation who supported us with a grant for the first time.

In addition, we received funds as unrestricted income through individual donations. The Trustees designated a proportion of this income to launch three new projects:

- Technical Assistance: Increasing the profitability and sustainability of producer groups,
- Improving cocoa production in Ivory Coast through the biological control of pests and diseases
- Improving the resilience of young farmers through the production of dehydrated coffee pulp.

They also allocated funds to support the delivery of 'Bees for Business: Rwenzori' in partnership with two restricted grants.

This year, the Foundation Team had the opportunity to visit projects in East Africa to monitor ongoing activities

and conduct impact assessments. Our Foundation Manager also travelled from Ghana to Ivory Coast to support project development activities.

To deliver our projects, we work in partnership with a wide variety of organisations including universities, Fair Trade Country Networks, local Non-Governmental Organisations, consultancy firms, producer-based organisations and not-for-profit associations. This year, one of the organisations we partnered with was the Committee Linking Entrepreneurship-Agriculture-Development (COLEAD) to deliver our Technical Assistance project in West and East Africa.

COLEAD is a private sector not-for-profit association dedicated to increasing the contribution of the agricultural sector to the achievement of the SDGs.



The Foundation engaged COLEAD as a delivery partner for the Technical Assistance project which was launched in February 2024 and runs through to January 2025.

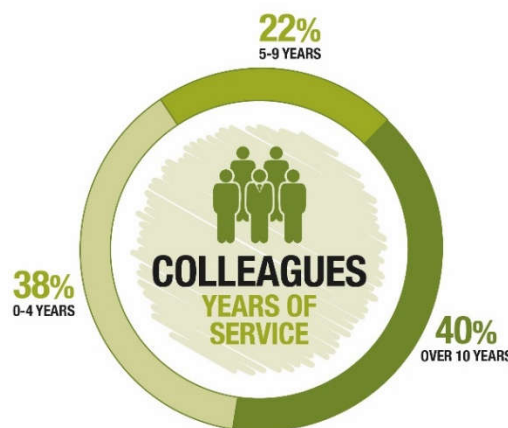


**Image:** Foundation Bees for Business project participants hold honey produced on their farm in Burkina Faso.

## Our team

The basis of our ToC rests on our motivated, engaged and skilled team, who are instrumental in implementing the activities needed to bring about desired change. Our organisation comprises 37 colleagues (18 female, 19 male) and 93 volunteers working collaboratively towards our mission. Our colleagues and volunteers form a supportive network, enabling us to achieve our organisational aims.

We welcomed seven new colleagues to replace those who had left in our Lending and Technology teams and in anticipation of a retirement in our Finance team. Staff retention and engagement remains central to Shared Interest's continued growth and success, with 40% of our team having served more than 10 years with the organisation.



The language skills of our colleagues and volunteers enable us to build relationships, gather content and communicate effectively with stakeholders worldwide. In addition to English, our team regularly work in French, Spanish and Portuguese.



**18**  
NUMBER OF LANGUAGES SPOKEN

**18**  
NUMBER OF COLLEAGUES WHO SPEAK MORE THAN ONE LANGUAGE

**LANGUAGES**  
Africans, English, Ewe, Fante, French, German, Kiswahili, Lithuanian, Nzema, Portuguese, Russian, Spanish, Swahili, Taita, Turkish, Twi and Buem, Yoruba

Sickness absence has fallen again this year to 77 days, representing 0.83% of working days, down from 1.6% last year.

Training investment has increased this year, driven by higher induction costs following the recruitment of seven new colleagues and expanded professional development programmes. While many team members accessed free online webinars, we provided additional certified courses and professional training. New colleagues participated in Insights Discovery workshops, exploring personality preferences and associated behaviours - a tool we use to foster positive working relationships. We delivered personal safety awareness training for colleagues travelling to remote and challenging locations.

Team development remained a priority throughout the year. The human resources and finance teams received specific training on their newly implemented systems. To enhance collective knowledge, we continued offering online courses through external providers including KnowB4 and Skillcast. Individual colleagues pursued varied professional development opportunities including: Excel proficiency, compliance risk management introduction, Portuguese and French language courses, climate finance, agriculture value chain management and market linkages and presentation skills training.



Our team participated in 80 conferences and seminars throughout the year as shown below.



Training effectiveness is measured through a structured evaluation process. Colleagues complete evaluation forms shortly after the training event, followed by a review six months later. These evaluations serve as a basis for discussions between attendees and their line managers, helping assess whether objectives were achieved and how newly acquired knowledge can be applied in the working environment. Moreover, they aid in evaluating the quality and relevance of training for others. Ad hoc seminars and webinars are also included in our training records.

We had encouraging feedback from 35 respondents which indicated that 33 team members found the training to be the right level of information, highlighting the training attended met our colleagues needs.

Of the remaining two respondents one person stated "Too little information" and another stated "Too much information".

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

*"It gives me an understanding of my thought processes during situations where I don't fully plan. It is also quite interesting to see a personality profile seem somewhat accurate."*

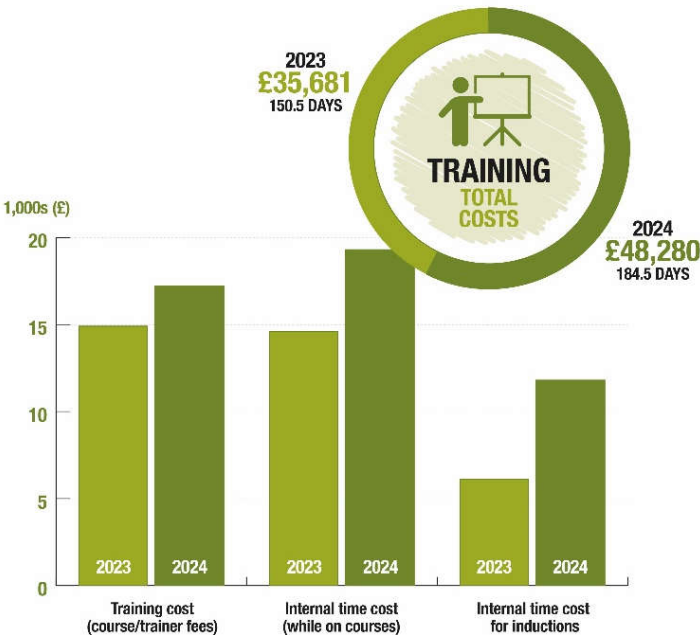
*"I have utilised the content covered in the course to develop and enhance our digital marketing strategy."*

*"I have a close relationship with my colleagues since then. I have maintained regular contact with my colleagues overseas by scheduling virtual meetings with them."*

*"This training was a good start to my role as a new manager. I found it beneficial to share knowledge and potential challenges with managers in other sectors."*

*"This two-day event offered fantastic networking opportunities for Shared Interest in the regional SME sector. All topics were very relevant and speakers were excellent. I have applied much of this knowledge in my role, sessions included organisational change, strategic thinking and leadership styles so all very relevant in my role. I also made lasting connections who have led to other development opportunities."*

We calculate our training costs by taking the average salary band rate and multiplying it by the number of hours spent in training.



### Hybrid working

We retained our hybrid working arrangements for all colleagues, and our flexi scheme for those who chose to opt in from our Newcastle based colleagues 39% choosing to opt in, while 61% opted out. In the competitive recruitment market, our hybrid working approach has been positively received by candidates and is valued by existing colleagues.

## Case Study: Lending Manager, Central and North America

Karolina Jimenez (pictured right) joined the team in 2019 as Customer Representative for Central America. In 2024, Karolina was promoted internally to Lending Manager for Central and North America. She is now responsible for managing our lending portfolio in Central and North America, comprising 34 customers (28 producers and 6 buyers) in coffee, clothing, honey, handcrafts and sesame. These customers are spread across Canada, Costa Rica, El Salvador, Honduras, Nicaragua, Mexico and USA. She manages this portfolio supported by a Customer Representative.

*"I am privileged to have the opportunity to contribute to the fulfilment of Shared Interest's mission. Being able to support the growth of our customers inspires and motivates me to reach out to more producers and buyers aligned with our values. They are the definition of resilience and commitment to small producers and the promotion of fairer trade."*

Karolina's role involves attracting new and management of current customer accounts. Building strong trusting relationships is key to the role and these are managed by telephone and online, as well as face-to-face visits. Karolina and her team have visited 10 customers this year, attended one event, and welcomed two new customers.

*"Visiting our customers is essential. Each visit is an opportunity to better understand their challenges and explore how we can help them while continually improving our services. It is also an opportunity to celebrate their successes, while strengthening our partnership."*

Our Lending team are based in five countries; Costa Rica, Ghana, Kenya, Peru and the UK. Karolina and her team are based in Costa Rica.



## Recruitment

This financial year saw team changes, with seven new colleagues joining while four departed the organisation (although this did not impact headcount). We strengthened our recruitment process by updating materials and procedures to ensure newcomers receive comprehensive support and integrate effectively into the team. Of those who left, two did not complete their probationary period, another chose to return to their previous sector and a fourth colleague resigned to pursue opportunities in another region. We successfully filled one vacancy through internal promotion, demonstrating our commitment to career development and talent retention within the organisation (see case study left).

**Speaking about the induction process Finance Director Designate Jo Powell (pictured on page 35), said:** *"Having recently joined Shared Interest at the start of September 2024, I have a good insight to the induction process. I have been impressed with the comprehensive coverage of all risks and departments and this has allowed me to reflect on how I can add value in my new role. I particularly enjoyed meeting all the colleagues both in the UK*

*and overseas. I recognise the induction requires time commitment on everyone's part, but, it certainly helps new members of staff feel welcomed and allows them to "hit the ground running" in their new role."*

## Internal communication

We continue to utilise platforms for weekly one-to-one meetings, project collaboration and social interaction. Teams are required to meet face-to-face in the office monthly. Additionally, we continue to host virtual monthly updates for the full team, as well as sessions, which focus on different teams within the organisation. This approach enables colleagues to gain a better understanding of other departments and how their role plays a part in achieving the overall goals of the organisation.

This year, UK colleagues met in the office monthly for a range of purposes including meeting the Board and Council, attending a coffee tasting session and general catch up meetings with colleagues, with the aim of maintaining our culture and cohesion as an organisation.

## Our Positive Statements

Be Fair	Be Responsible	Be Positive	Be Innovative
<p><b>We invest in a fairer world.</b> We believe in treating people consistently and making measured judgements – whether it is with each other, or with a customer, investor, donor, volunteer, or supplier.</p> 	<p><b>We lend responsibly.</b> We inform our investors of risk, and we do our best with the resources that are entrusted to us. We consider the impact of our actions on the environment and community, as well as each other.</p> 	<p><b>We see the world as it could be.</b> We aim to see the best in people and work together to achieve positive solutions in all that we do.</p> 	<p><b>We work collaboratively and professionally.</b> This means we share knowledge and skills to attain the best outcome possible. We celebrate the diversity of different cultures. We listen, and value others' opinions, use experience to inform our decisions, and encourage new ideas.</p> 

HR System

The introduction of an integrated human resources and time and attendance system has eliminated manual data entry requirements. This new platform replaces our previous separate systems, bringing together attendance monitoring, holiday authorisation, absence management, record keeping and compliance requirements. Following comprehensive staff training, the system now records automated training requests, evaluations and return-to-work interviews, significantly improving efficiency and reducing administrative workload.

Wellbeing, social events and culture

We prioritise our team's wellbeing with emails, covering wellbeing events, raising awareness and offering tips for general wellbeing. Our wellness channel on Teams encourages colleagues to prioritise mental health and share wellbeing and mindfulness advice.

Our Health and Safety Committee produced a newsletter, focusing on hybrid working, making the most of our space and included exercises to assist in wellbeing practices. Colleagues in the UK continue to benefit from the Aviva DigiCare+ workplace app introduced in 2021, offering a range of services including an annual health check, digital GP and mental health and nutritional consultations.

In the run up to World Fairtrade Day, Shared Interest colleagues met with Cafédirect's Coffee Programme Manager for a coffee cupping experience at our head office in Newcastle. During the session, colleagues had the opportunity to try out a range of different Fairtrade and Organic coffees whilst learning more about the coffee journey.



Image: UK colleagues during our celebrations for World Fair Trade Day.

Additionally, our team have engaged in online activities, helping them to enhance communication and encouraging awareness of the different languages spoken by our team. Festive celebrations brought each regional team together for a Christmas lunch and online activities. We continue to send colleagues and volunteers' birthday cards and celebratory messages via Teams and email.

Benefits and salary

Salaries are reviewed annually with the cost of living, individual performance, and a benchmarking exercise all part of the process. A comparison of the highest against the lowest UK salary remains at a ratio of 3.94 to 1. As a comparison the employee pay ratio across the FTSE 350 was 57:1 in 2022.

We aim to provide job satisfaction by offering interesting and varied work combined with generous and flexible benefits.

Engagement Survey

Throughout this period, we have remained committed to fostering positive engagement amongst our colleagues.

In July 2024, we circulated an online Engagement Survey gathering responses anonymously via the People Gauge online tool. A total of 34 colleagues out of 36 participated, resulting in a response rate of 94.4%, consistent with last year. While there have been fluctuations in engagement levels, it is particularly encouraging to see that 100% of respondents were either 'engaged' (40.6%) or 'actively engaged' (59.4%). This is a stark contrast to Gallup's State of the Global Workplace 2024 Report (Appendix 9), which found that nearly 77% of UK employees are disengaged from their job. It also reaffirms our ongoing dedication to maintaining a motivated and committed team.

Engagement





The team was asked to provide three words to describe what it is like to work at Shared Interest and the results create the word cloud below. The word size corresponds to frequency of use. In July 2023, the most frequently used words were 'challenging', 'rewarding', 'interesting' and 'varied' whilst in July 2024, they were 'challenging', 'rewarding' and 'interesting' together with 'busy' and 'flexible'. The words 'overloaded' and 'outdated' were used once for the first time.



**Our volunteers**

Our passionate and skilled volunteers contribute their expertise and energy to fulfil various roles, playing a vital part in accomplishing the goals of the organisation.

Currently, 93 individuals have chosen to volunteer with us in one or more of our volunteer roles, 77 of whom are currently active and 16 are inactive. This absence could be attributed to various factors, such as extended vacations, medical issues, or other personal circumstances. This year, we welcomed five new volunteers, while four long-term inactive volunteers concluded their service.

We provide new volunteers with online training through presentations and informational sessions, covering our operational structure and processes. We also ensure that volunteers understand our policies and their obligations.



We offer our volunteers a variety of roles including Ambassador, Community Supporter, Data Entry and Translator. You can read a full outline of our volunteer activities in Appendix 10.

Over the past year, our volunteers and members have attended and requested talks and resources for around 43 stalls and events. Data Entry Volunteers helped us with our Member Survey, entering nearly 700 member responses into our online system. We are grateful for the time our volunteers invested in processing these surveys, which helped us collect valuable feedback.

Our multilingual translation volunteers play a vital role in enhancing our global outreach. They work on a diverse range of public and customer-oriented materials, including website content, case studies, short films, testimonials, and surveys. During the past year, our translation volunteers have been updating our website

content and have translated over 16,194 words into Spanish and French.

Volunteers' Week took place between the 3<sup>rd</sup> and 9<sup>th</sup> of June. We wanted to recognise the contribution of all our volunteers, who dedicate their time, talents, passion, and knowledge to further our mission. While our volunteers are driven by diverse motivations, the three primary reasons that inspire them are:

- 1. To utilise their skills and time in a meaningful way.
- 2. To give back to the community and make a positive impact.
- 3. To make a difference in the lives of others.

We celebrated the contribution our volunteers give to us during Volunteers' Week and invited them to join us for our Volunteer Festival. Over three consecutive days, our online festival offered volunteers a chance to engage with compelling narratives from our customers in Mexico and Ivory Coast. Our team discussed ways to explore strategies with our volunteers to help promote our initiatives. As part of their 20th anniversary celebration, our Foundation team provided an update on their progress.

Additionally, our Partnership Manager highlighted how robust collaborations are instrumental in achieving our organisational goals. In addition to the festival, all volunteers received a thank you card and a bar of Tony's Chocolonely chocolate to celebrate and thank them for their commitment and contributions.





**Image:** Gift sent to our volunteers during Volunteers' Week

## Gaining feedback from our volunteers

We conducted a survey this year to gather feedback and opinions from our volunteers. We asked volunteers to provide three words to characterise their experience of volunteering with us. The following are the terms they selected.



## Volunteer case study

**Margaret:**  
Member and  
volunteer

Margaret has been volunteering with us for almost 10 years. She first heard about Traidcraft and fair trade through a page in a Christian Aid Week magazine back in the 1980's.

**Margaret said:** *"For the last 40 or so years since I discovered Traidcraft I have been interested in fair trade and at one time was a Traidcraft representative."*

*"I knew about Shared Interest from adverts in the Big Issue and inserts in other magazines so when I had some spare money from an inheritance, I felt in a position to carry my support one step further. I had bought Fairtrade products for many years and investment offered me an additional way to support producers."*

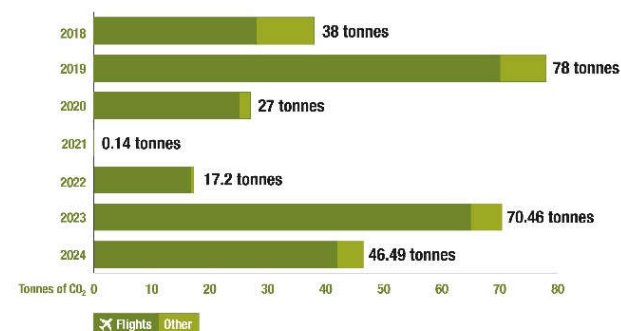
**Speaking about volunteering, Margaret said:**

*"I recently completed data entry for the member survey and have also been able to use my research skills to support desk research. Having been a librarian and administrator this is something I feel very confident doing."*

# Environment

We remain mindful of the environmental impact of our operations worldwide. As members of the World Fair Trade Organisation (WFTO), we adhere to their 10 Principles of Fair Trade, with particular focus on principle 10, 'Climate Action and Protection of the Environment', while connecting with WFTO's Environmental Solutions Hub.

## CO<sub>2</sub> emissions from business travel by year



Environmental responsibility is encouraged throughout our organisation from colleagues and members to volunteers, customers, contractors and suppliers. Our operations prioritise conservation of natural resources, responsible waste management, and material recycling where economically viable. These considerations are fundamental to our purchasing and procurement processes. We now also undertake a full evaluation of new value chains before providing finance to a customer.

We have improved our reporting to members through dedicated features in QR and virtual events examining the climate impacts on customers, specific regions and commodities. The appointment of a Partnership Manager has strengthened our strategic climate initiatives, leading to a focus on building relevant partnerships in this sector and analysis of climate effects on coffee production in Peru and cocoa farming in Ivory Coast.

Climate change technical assistance has become integral to the Foundation's project delivery, with environmental considerations now embedded in all future project development.

Our internal Environment Team held meetings throughout the year, discussing carbon offset, communication with colleagues and relevant issues such as EUDR. The team also updated our Green Policy and Checklist (Appendix 11) which is shared with colleagues. A variety of activities aimed at environmental action and awareness raising were carried out in the past year. Our colleagues in Kenya participated in the nation's tree planting initiative with their families, particularly poignant during periods of severe flooding. This government-led programme, which provided locally adapted seedlings, forms part of Kenya's long-term strategy against climate change impacts.

Sustainability efforts included the responsible disposal of outdated hardware through specialist electrical waste facilities in May 2024 and donations of old laptops to a number of local and international charities. Internal communication has been streamlined through daily online platforms, facilitating regular exchange of environmental best practices. We actively promoted Plastic Free July, supporting this international campaign to reduce plastic consumption.

We carefully consider travel and, in line with our Green Policy, encourage colleagues to combine meetings, events and customer visits where possible to minimise the number of trips made. This year our travel generated the equivalent of 46.49 tonnes of CO<sub>2</sub>. We have converted this, using the Small Business Carbon Calculator to a value of £581.12 which has been added to our offset fund. We are exploring options for spending these funds in line with our mission once it has built to a meaningful sum.

As we explore new lending opportunities it is important we understand the country and organisation(s) involved and while video communication can help with this, in person interactions often facilitate a stronger understanding. Attendance at our online events for supporters has remained high though we remain committed to offering in person opportunities for those unable to participate online or keen to maintain a face-to-face connection with us. For more information about Foundation projects and detail of the impacts of climate change experienced by our customers, please read on to Part 2.

## Financial stewardship

The financial statements for Shared Interest Society and Shared Interest Foundation can be found in Appendix 2 and 3 and on our website ([shared-interest.com](https://shared-interest.com)). The financial statements are comprehensive reports subject to statutory external audit and within them; the Report of the Directors in the Society's financial statements includes an overview of results for the year and details our approach to the following key stewardship elements:

- Going concern
- Reserves
- Risk
- Corporate governance

- Board Committees

There is a significant overlap in the membership of the two Boards, apart from our Finance Director, Finance Director Designate and Member Engagement Director who are not Trustees for the Foundation. So much of what is reported in relation to corporate governance and committees for the Society applies equally to the Foundation. Shared Interest Foundation's financial statements also give a report of each project that the charity manages (this is not possible of course at the scale of the Society).



**Image:** Left: Jo Powell, Finance Director Designate, Right: Tim Morgan, Finance Director and Company Secretary, retiring in December 2024.

## Part 2: Our impact

Through the Society and Foundation, we empower producer groups to thrive by providing tailored financial services and business support, enabling them to increase their income, build more resilient and sustainable businesses, create more employment opportunities, and improve their living conditions. Much of our support is provided to smallholder farmers and artisans to help work towards a better quality of life and promote economic growth and social development for their communities.

Producers worldwide face unprecedented challenges due to the ongoing global economic downturn. Through investment from our members and the support of donors and partners, we continue to support fair trade businesses and their surrounding communities, ensuring they remain resilient during this period of economic instability.

In 2024, we disbursed a total of £42.1m to 166 organisations, supporting the livelihoods of over 416,979 farmers and artisans. Although the number of producer customers decreased this year, our impact extended to over 4,300 more farmers and artisans. We can attribute this change to some smaller customer accounts closing and being replaced by larger customers working with more producer members. We have also seen the percentage of women we support rise from 32% to 37.4%, during the year we opened two customer accounts with a higher than average percentage of female members. Additionally, this year we have also made improvements to our measurement techniques,

and we believe that this number had been undercalculated in previous years.

Our internal Monitoring and Evaluation Committee works to continually develop and improve methodology and appropriate tools to observe and track the impact of our lending and the support we offer to businesses worldwide. In addition, through various data collection methods, we aim to demonstrate the effect of our financial support over the year. These include a Customer Social Impact Survey aligned with our Theory of Change, interviews, focus groups (including producer committee meetings), and case studies to collect our impact data. Throughout our reporting, we recognise that many external factors contribute to and affect the businesses we work with.

As part of our consultation process and to ensure we listen to the collective producer voice, four producer committees were held in 2024 (Appendix 12). Participants were invited to provide their views on the successes and challenges faced during the year, access to finance, climate challenges and responses, technical assistance needs and efforts towards gender equality.

**Central America:** A virtual meeting took place with six customers from Nicaragua, Honduras, Costa Rica and Mexico producing coffee and honey.

**South America:** A virtual meeting took place with seven customers located in Peru, representing products such as brown sugar, coffee and cocoa.

**East Africa:** A virtual meeting took place with five customers from Rwanda and Uganda, producing coffee and fresh vegetables.

**West Africa:** An in-person meeting took place with eight organisations in Ivory Coast, growing cocoa and coffee.

In addition, a Customer Social Impact Survey (Appendix 13) was sent with the purpose of monitoring our progress towards the outcomes outlined in our Theory of Change, and to better understand the impact of our activities and operations. We received 34 responses out of the 62 producer groups surveyed (a 58% response rate compared to 65% response rate in 2023).

### In 2024, we lent money to...





## Improvement in the livelihood of people as they trade their way out of poverty

The United Nations global aim to eradicate extreme poverty by 2030, a key pillar of the 2030 Agenda for Sustainable Development. However, they report that 7% of the global population still grapple with extreme poverty. Sub-Saharan Africa is disproportionately affected, with many individuals living within the definition of extreme poverty - below the \$2.15 daily threshold.

Our primary objective is to empower people in remote and disadvantaged communities to engage in trade and sustain their livelihood. While financial support is crucial, our impact extends far beyond providing finance. The producers we support say our work has brought a transformative change within their communities. To better understand the impact of our lending, we conduct impact case studies each year, which can be viewed in Appendices 16 and 17.

## Increased resilience to climate change, environmental protection and gender equality

Climate change presents an existential threat to smallholder producers and artisans across Shared Interest's portfolio. From diminishing cocoa yields in Ivory Coast to unpredictable honey harvests in Mexico, our customers face mounting environmental challenges requiring significant knowledge, expertise and financial support.

Recent data from the Climate Policy Initiative (CPI)<sup>1</sup> confirms a persistent, severe funding gap: climate finance for the agri-food sector remains critically insufficient, with only 4.3% of global climate finance directed towards agrifood systems. More concerning

still, less than 1% reaches smallholder farmers, small-scale producers and agricultural micro, small and medium enterprises (agri-MSMEs) - precisely those most vulnerable to climate impacts.

To better understand the role in building climate resilience, we conducted comprehensive research focusing on two critical sectors: coffee production in Peru and cocoa farming in Ivory Coast, selected due to the high volume of our lending exposure in these regions. This research included mini-surveys carried out in January 2024 with customers in these commodity and country pairings, as well as research into the activities of organisations working alongside producers, such as CLAC (Latin American and Caribbean Network of Fair Trade Small Producers and Workers), Earthworm Foundation and IDEF (Initiatives for Community Development and Forest Conservation). Summaries of these research papers can be found in Appendix 14 and 15.

As a result of this work we are now exploring how we can best support key adaptation and mitigation strategies used by customers such as agroforestry and organic fertiliser use. This exploration includes identifying suitable strategic partners with whom we can collaborate.

Our broader Customer Social Impact Survey revealed significant insights into climate adaptation efforts across our portfolio. Notably, 91% of respondents reported contributing to organisational development projects, though only 9% specifically focused on climate initiatives. This gap between climate awareness and action reflects the multiple challenges these organisations face. More encouragingly, 80% contributed to community development projects, with

64% incorporating environmental components. (See pie chart left and below.)

Climate impacts are increasingly visible: 57% of customers reported climate-related challenges, including reduced yields, disrupted weather patterns, and increased pest and disease prevalence. In response, 65% have implemented climate resilience training over the past year, covering agroforestry management, EUDR compliance preparation, good agricultural practices, and carbon credit initiatives.

In West Africa, customers face particularly acute challenges. Ivorian cocoa customer CADESA, reported significant yield and quality reductions affecting contract fulfillment and producer incomes. In response, Shared Interest has extended their repayment terms.

**CADESA noted: “Shared Interest has been a reliable and serious partner who tries to understand its farmers, if we continue to borrow from Shared Interest, it is its values of support and assistance to farmers that keep us in the portfolio.”**

Reduced coffee yields, as a result of climate change, in some regions of Peru has forced coffee growing to higher altitudes, as previously productive lowland farms (1,000 – 1,200 metres above sea-level) have become less viable.

**This brings its own challenges, which were noted by one potential customer “...has led to unsustainable crop expansion towards forest areas at higher altitudes. This expansion not only threatens the environment, but also perpetuates a cycle of low income for producers, who often get caught up in the volatility of market prices and the lack of access to resources and knowledge.”**

<sup>1</sup> <https://www.climatepolicyinitiative.org/publication/the-climate-finance-gap-for-small-scale-agrifood-systems/>



While producers are responding through sustainable agricultural practices and income diversification, the pressure on production volumes has necessitated flexible repayments on their Export Credit facilities.

In Mexico, where many of our honey customers are located, the honey cycles vary by region. Honey production faces mounting challenges from climate change, with harvest periods becoming increasingly compressed and unpredictable. Traditional flowering patterns, crucial for consistent honey yields, are showing significant disruption across major producing regions.

Miguel Ángel Munguía Gil, General Manager of Mexican honey co-operative EDUCE, described to us a stark change in their forested region.

**Miguel said:** *“...there was always one flowering in January and other in February, another in March, another in April, another in June, and it was very marked. Nowadays, the flowers that were meant to come out in February don’t open till June or don’t open at all. In which case there’s no nectar, and then the ones that we’re supposed to have opened later, open early or not at all. So, there’s no nectar.”*

Mexico's vulnerability to extreme weather events, particularly tropical storms and hurricanes, compounds these challenges by threatening apiaries directly. These climatic pressures increasingly affect producers' ability to meet commercial and financial commitments. In response, honey producers have implemented several adaptation strategies including relocating apiaries away from flood-prone areas and improving access routes; enhancing communication systems with beekeepers, particularly during peak harvest, delaying contract until production levels can be accurately forecast and investing in infrastructure improvements to protect against extreme weather. Shared Interest's flexibility with loan repayments means we can adjust the repayment date depending on the progress of

production and export, supporting organisations like EDUCE when they face unpredictable harvests.

Uganda's coffee sector illustrates the complex challenges of agricultural adaptation to climate change. Despite government interventions to enhance sustainability, unpredictable rainfall patterns continue to compromise coffee cherry quality, affecting export capabilities and market commitments.

**Moreen Ampurire, Operations Manager of Gisha Coffee explained:** *“The quality of coffee in some specific regions in Uganda are affected because of inconsistent weather patterns. At times rains delay or we get short rains during the crucial months of coffee berries growing.*

*“The coffee quality has become inconsistent such that at times when you expect a good production the weather affects the quality. It becomes difficult to meet contract delivery timelines as we aim to deliver the specified quality of coffee as per the contract terms. We have to discuss with our buyers to extend our delivery timelines so that we collect the quality of coffee agreed on contract.”*

To support Gisha Coffee, we granted a MEDD (Modified Expected Delivery Date) preventing arrears while maintaining credit access for new contracts. This flexibility proved crucial, enabling Gisha Coffee to fulfil contracts after a three-month extension and fully repay their loan.

In Burkina Faso, where changing rainfall patterns and rising temperatures threaten food security, innovative solutions have emerged. Since 2021, our Foundation has worked with partners to establish a soilless vegetable production enterprise, producing a variety of organic vegetables for sale in the local market.

Vegetables are grown inside greenhouses protecting them from harsh weather and pests. In place of soil, the seedlings are planted in growing bags filled with a supportive material of clay, cocoa peat or stones, supplemented with liquid fertiliser. This year we expanded the project to reach 75 women with physical disabilities. You can read more about this project on page 57.



**Image:** Mexican honey co-operative, EDUCE beekeeper Vitaliano Cauich holds freshly produced honey on his farm.

## Some of the ways we have supported our customers in responding to the impacts of climate change in 2024



## Gender equality

Gender equality plays a crucial role in strengthening communities. Supporting women in remote and rural regions facilitates increased productivity and promotes economic growth. Narrowing the gender gap helps not only women prosper but enables their families and communities to thrive. We continue to support producer organisations that meet our lending criteria and create opportunities for women's empowerment.

SDG 5 sets an ambitious target of empowering women and girls globally by 2030. According to UN Women's Progress Report 2023<sup>2</sup>, at the current pace, it could take up to 286 years to close gaps in legal protection and remove discriminatory laws, and 140 years to achieve women's equal representation in positions of power and leadership. The World Bank's Women, Business and the Law 2024 report reveals that 2.4 billion women of working age still do not have fully equal economic opportunities.

Encouragingly, aligned with fair trade principles, we see growing examples of women's empowerment initiatives within our supported organisations. The International Trade Centre's 2023 SheTrades Outlook<sup>3</sup> shows that increasing women's participation in trade could add \$299 billion to global gross domestic product (GDP). Female farmers and artisans are receiving recognition for their valuable role in supply chains, with expanding opportunities for career development and autonomy.

<sup>2</sup> <https://www.unwomen.org/en/digital-library/publications/2023/09/progress-on-the-sustainable-development-goals-the-gender-snapshot-2023>

<sup>3</sup> <https://www.shetradet.com/project/itc-shetradet-outlook/>

The Food and Agriculture Organization (FAO) reports that women comprise 43% of the global agricultural workforce<sup>4</sup>. However, the World Bank's Gender Data Portal 2024<sup>5</sup> indicates that women farmers in low-income countries face a persistent 24% productivity gap compared to male farmers, primarily due to unequal access to resources. Fairtrade International's latest data indicates women represent only 25% of smallholder farmers and workers directly involved in Fairtrade. In our portfolio, this figure reaches 37.4%, though these statistics don't account for women working land owned by their husbands or male relatives. Notably, the International Coffee Organization's 2023 Coffee Development Report<sup>6</sup> estimates that women perform up to 70% of coffee fieldwork but own just 20-30% of coffee farms worldwide.

In line with our strategic aims, we have developed a partnership with Value for Women (V4W), a global pioneer catalysing women's participation and leadership in business, finance and investment in emerging markets. This year, we successfully applied for their 'Gender Diagnostic Assessment and Gender Action Planning support'. This three-month project will help us identify key gender equality focussed actions internally and externally in line with our strategic objectives.

You can read some examples of inspiring women leaders in our network on pages 43 and 48 and in Appendix 16 and 17.

<sup>4</sup> <https://www.fao.org/reduce-rural-poverty/our-work/women-in-agriculture/en/>

# Long-term outcome 1: Increased income for farmers, artisans and workers

## Increase in capital available to lend

Share Capital provides a source of funds for our lending services, and at 30 September 2024, we held a total of £50.9m (a net decrease of £0.7m on 2023) (see Part 1 for more detail). These funds have enabled us to continue to support farmers and artisans who either hold a recognised fair trade certification or follow the 10 Principles of Fair Trade.

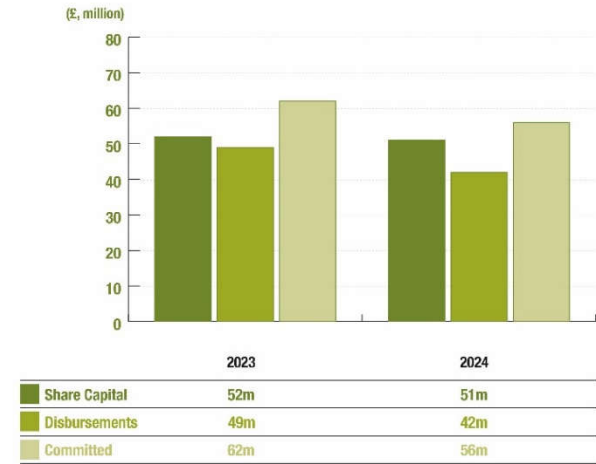
The graph adjacent shows that the committed value of lending is higher than the value of Share Capital held. This is because not all customers borrow at the same time due to the different harvest periods across regions. To further mitigate risk, we have set a limit to ensure that the total committed value is never above 135% of our Share Capital. The committed value represents facilities where funds are ready to be drawn by the customer (short-term lending) and the remaining balance of Term Loans.

Over the course of the year, we saw a net reduction of seven customers across the portfolio. This reduction in customer numbers resulted in the value of committed facilities reducing to £56m. Some of the difference in the drawn value can be attributed to early disbursements made to cocoa producers in Ivory Coast during August and September 2023, which would typically have been

<sup>5</sup> <https://genderdata.worldbank.org/en/home>

scheduled for October 2024. The remainder of the difference is due to unutilised accounts that are in arrears or inactive.

Committed lending to all customers  
in relation to Share Capital



## Access to fair and affordable finance

We continue to work closely with farmers and artisans, building strong relationships and gaining a deep understanding of the diverse challenges that producer groups face. By fostering trust and encouraging open, two-way communication, we have been able to develop financial solutions that are not only flexible but also responsive to the specific needs of our customers, such as aligning repayment schedules with harvest cycles and managing cash flow constraints.

Recognising the volatility of the markets in which our producers operate, we have increased our efforts to stay

<sup>6</sup> <https://www.ico.org/documents/cy2017-18/icc-122-11e-gender-equality.pdf>

closely connected with them, both by closely tracking market trends and by increasing our customer visits.

This hands-on approach has enabled us to remain supportive, even when organisations have struggled to meet their repayment obligations. In many cases, we have provided additional support by extending repayment terms or revising loan agreements, allowing producers the time they need to navigate financial difficulties.

Through these tailored interventions, many of our customers have seen significant improvements in their trading conditions. With renewed stability in their businesses, they have been able to restart repayments, recover from setbacks, and ultimately work towards reducing their outstanding debt. Our commitment to these long-term relationships ensures that we continue to stand by producer groups, helping them overcome financial challenges and remain sustainable in the face of uncertainty.

A women’s shea butter co-operative in Burkina Faso provides an example of gradual improvement. Since 2019, they encountered difficulties in repaying their loan, caused by delayed payments from buyers and the impacts of climate change. However, after restructuring their finance together with consistent communication and negotiation, the co-operative managed to make a notable loan repayment by mid-2024. This progress has helped improve their operational capacity and strengthened their position in the international shea butter market.

A Peruvian alpaca fibre co-operative, has successfully strengthened its business and consistently met its loan repayments to a lending consortium that includes Shared Interest. Their performance has gained the approval of some lenders within the group and they have extended their working capital facilities.

We continue to face the challenge of remaining competitive within a diverse and increasingly competitive financial landscape. The influx of commercially-oriented lenders, many of whom are continuing to expand their interest in agricultural financing, has intensified the competition further.

These institutions often bring greater capital resources, allowing them to offer more attractive lending terms, which adds pressure on organisations like ours that balance financial sustainability with a mission-driven approach.

**Jhony Gayoso General Manager at Peruvian coffee co-operative CAC Huadquiña, said:**

*“Shared Interest’s commitment to quality and service has generated a significant impact on the lives of our cooperative and members. Thanks to [Shared Interest’s] efficient management, the co-operative has been able to significantly improve its coffee collections with its members by fulfilling its payments on time; as well as fulfilling the contracts signed with customers on the agreed dates for the shipment of coffee containers, allowing for greater transparency and trust between members and directors.*

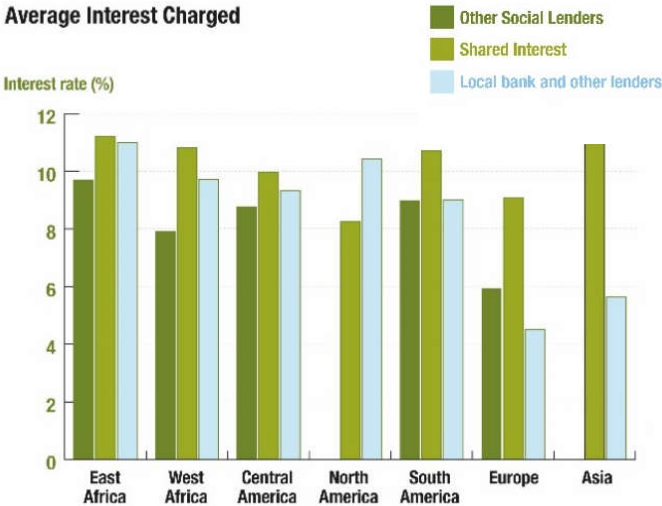
*“But what I really highlight is the help that Shared Interest has provided in times of necessity. Its support and solidarity have been fundamental for many of our members, demonstrating that it is more than a financial institution, it is a community that shares interest in strengthening and financial sustainability in each coffee campaign.”*

Currency dynamics complicate our lending strategy. Most of our loans are denominated in EUR and USD, while only a small percentage (3%) is conducted in GBP.

However, since the majority of our capital is held in GBP, we must absorb the cost of foreign exchange management. This has an impact on the rates we charge borrowers. In response, the Society amended its Rules in March 2019, allowing members to invest in EUR and USD, thereby reducing foreign exchange expenses. We currently have £73k invested in EUR and USD, with plans to increase this amount over time to further alleviate the cost burden of currency management.

Absorbing the cost of foreign exchange therefore makes maintaining lending interest rates that are competitive while reflecting the risk inherent in our lending portfolio extremely challenging.

In response to these challenges, we have implemented proactive measures to improve both our risk management and customer offerings. One key step has been to enhance the security requirements for new and reviewed facilities. This added security has, in some cases, allowed us to reduce interest rates for certain customers, helping us maintain competitiveness.





Additionally, we continue to offer selected customers the option to pay an upfront annual fee in exchange for lower interest rates, a flexible option that appeals to borrowers seeking to minimise long-term costs.

The rates we charge reflect the nature of the communities we serve and the risks involved. We focus on lending to vulnerable groups that present greater financial uncertainty compared to those served by other social lenders. This elevated risk, necessitates higher interest rates to protect our capital. Customers in default face increased rates as part of our broader risk management strategy.

It is also important to acknowledge that our rates are not directly comparable to those of other lenders. Differences in fee structures, security requirements, and lending terms mean that our pricing is shaped by a variety of factors. This highlights the need for a nuanced understanding of our financial approach, as we seek to balance competitive pricing with our mission to make a positive impact on the communities we support.

During producer committees, customers have frequently identified two standout features of our services: the swift disbursement of funds and the flexibility of our financing options. These advantages not only set us apart from competitors but also cater to the evolving needs of our customers.

Our customers consistently express appreciation for the year-round access to funding we provide. This flexibility allows them to secure financial support whenever necessary, in contrast to some social lenders who impose the requirement of full repayment of existing loans before considering new disbursements, which can create additional pressure.

Moreover, customers commend our efficient disbursement process, which consistently meets their expectations. They also highlight the effectiveness of our monitoring and communication strategies, which empower them to track their orders seamlessly and stay well-informed throughout our relationship.

**Kouadio Marcelle Managing Director of Ivorian cocoa co-operative CABF, said:**

*“Shared Interest played a pivotal role in their survival and growth. During the civil war in Ivory Coast (2010-2012), we faced severe financial distress and struggled to meet obligations to other lenders.*

*“Shared Interest stepped in with a crucial €300k facility, which helped sustain their operations through those challenging times. Since then, their production has skyrocketed from 350 MT to 5,000 MT by 2022.*

*“Shared Interest’s support not only enabled us to repay existing lenders but also attracted new social lenders who now work with CABF.”*

**Moreen Ampurire, HR & Operations Manager, Gisha Coffee, said:**

*“Shared Interest provides finance continuously and at no time has the finance been stopped to renew the loan facility. That has been very beneficial to the business. Shared Interest is a reliable financial partner.”*

## **Farmer Income**

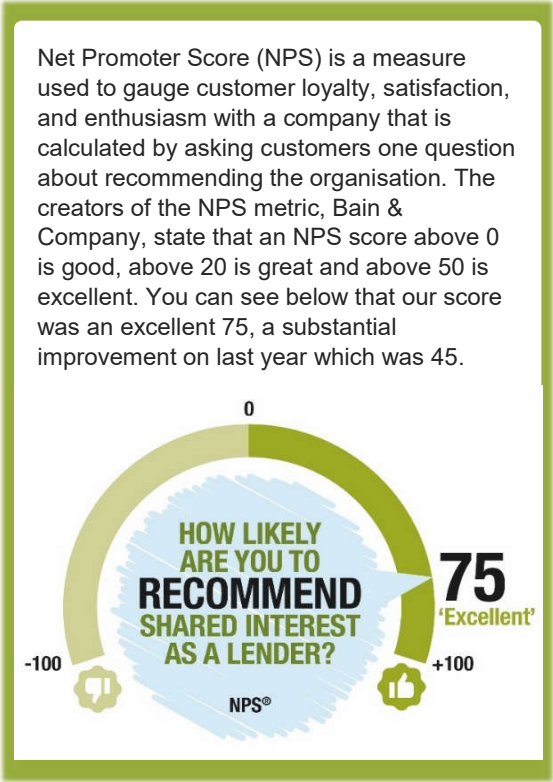
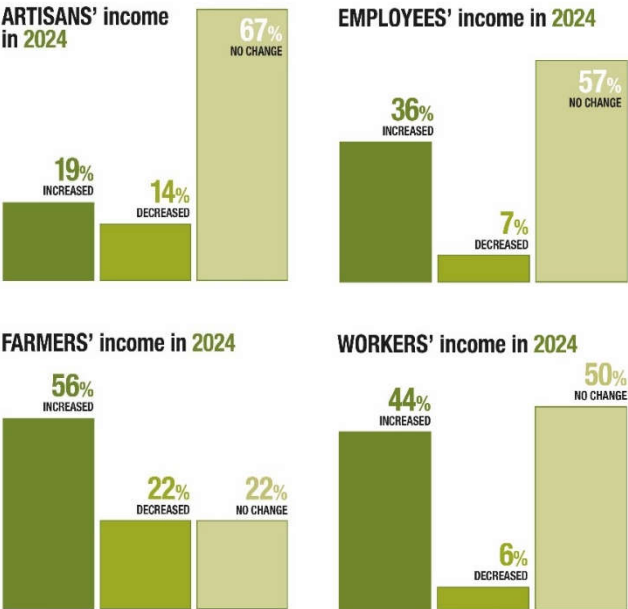
Farmer income has been impacted by fluctuations in production, largely due to climatic challenges and reduced harvests. However, 56% of farmers reported an increase in income, primarily due to higher global market prices for key crops like cocoa and coffee. Despite reduced production volumes in some regions, the higher prices have offset these declines. However, 22% of farmers saw a decrease in income, while another 22% experienced stable earnings.

## **Sales and Orders**

Over the past 12 months, our Customer Impact Survey showed sales and order trends have varied depending on the product and certification. While 28% of customer sales showed a decline, primarily in local non-fair trade products, with 72% of cases either maintained or increased sales. Organic and Fairtrade certified products saw rising demand, contributing to the 36% of cases where sales increased. Orders have been more positive overall, with 47% of cases showing an increase, 36% remaining the same, and only 17% experiencing a decrease. The diversification of product offerings, including specialised varieties of cocoa, has helped stabilise revenue, even amid challenges with specific buyer relationships.

Impact on Artisans and Workers

Income for artisans has been mixed, with 19% reporting an increase, driven by higher international demand and greater engagement with global markets. However, 14% of artisans faced decreased earnings due to lower local sales and profits. For workers, contract-based employees have largely maintained stable incomes, with 50% of workers and 45% of employees reporting no change in their earnings. Some positions, like IT managers and field officers, have seen reduced working hours, affecting overall pay.



Market and Pricing Trends

Global market conditions have been favourable in terms of pricing, with increases in the value of key commodities such as coffee and cocoa. This trend has led to improved income across the value chain, helping compensate for challenges posed by reduced production volumes.

The demand for both coffee and cocoa remains strong despite the impact of climatic factors on output.

Emir Alexander Cruz Saenz General Manager of Nicaraguan cocoa co-operative Sacacli, said:

*“The relationship of Cooperativa Sacacli with Shared Interest has been fundamental for the development of our organisation, the line of credit that we have with Shared has contributed to improve our liquidity to face the process of commercialisation of coffee and to dynamise this business centre of the co-operative, we feel very happy with this relationship with Shared Interest.”*



**Image:** Shared Interest Lending Manager Karolina Jimenez (far left) and Customer Representative Jason Murillo (far right) visiting Sacacli during 2024.

## Case study: Bukonzo Organic Co-operative Union (BOCU)

Globally, the coffee supply chain provides a livelihood for over 100 million people from growing and transporting, to roasting and selling. According to the International Coffee Organisation, 2023 smallholder farmers make up 25% of this group (around 25 million people) and overall are responsible for 80% of global food production.

The coffee sector is incredibly vulnerable to natural shocks, changes in weather, changes in currency exchange rates and supply and demand, all which impact upon the price paid to farmers, leaving many struggling to cover their cost of production and make a meaningful income.

***“It is predicted that by 2050, 50% of the global surface area currently being used for coffee farming will no longer be suitable for growing coffee due to climate change.”***

— Fairtrade Foundation, 2023

In response to the severity of the challenges facing smallholder coffee farmers, co-operatives, producer groups and other supporting agencies have placed building climate resilience at the centre of their support strategies to mitigate the impact on farmers and ensure the sustainability of the sector.

Uganda is Africa's second largest coffee producer and provides a livelihood for over 1.8 million households. Farmers in Uganda produce both Robusta and Arabica coffee grown across five different regions. Each region has a different harvest period enabling Uganda to produce coffee year-round.

Coffee in Uganda is predominantly grown on rain-fed plots less than one acre in size. Farmers will often intercrop their coffee trees with bananas and other food crops to provide important shade to coffee trees and a source of household food.

BOCU is a second level co-operative, registered in 2009, managing 13 primary co-operatives (these are small community level co-operatives who sell their coffee to BOCU).

BOCU are located in the Rwenzori Region of western Uganda in the district of Kasese, 230 miles from the capital city Kampala. Their 4,102 members span across the whole district with many farmers growing their coffee on the slopes of the Rwenzori mountain range which separates Uganda and the Democratic Republic of Congo.



**Image:** BOCU worker spreading out dry coffee beans outside of their processing facility.

BOCU is one of the few co-operatives in Uganda managed by a woman. Josinta Kabugho has been the General Manager of BOCU since 2009 and in her own words has “grown with the union”.

BOCU became a customer in 2014. We were the first international lender to work with BOCU and the finance enabled the co-operative to improve their forward planning, knowing how much coffee they could purchase, now they were no longer dependant on orders from buyers which was irregular and hard to predict.

**Finance and Administration Manager of BOCU, Maureen Namusisi, said:** “Without these facilities BOCU really wouldn't be in business.”



**Image:** L-R Josinta Kabugho, General Manager of BOCU; Kennedy Mwasi, Shared Interest's East Africa Lending Officer; Maureen Namusisi, Finance and Administration Manager of BOCU; attending the African Fine Coffees Conference in Ethiopia in 2024



In recent years, BOCU have also benefitted from the support of the Foundation to deliver projects supporting their producers to diversify into passionfruit production and beekeeping to generate additional income and increase their resilience.

BOCU is a double certified coffee co-operative holding Organic certification since 2009, and Fairtrade certification since 2011. BOCU have used the premium received from the sales of their Fairtrade coffee to implement social impact projects to support their employees, coffee farmers and wider communities.

**BOCU Finance and Administration Manager, Maureen, said:** *“Farmers are attracted to BOCU because of other activities; tree planting, passion fruit farming, and water harvesting tanks. Farmers are hopeful they will also benefit. Hope keeps members at Bukonzo.”*

Many farmers at BOCU farm on the hillside and are particularly vulnerable to the effects of climate change. To support these farmers Bukonzo launched an agroforestry scheme distributing 250,000 shade trees to be planted on the coffee farms to increase soil stability, reduce top-soil run off during heavy rain, and protect coffee trees from intense sun.

Beatrice Biira (*pictured right on her coffee farm*) has been a member of BOCU since 2009 and manages a two-acre coffee farm which she first established in 1986 with her late husband. Alongside coffee she also grows bananas which she sells on the local market to supplement her income, and yam for home consumption.

Through BOCU, Beatrice received training in both agriculture and social development; *“I studied agroforestry from BOCU, smart agriculture from BOCU, even I have learned much about gender and domestic violence from BOCU and I can train other farmers.”*

Following this training, Beatrice started to implement good farming practices across her coffee farm including digging trenches, terraces and mulching all of which have contributed towards increased environmental resilience and improved production.

**Beatrice, said:** *“There comes a change when you do that, the coffee trees are now fertile, they look very green.”*



Over the next five years, BOCU has ambitions to establish a roastery to enable them to add value to their coffee beans and make coffee accessible for coffee farmers and growing communities. BOCU have also set a target of increasing their membership from 4,102 to 5,000 farmers and increase the volume of containers they produce by three each year.

**BOCU Managing Director, Josinta, said:** *“We have been there today and we will be there tomorrow with our partners like Shared Interest and other partners that have come on board.”*



**Image:** Coffee farmer transports freshly picked coffee cherries from their farm to the micro washing station

See **Appendix 17** for the full impact case study.



## Long-term outcome 2: Stronger, more resilient and sustainable businesses

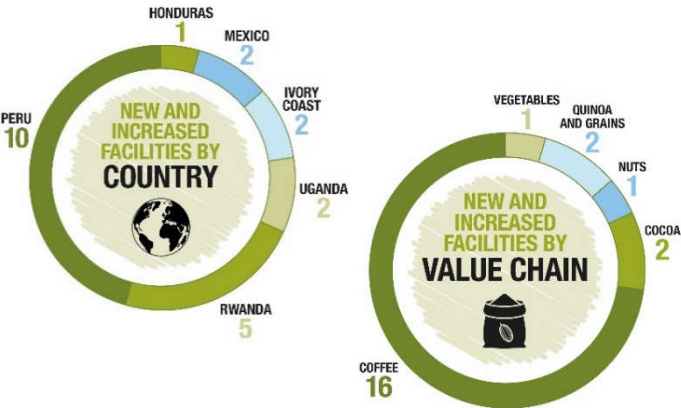
### Customer focused financial solutions provided

Onboarding new organisations into the Shared Interest portfolio continues to present challenges. However, there was a notable improvement in the last financial year, with the addition of 11 new facilities, compared to just five the previous year. These new facilities were extended to nine organisations, with a total value of £2.1m—an increase of £800k compared to last year's new facilities.

Of these, seven facilities, amounting to £1.4m, were provided to new coffee customers. Additional facilities included one cocoa-related loan for £367k, two for a Peruvian quinoa producer totalling £368k, and one for a Kenyan vegetable cooperative for £76k.

Strengthening relationships within our existing portfolio remains essential to our growth strategy. Over the past 12 months, we provided facility increases to 11 current customers, totalling £1.2m. This included eight Working Capital Facilities, two Stock Facilities, and one Term Loan.

Despite these successes, we did not achieve the desired diversity in value chains. Of the 22 total new and increased facilities, 15 were granted to organisations within the coffee value chain, and three to cocoa. The remaining increase went to a long-standing Brazil nut co-operative in Peru.



While this aligns with the overall composition of our portfolio, especially in terms of facility increases, we had hoped to see greater diversification as part of our broader strategic goals.

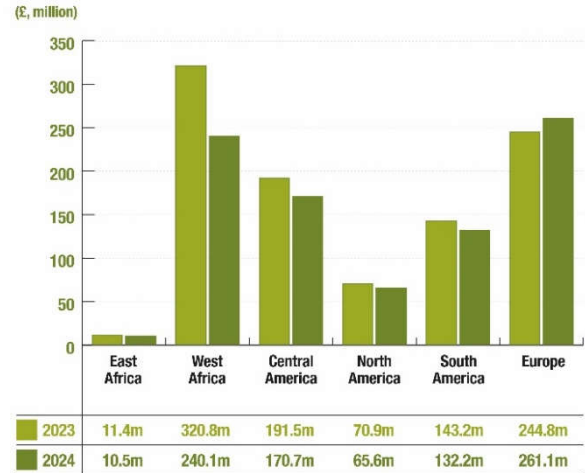
### Increase in trading opportunities

In Part I, we highlighted several challenges faced by customers over the past 12 months. Despite this, our annual Customer Social Impact Survey revealed that 39% of respondents reported an increase in sales, 36% indicated sales remained static, and only 25% experienced a decline.

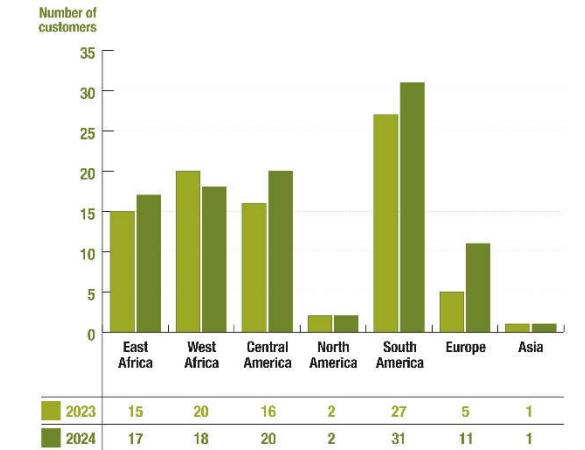
The increase in sales is primarily attributed to rising prices, especially in coffee and cocoa, which has placed additional strain on the financial capacity of many organisations. While reduced production remains a concern, higher prices helped maintain overall stable sales levels. However, the survey findings contradict our analysis of customer financial accounts. With the exception of buyer organisations in Europe, all regions reported a reduction in sales values. Based on the available data, we estimate these organisations earned a collective revenue of £880m, down from £982m the previous year—a decline of £100m. *NB. These figures are affected by exchange rates.*

This decrease can be partially attributed to the shrinking size of the portfolio and also the challenging market many of our customers are operating in.

Customer Sales per Region



Number of customers in each region who achieved profitability



Furthermore, only 100 organisations reported profits for the financial year, which is nine fewer than the previous year. Additionally, only 75 organisations achieved an increase in profits, a decrease of 11 compared to the previous year.

Coffee co-operatives, central to our lending portfolio, are leading diverse approaches to sustainability and climate resilience. Their strategies reflect growing recognition that coffee farming's future depends on adaptation and income diversification.

In Uganda, contrasting approaches highlight the breadth of adaptive strategies. One co-operative gave 705 beehives to 141 farmers, creating parallel income streams through honey production while supporting crop pollination. Another co-operative focused on climate change adaptation training, building farmers' capacity to manage environmental challenges and maintain coffee yields despite increasingly unstable weather patterns.

Peruvian co-operatives have prioritised infrastructure and technological advancement. A new warehouse development has streamlined logistics operations, addressing storage constraints that previously hindered efficient distribution. Meanwhile, another co-operative's investment in modern agricultural equipment, including de-pulping machines and irrigation systems demonstrates how technological upgrading can simultaneously boost productivity and reduce environmental impact.

In Nicaragua, a coffee co-operative took strides in supporting quality control and product innovation by establishing a laboratory to analyse and improve coffee quality.

This investment in quality control runs alongside practical support through fertiliser provision, reflecting a holistic approach to production improvement.

In another sustainability-driven initiative, a Peruvian coffee co-operative partnered with Solidaridad an international non-governmental organisation (NGO) to participate in their agroforestry carbon credit system. This initiative extends beyond traditional farming practices, enabling the co-operative to generate income from carbon credits while advancing climate mitigation through reforestation and agroforestry.

These adaptations represent a significant shift in coffee farming strategy, where environmental sustainability and financial resilience increasingly converge. Recent research from the International Coffee Organisation<sup>7</sup> suggests such diversified approaches are becoming essential for coffee producers facing climate instability, with successful models combining technological innovation, environmental stewardship and market diversification.

The initiatives demonstrate how coffee co-operatives are evolving beyond traditional production models, creating more resilient and sustainable operations while maintaining their crucial role in community development and environmental protection.

<sup>7</sup> <https://www.icocoffee.org/documents/cy2023-24/report-global-coffee-funding-mechanisms-june-2024-e.pdf>



## Fairtrade

The Fairtrade certification system is rigorous, independent, and in line with best-in-class certification practice. All producer organisations must go through an on-site audit before they can sell Fairtrade certified products. The Fairtrade Standards incorporate a holistic blend of social, economic and environmental criteria.

### Key objectives of the Fairtrade Standards:

Ensure that producers receive prices that cover their average costs of sustainable production; provide an additional Fairtrade Premium, which can be invested in projects that:-

- Articulate social, economic and environmental obligations throughout Fairtrade supply chains, from farmers to traders to manufacturers of finished products.
- Set minimum prices for commodities that are based on farmers' average costs of sustainable production.
- Provide an additional Fairtrade Premium which can be invested in business or community projects chosen democratically by farmers and workers themselves.
- Facilitate long-term trading partnerships between producers and their buyers, and enable greater producer control over the trading process.
- Incorporate human rights and environmental due diligence, including requiring risk assessments, policies, and remediation work, with the support of everyone in the supply chain.
- Align Fairtrade with key sustainability legislation, so producers and traders meet or exceed legal requirements, and gain the economic benefits of Fairtrade for doing so.

[www.fairtrade.net](http://www.fairtrade.net)

## Long-term outcome 3: Employment creation for farmers, artisans and workers

The annual Customer Social Impact Survey reveals encouraging workforce trends across our producer portfolio. Analysis of staffing patterns - encompassing artisans, farmers, permanent employees and seasonal workers - shows remarkable resilience in employment levels despite global economic pressures.

Producer organisations report predominantly stable or expanding workforces, with minimal reduction in staff numbers. This stability proves particularly significant given recent challenges including supply chain disruptions, climate impacts and market volatility affecting agricultural and artisanal sectors.

These findings align with broader research from Fairtrade International<sup>8</sup> indicating that producer organisations maintaining strong social structures show greater resilience during economic uncertainty. The stability in employment levels suggests these organisations are successfully balancing commercial viability with social responsibility.

As part of our ongoing customer monitoring and due diligence, we collect data from each producer customer on the number of individuals working in their co-operatives and unions, as well as the number of employees.

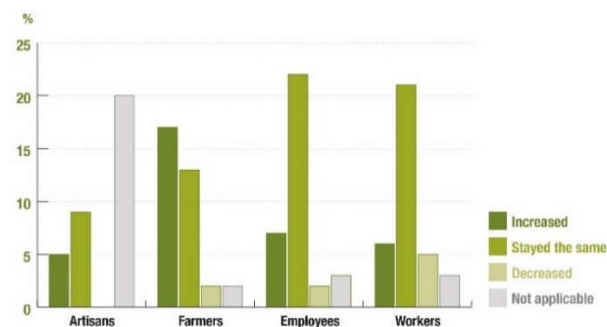
<sup>8</sup> <https://www.fairtrade.net/library/fairtrade-certification-and-producer-resilience-in-times-of-crises>

We observed a modest increase in the number of producers we serve through our lending programmes, reaching a total of 416,979 which represents an increase of 4,351 despite an overall reduction in the total number of customers in our portfolio. Notably, the percentage of women among these individuals has risen to 37.4%, reflecting a 5.4% increase from the previous year. We believe this is due to two new customers in the portfolio who have a large percentage of women farmers and also an increase in women within our current customer portfolio.

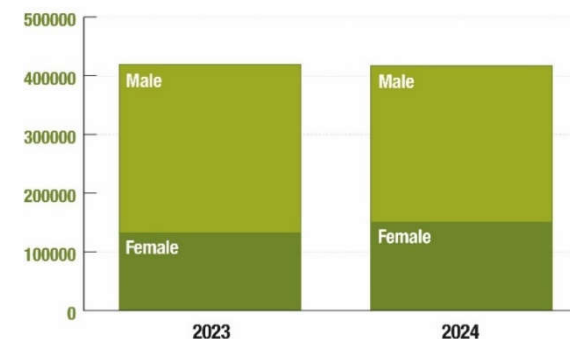
In contrast to the Customer Social Impact Survey, the data gathered on employee numbers during customer reviews and due diligence visits presents a different picture, revealing a decline from 9,519 to 9,044 - a reduction of 475 employees. Furthermore, the percentage of women employed has decreased from 47% to 44%.

In conclusion, while we have seen positive trends in the number of producers and the representation of women within this group, the decline in total employees and the percentage of women in employment raises concerns that warrant further investigation. We will continue to monitor these trends closely and work towards supporting sustainable growth in both production and employment within our customers.

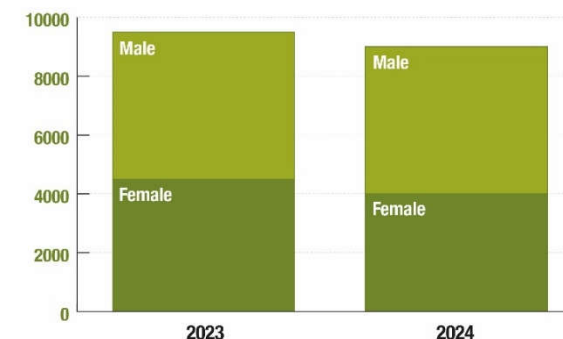
Changes in number of people involved in each organisation



Number of farmers and artisans



Number of workers



## Case Study: COOPARM

COOPARM is a coffee co-operative located in Rodríguez de Mendoza Province, in Peru's Amazonas region. The co-operative originated in 1990 as the 'Association of Agricultural Producers Rodríguez de Mendoza' (APARM). This initiative, founded by a local priest and 100 Catholic missionaries, aimed to increase farmers' access to training, new markets and fairer prices.

In 2008, COOPARM, gained Organic and Fairtrade certification. In 2021, 80% of COOPARM's coffee exports, worth USD 9.4m, were Fairtrade certified. Alongside reaching new markets, from Europe to North America, Fairtrade certification has also enabled COOPARM to pay additional amounts to their members for their produce.

**Speaking about the value of the co-operative to its members, Angelica Hernandez, COOPARM Head of Logistics, said:**

*"The benefits are the regulation of the price (because) we have a commitment to respecting the differential and the premium, Fairtrade or Organic."*

COOPARM currently works with 542 coffee farmers across 1,181 hectares of land, including 12 districts and 38 production bases.

**Angelica said:** *"We separate the (production) area into three valleys, and in each valley, they have a different season of production and harvesting."*

The location of farms at different altitudes enables COOPARM to harvest year-round, creating a constant need for finance. In 2011, Shared Interest was introduced to the co-operative at the Specialty Coffee Association's Expo.

The same year, Shared Interest provided COOPARM a USD 300k Export Credit Facility, increasing to USD 1m, as prefinance to secure Fairtrade coffee contracts and a resource to ensure farmers were paid promptly for their coffee.



**Image:** (Left) Angelica Hernandez, Head of Logistics. (Right) Ramiro Bocanegra, General Manager.

**We asked COOPARM then General Manager, Ramiro, how the Shared Interest finance was used. He told us:**

*"It goes into us buying coffee from the farmers. To be able to sell all year. To be able to export all year ... We need money to be able to supply ... without the support of Shared Interest, we would not have been able to do anything."*

In 2013, we provided a Term Loan to help acquire an electronic coffee selection machine and equipment for COOPARM's dry mill. The machine selects coffee beans by colour and size, removing defects, and has reduced selection costs by USD 15,000 annually while increasing production capacity from 900 to 3,700 quintals (90,000kg to 370,000kg) of exportable coffee per month.

However, buyers remain reluctant to provide contracts to producers outside of typical harvest cycles, presenting a challenge for COOPARM to acquire sufficient prefinance to gather coffee. In 2019, we provided COOPARM an on-going Stock Facility to address this challenge, fund pre-harvest activities and gather coffee whilst contracts are negotiated.

Despite facing complex challenges such as major internal restructuring, local, infrastructural underdevelopment and limited cargo, courier and banking services nationwide during Covid-19 – since our relationship with COOPARM began – the co-operative has grown to produce 500% more coffee, supporting its members throughout with above-market prices.

**Licely Vela Collantes, COOPARM farmer, told us:**

*"We can sell our coffee at a stable price and a good price relative to other associations. It's another USD 0.20 (more) per kilo with COOPARM (than) you would get in the open market."*

COOPARM's resilience and commitment to its members is embodied through Ramiro's proactive leadership.

**Upon his appointment, Ramiro spoke with the Founder, Father Arana, about the challenges faced by COOPARM. He said:**

*"The co-op is the only source of economic support in the town ... Let's see what we can do. Let's try and help people."*

**This socially responsible ethos remains evident today. Licely Vela Collantes, COOPARM farmer, said:**

*"There's a bridge (the community uses) to get to work, which COOPARM help to maintain."*



**Regarding changes she has observed in her community of around 20 families, Licely said:**

*"People are more united. There have been improvements in collaboration."*

COOPARM has held coffee cupping workshops within communities to increase local consumption, knowledge and involvement in coffee.

For members, technicians and engineers have delivered technical assistance on fertiliser application, pruning and organic practices, as well as workshops promoting the balanced use of water as an essential component for coffee production.

Meanwhile, technical areas support post-harvest activities such as treating coffee wastewater and resources such as composters allow members to convert waste into fertiliser, reducing their carbon footprint.

For members' farm productivity, COOPARM have renewed 400 hectares of coffee fields, growing 750,000 coffee plants, and have implemented a project to improve post-harvest processes by equipping members with solar dryers and water tanks to dry and wash coffee.

The prevalence of rural-to-urban migration threatens agricultural co-operatives in Peru, as a lack of rural development drives young people into urban areas, depleting local workforces and the subsequent capacity of co-operatives to grow and be sustainable. Despite this, COOPARM's empowerment and incentivisation of local producers with new skills, facilities and stable incomes, has enabled the co-operative to subvert this trend and increase its membership to meet production demands for the growing Organic specialty coffee market.

**COOPARM farmer, Jairo Rodriguez Vargas, told us:**

*"The technical team for each area gives training in how to use fungicide and COOPARM provides the equipment needed."*

**Maria Hilmer Acosta, COOPARM farmer (pictured right), said:** *"It has been a great experience advancing the co-op as responsible members and learning everything the technical staff train us in ... We have started selling crop to Switzerland and this is a big inspiration to the producers."*

COOPARM are also realising some of their sustainability objectives. Agroforestry initiatives include renovating 580 hectares of land, planting 100,000 trees within farms and replacing diseased coffee trees.

**COOPARM farmer and President of the Womens' Committee, Elizabeth Arista Salazar (pictured below), said:**

*"It is very important for us as farmers to work with nature and the environment. To breathe clean air."*



Driven by faith, united by community and reinforced by the vital, dynamic role of our Interest finance, COOPARM represents a beacon of resilience for co-operatives far-and-wide as it continues to support the welfare of the Peruvian Amazon's coffee farming families.

See **Appendix 16** for the full impact case study.



## Increase in technical assistance and producer support

Building on the work of last year, our charity, Shared Interest Foundation supports the creation of employment opportunities in communities, working with in-country partners and groups to establish income-generating enterprises and support co-operatives to increase their business resilience and sustainability.

By working with in-country partners, this year, the Foundation delivered 14 projects to improve the livelihoods of farmers and artisans, focussed on the following areas:

1	Enterprise development
2	Women and youth empowerment
3	Building climate resilience

### Key achievements from 2023/24 include:

- Six new enterprises were established, providing 724 farmers an income source (64% women).
- 655 women received training in a variety of topics including savings group management, agro-processing, agroforestry, entrepreneurship skills and climate smart agriculture.
- 108 young coffee and cocoa farmers received training, inputs and support to increase their income and resilience.
- 23,500 trees planted including coffee seedlings and agroforestry trees supporting 510 coffee farmers.

## Shared Interest Foundation in 2024



With the support of  
**1,205 DONORS**  
& 9 GRANT MAKERS



We delivered  
**14 PROJECTS IN**  
**7 COUNTRIES**  
across Africa and  
Latin America

\* During the year,  
we completed and  
closed three of  
these 14 projects



We worked with  
**13 LOCAL**  
**PARTNERS**  
including six  
co-operatives



To deliver training to  
**1,892 FARMERS**  
**(42% WOMEN)**



WE SUPPORTED  
PRODUCERS OF 7  
DIFFERENT COMMODITIES  
(coffee, cocoa, groundnut,  
shea, vegetables,  
hibiscus and honey)

## Strategic focus 1: Enterprise development

SDGs: No Poverty (1), Gender Equality (5), Decent work and economic growth (8) Climate Action, (13), Partnerships for the Goals (17)

### Enterprise development: Project participants

- **Burkina Faso:** 40 female shea nut collectors
- **Ivory Coast:** Three co-operatives (cocoa)
- **Mexico:** Two co-operatives (honey and coffee)
- **Nicaragua:** Six co-operatives (coffee and hibiscus)
- **Peru:** Five co-operatives (coffee)
- **Rwanda:** Four co-operatives (coffee and vegetables)
- **Uganda:** One co-operative (coffee), 200 female groundnut farmers and 351 coffee farmers (140 women)

## Impact overview



**21 CO-OPERATIVES  
RECEIVED  
TRAINING**  
in governance, business  
and finance skills



**724 PRODUCERS  
(64% WOMEN)  
RECEIVED  
TRAINING**  
in entrepreneurship and  
agri-business skills



**6 NEW  
ENTERPRISES  
WERE DEVELOPED**  
including peanut butter,  
honey and dehydrated  
coffee pulp production



**1,755 MODERN  
BEEHIVES**  
were distributed to  
351 farmers to establish  
two beekeeping  
enterprises

## Project 1: Brian's Legacy Project ~ Sustainable Empowerment through Enterprise Development (SEED)

Launched in September 2023, this 18-month project is supporting 200 female groundnut (peanut) farmers in western Uganda. The initiative focuses on enhancing their production capabilities and adding value to their crops by processing them into products like peanut butter.

This approach is designed to boost their income and strengthen household resilience. We are delivering this project in partnership with the Ugandan NGO, Literacy Action and Development Agency (LADA).

The women were organised into groups of 25 with each group electing leaders and establishing management and marketing committees. They also each have a savings group reducing their reliance on less ethical money lenders.

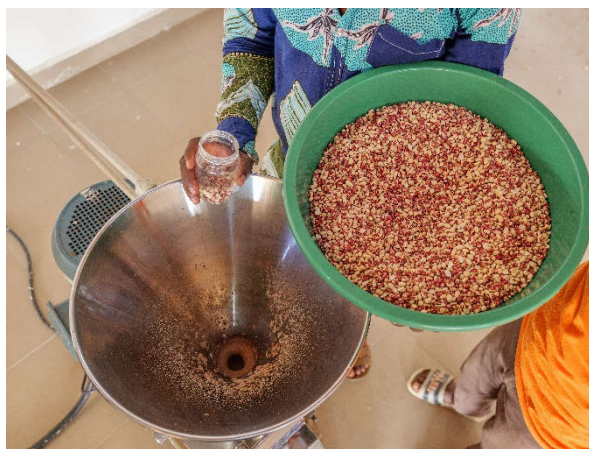


**Image:** Groundnut farmer holds nut butter produced as part of our project.



To support the establishment of the groundnut (peanuts) processing enterprise, the following key activities have been delivered:

1. Provision of agri-inputs including 6,000 kg of seed, 200 tarpaulins and 900 packaging sacks to project participants.
2. Training in group leadership and agri-business skills and agro-processing skills.
3. Construction of a Value Addition Centre (VAC), equipped with agro-processing machinery including a roaster and shelling machine, for the safe and controlled production of peanut butter and other products.



**Image:** Project participant weighs harvested groundnuts.

Across June and July 2024, 8.2 MT of groundnuts were purchased at a rate of 6000 UGX per kg (£1.25). This was a price set in consultation with the marketing committee of each group and was on average 1000 UGX (£0.21) above the current local market value per kg.

The VAC will now be inspected by Uganda National Bureau of Standards and Ministry of Agriculture before peanut butter production will begin.



**Image:** Groundnut farmer Ayebare Precious weighs her produce in Kahama, Rukungiri district, Uganda.

## Participant story



**Image:** Joselini Tumwekwase owns her own farmland and previously grew groundnuts on 0.5 acres of land.

With the groundnut seed Joselini received through this project, she was able to expand her farm size to 1.5 acres, and as a result expects her production volume to increase from nine sacks of groundnuts to 17 sacks.

Joselini is also an active participant in her Savings Group which is providing the women an alternative form of finance to money lenders who charge a high interest rate. With the withdrawals she has made, she has been able to pay for school fees and will also employ 30 labourers to support her during the harvest, providing additional employment to her local community.



## Project 2: Improving livelihoods through agro-processing

In partnership with Plateforme Nationale du Commerce Equitable Burkina Faso (PNCE-B), the Burkina Faso Fair Trade Country Network and COPRONOS, a local shea and nut co-operative, a 12-month value addition project was implemented in 2022 to enhance the resilience of 50 female shea nut collectors in southern Burkina Faso.



**Image:** Project participants receive training in shea butter production.



**Image:** The group receives shea butter production tools and equipment

The following year we secured funding from Evan Cornish Foundation to extend this project. In March 2024, the second phase was launched supporting a further 40 women with training and equipment to process shea nuts into butter. The women chose to focus on butter production due to its high market demand and good profitability. Through this project the women received training in butter production as well as marketing and entrepreneurship skills. Following the first production cycle, 1,540 kg of butter was produced and sold for 1,800,000 XOF (£2,294). A portion of the income generated will be reinvested to support the growth of the enterprise.

### Participant story



Salimata Barro (pictured left) has been involved with COPRONOS for 18 years and has been the President of the Women's Group for the past three years. Before this project, agriculture was Salimata's primary source of income.

**She said:** *"I helped my husband work in the family field. During the dry season, I would crack cashew nuts and resell them to wholesale traders. It was tough because after the cashew season, I had nothing else to do."*

Through this project, Salimata received training in entrepreneurship skills and shea butter production.

### Salimata commented:

***"I have gained a lot of technical knowledge from the training received on the production of butter and soap. I received professional training that has become a source of employment for me."***

*"The entrepreneurship training has allowed me to become more dynamic and rigorous in conducting our activities. After the training, I asked my husband for a plot of land, and I now produce beans and sesame."*

Salimata is confident in the future prospects of this enterprise and the group have ambitions to acquire a machine to roast and churn the nuts reducing the manual labour and increasing production.

**She continued:** ***"I have high hopes for this shea butter production business. Since we started, the business has been progressing and never regressing. Each time we collect shea nuts to produce butter, we make a profit."***

## Project 3: Increasing the profitability and sustainability of producer groups through Technical Assistance

In February 2024, we launched this 12-month project focused on building the capacity of 21 co-operatives and producer groups across Africa and Latin America to enable them to strengthen their governance structures and management systems and build their financial capacity. These organisations produce a variety of commodities including coffee, cocoa, honey and hibiscus. These organisations are also all being supported through borrowing from the Society.

Across the regions the training focuses on the following key topics:

Co-operative governance and management

- Business planning and management
- Financial planning and management
- Climate change adaptation
- Access to market
- Coffee pricing and risk management

To deliver the training in Africa we have partnered with COLEAD, a Belgian organisation which designs management development programmes in the agriculture and food industry. In Latin America we are working with a Peruvian based consultant with extensive experience of supporting co-operatives. We will report fully on this project's impact in Social Accounts 2024/25.



**Image:** Left to right - Practical training delivered by experienced beekeeper, and the distribution of beekeeping equipment.

#### Project 4: Bees for Business – Kabwohe

This 12-month project, launched in February 2024, is supporting 210 coffee farmers (46% women) in western Uganda to diversify into beekeeping to provide them a second source of income alongside coffee farming.

To deliver this project, we are working in partnership with Ugandan coffee co-operative, Banyankole Coffee Services (BCS).

Over 1,000 modern beehives were constructed locally and each farmer received five hives each to place among their coffee trees. To support the hives, the farmers also received 'live stands'. These are live trees (pictured below), planted strategically among coffee trees and specially cut to hold hives at an optimal height off the ground. These stands were selected by the farmers over metal or wooden frames due to their longevity and durability, and when the trees grow they will provide protective shade to the coffee trees.



**Image:** Live stands provided to farmers to support the hives

All farmers received training in beekeeping and honey harvesting skills delivered by an established local beekeeper. Following the training in honey harvest skills, farmers were provided with tools and equipment.

To increase the climate resilience of the farmers and support coffee production, the farmers also received training in agroforestry skills and agroforestry trees for planting on their coffee farm.

#### Participant story



Project Participant Dan Kashurura (pictured above, standing next to his new beehives amongst his coffee trees) is a member of Banyankole Coffee Services and has been a coffee farmer for 15 years. Dan had always wanted to go into beekeeping but never had the resources to start. Through this project he has now received five modern beehives and is currently preparing for his first harvest of honey.

**He said: “At first I was fearing bees, but after training I was convinced I could be friends with them. After training I got more knowledge and courage.”**



**Project 5: Bees for Business – Rwenzori**

Our second Bees for Business project launched in March 2024 and is being delivered in partnership with Ugandan coffee co-operative, Bukonzo Organic Co-operative Union (BOCU), to support 141 of their farmers (30% female) to diversify into beekeeping as an additional income source. Beekeeping generates regular income as honey is harvested biannually and is not reliant on rainfall or soil quality, making it a sustainable, climate-smart income diversification activity.



**Image:** BOCU staff training in apiary management.

Local beekeeping co-operative Bunyangabu Beekeepers provided farmers with practical training in beekeeping skills. Each farmer was also provided five hives.

Twelve members of BOCU staff also received technical training in beekeeping production and harvesting techniques to increase their capacity and technical knowledge in apiary management to provide support as required to the farmers, and expand the activity to new communities. The first honey harvest is expected to start in December 2024.

**Strategic focus 2:  
Women and youth empowerment**

*SDGs: No Poverty (1), Gender Equality (5), Decent work and economic growth (8) Partnerships for the Goals (17)*

**Burkina Faso:** 75 female vegetable farmers  
**Ivory Coast:** 50 young cocoa farmers (10 female)  
**Peru:** 58 young coffee farmers (9 female)

**Impact overview**



**Project 6:  
Growing Fairer Futures – Ivory Coast**

This five-year project, launched in December 2020, is working in partnership with cocoa co-operative CAYAT to support 50 young farmers to establish a new cocoa farm or expand an existing farm and implement improved farming practices to increase yield and income.

During year four of this project, the farmers continued to receive support with farm maintenance activities in preparation for their harvest. These activities included the provision of fertiliser and additional labour to support with weeding and harvesting activities.

<b>November 2023</b> (major season) Cocoa volume harvested (kg)	<b>3,636</b>
<b>April 2024</b> (minor season) Cocoa volume harvested (kg)	<b>3,456</b>
<b>Production total</b> (kg)	<b>7,092</b>
<b>Sales total</b> (GBP)	<b>£11,604</b>

The table above details the harvest and sales data from November 2023 and April 2024 (year three of this project). The target yield for the first year of harvesting was 50 kg per farmer. The actual average harvest per farmer was 141 kg, significantly exceeding this target. As the trees continue to grow, the yield will steadily increase.

## Participant story



*"I am Assi Assi Pacome Elisée (above) and live in the community of Kong1, department of Yakasse-Attobrou.*

**Assi told us:** *I have four year's experience in cocoa cultivation. I obtained my land for the creation of a plot from my father. Access to land was not easy for me. I had to abandon my first farm to go to the city. A few years later I returned to the countryside where I had the opportunity to receive training in cocoa production thanks to CAYAT, which motivated me to start growing cocoa again.*

*"Before this project I didn't have access to inputs because I did not have a cocoa farm. On the other hand, members of the co-operative benefitted from it, which motivated me to join the co-operative. The challenges were enormous. The mockery of those who had seen me abandon my first farm, and the impact of climate change.*

*"We received support from the young farmers project throughout the process of creating a farm. This allowed me to buy a plot of land for the construction of my house with the income from my first harvest. For a first harvest, I am satisfied with my production, which will surely increase in the coming years as the trees evolve and*

*because of the implementation of good agricultural practices.*

***"My project for the next 12 months is to enlarge my farm plot, and to maintain the existing plot as best as possible by applying good farming practices. This will increase production for a good income that will allow me to build my house on the land I have already acquired."***

## Project 7: Improving the resilience of young coffee farmers through the production and sale of dehydrated coffee pulp

This 12 month project is being delivered in partnership with Cooperativa Agraria Cafetalera Valle de Incahuasi (CACVI), a coffee producing co-operative located in the southern highlands of Peru.

At CACVI, many farmers rely on coffee production as their only source of income. Access to training and finance are barriers to diversifying into alternative activities to increase household income and improve their living conditions.



**Image:** Assi Elisée splitting the cocoa pods to remove the wet beans in preparation for drying



**Images:** Coffee beans drying on the newly constructed drying beds, coffee beans being processed to remove the pulp.

This project will increase the economic income for 58 young coffee farmers located across 11 zonal committees in the district of Incahuasi. All farmers are members of CACVI's Youth Committee.

Coffee pulp is traditionally a waste product from the coffee production process. Through this value addition project, the young farmers are receiving training and equipment to produce dehydrated coffee pulp for sale on the export market where it is used to add caffeine to energy drinks. For every 55kg of pulp produced, the farmers will receive USD 45 and target collective production for the first year of the project is 4,800 kg. Fifty-eight wooden frames, known as African Drying Beds, were constructed, on which the pulp will be dried, and the farmers have received training in pulp production and quality control.

As part of this project, CACVI will establish a centre for quality control to ensure the dehydrated pulp they produce is of high quality to meet the demands of the export market. The project will also build the in-house capacity of CACVI so they are able to export this product independently in the near future ensuring sustainability. Pulp production is ongoing and the farmers will sell their first batch in January 2025.



**Project 8: Soilless Farming Burkina Faso**

In the city of Bobo-Dioulasso, we have been able to expand our soilless farming project through funding from the EA Foundation enabling 75 economically vulnerable women with disabilities to establish a sustainable, organic vegetable production enterprise.

Vegetables will be grown year-round using innovative soilless farming methods proven to produce yields 300% higher than traditional agriculture. This farming technique is particularly suited to people with physical disabilities as the incorporation of technology makes it less labour intensive than traditional farming.

This project was launched in August 2024 and so we will report fully on its impact in Social Accounts 2024/25.



**Images:** Ami Sana, participant in our 'Seed to Stall' project in Burkina Faso.

**Strategic focus 3: Climate resilience**  
*SDGs: No Poverty (1), Climate Action, (13), Partnerships for the Goals (17)*

**Ivory Coast:** 200 cocoa farmers (these farmers will be supported in the second half of the project)  
**Rwanda:** 625 coffee farmers (112 women)  
**Uganda:** 300 coffee farmers (79 women)

**Impact overview**



**Project 9: Strengthening coffee producers' resilience to climate change for increased yield**

During the year we concluded a two-year project working in partnership with Rwandan coffee co-operative, Tropic Coffee. This project supported 625 coffee farmers (112 women) to strengthen their resilience to climate change to improve their coffee production and increase household income. As part of this project farmers received training in good agricultural practices, organic compost making, climate smart

agriculture and business and finance skills including saving schemes.

Two nurseries were established for the production of coffee seedlings, and native shade trees and fruit trees including avocado and papaya were distributed to farmers. The first coffee harvest from these new seedlings is expected in January 2025 and the fruit harvest is expected in January 2026.

**Jeanne D'Arc Nyirantemizimana, project participant and coffee farmer for 25 years, said:**

***"The main problem we faced was to get enough fertiliser, on how to adapt on climate change and especially we didn't know how to do good agriculture coffee method.***

***"But now after receiving the training from Tropic we are very happy and motivated to plant coffee and to increase our production.***

***"After receiving those training, the production is increasing compared to before and the quality of coffee is different. Now I am increasing my coffee trees to 3,500, this means in two years I will be harvesting them and my production and quality will increase by practicing all training I have received"***

### **Project 10: Building resilience of coffee farmers in Western Uganda through agroforestry**

Concluding in March 2024, this one-year project delivered in partnership with Ugandan coffee co-operative Banyankole Coffee Services (BCS), supported 300 coffee farmers (26% women) to increase their climate resilience through implementing agroforestry activities.



**Image:** Practical training in agroforestry delivered to farmers.

All farmers received training in agroforestry, climate resilience and eco-friendly farming practices. The training also focused on climate smart farming practices to support coffee production. Through practical demonstrations, farmers were taught how to stump and prune an old tree to improve productivity, mulching techniques to conserve soil quality and reduce erosion and methods to control weeds.

To encourage the farmers to implement eco-friendly farming practices, they were taught how to produce organic fertilisers using locally available materials to support their coffee production and reduce soil contamination.

Farmers also received coffee seedlings and agroforestry seedlings to plant on their farm. In total 12,000 coffee seedlings and 4,300 agroforestry trees were distributed. Initial reports from the agronomist indicated that 80% of coffee seedlings and 75% of agroforestry trees are continuing to thrive.

BCS estimate that the provision of 9,600 surviving coffee trees will yield an estimated 60 MT of coffee starting in 2026, which will have a sales value of approximately 720,000,000 UGX (£150,967). This increase in sales will support the sustainable growth of the organisation.

All 300 farmers were surveyed as part of the baseline and end evaluation data collection.

At the start of the project, the majority of farmers (293) were intercropping their coffee trees with other trees, predominantly fruit trees. However, 71% reported that these trees were inadequate. By the end of the project, 100% of farmers reported their level of shade trees as adequate or very adequate.

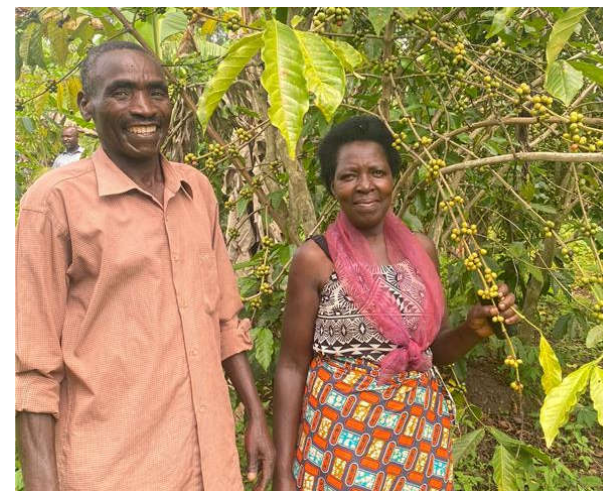
At baseline, 100% of farmers rated their knowledge of soil management practices as average or below, and

52% rated their knowledge of disease and pest management as low or very low. Following the end evaluation, 48% rated their knowledge of soil management as high or very high, and 42% rated their knowledge of disease and pest management as high or very high.

At baseline, regarding agri-business knowledge, 47% (140) of farmers rated their knowledge of record keeping as low or very low and 63% (189) did not keep records of production or sales.

During the end evaluation, 100% of farmers now reported that they are keeping regular records of sales, cost of production and yield.

### **Participant story**



Jackson (pictured above) has been a coffee farmer since 1996 and joined BCS in 2016 because *"when we co-operate we learn more, we produce more and we have a bigger voice"*.



Jackson manages a 1.5 acre coffee farm which he has intercropped with mangos, bananas and passion fruits for additional income. Prior to this project Jackson was experiencing challenges of coffee wilt from intense exposure to sunlight and fast absorption of water from the soil which was impacting upon his yield.

Through this project Jackson received 10 agroforestry trees to plant among his coffee trees (when fully grown each agroforestry tree will provide shade to 40 coffee trees) and 40 disease resistant coffee seedlings to replace some of his ageing trees. He also received a pruning saw and secateurs to support with coffee harvest and tree maintenance.

Through the training, he has been able to plant and maintain his agroforestry trees and also implement better farming practices across his coffee farm (image below shows agroforestry tree covered in mulch for improved water retention) In addition to providing shade, Jackson told us how he will use the fallen leaves from the agroforestry tree as mulch for their coffee plants.

Jackson anticipates to start harvesting coffee from his newly planted trees in three to four years, and is hoping to see an improvement in yield from his current trees during the next harvest.



**Image:** Jackson (brown shirt) discussing Good Agricultural Practices (GAP) with his wife and the BCS project team

## Project 11: Improving cocoa production in Ivory Coast through biological control of pests and diseases

In partnership with the Félix Houphouët-Boigny University in Abidjan and the Ivorian Fair Trade Network (RICE), in August 2024 we launched this innovative 18- month project to develop a cost-effective biopesticide to protect cocoa trees from pests and disease and increase cocoa production. The project will strengthen cocoa farmers' capacity to identify various pests in their cocoa plantations, understand the development cycle of these pests, and prepare and apply the fungus-based biopesticide. This pilot project will directly support 200 cocoa farmers from four cocoa co-operatives. However, our goal is to leverage the data and evidence gathered to secure additional funding, enabling us to significantly scale up the production and distribution of the biopesticide and contribute towards increased sustainability of the cocoa sector. We will report fully on this project in Social Accounts 2024/25.

### Projects completed at the start of the year:

In November 2023, we closed two projects: 'Growing Fairer Futures Rwanda (Expansion)' and 'Bees for Business: Dakoro Solar Panels'. In October we closed our project in Uganda: 'Increasing the resilience of coffee farming households through income diversification', but we will be conducting a final impact evaluation in April 2025. You can read more about these projects in Social Accounts 2023.

### Projects for 2024 / 2025

Due to the strong year achieved in unrestricted donations the Trustees have approved £160k to be ring fenced for new designated projects next year.



**Images:** Foundation Manager Kodzo Korkortsi (pictured second left in top image) during visits to some of our projects.

# Final reflections

In reflecting on the past year, Shared Interest has seen both significant achievements and considerable challenges as we deliver our ongoing mission to improve the livelihoods of people in remote and disadvantaged communities by helping them trade their way out of poverty. The loyalty of our 10,082 members has been instrumental, with Share Capital of £50.9m, a testament to their commitment despite the turbulent economic landscape. The average account duration of 16 years showcases a steadfastness that is increasingly vital as we navigate shifting financial dynamics influenced by external pressures, including the cost of living crisis and geopolitical tensions.

Importantly, our work aligns closely with several SDGs, which guide our efforts to create lasting impact. Goal 1, No poverty, is directly addressed through our financial support, enabling producer groups to achieve greater economic stability. Goal 5, Gender equality, resonates throughout our initiatives. These are evidenced by the 416,979 people we supported across 47 countries, with 37.4% being women, reflecting a 4% increase from the previous year. Similarly, Goal 8, Decent work and economic growth, reflects our commitment to fostering job creation and fair working conditions within our communities. The number of permanent employees across both producer and buyer organisations is 166 in 2024, reaching 9,044 employees, including 44% women. Our commitment to fostering strong relationships and providing tailored financial solutions will continue to be key to achieving long-term resilience for the communities we serve.

In line with SDG Goal 17, Partnerships for the goals, partnership remains central to our impact, with collaborative relationships spanning 33 organisations. These partnerships enhance our ability to address the

complex challenges faced by our producer groups and reinforce our commitment to sustainable development.

The lending landscape in 2024 highlights both structural challenges and emerging opportunities within our portfolio. Currently, we have allocated 204 facilities across 166 customers, underscoring our vital role in supporting producer groups, which make up 89% of total lending. However, the reduction in customer numbers from 173, along with the addition of only nine new customers against a target of 38, signals the pressing market pressures we face.

Coffee continues to be the cornerstone of our lending operations, accounting for 51% of disbursements, a rise from 48% in the previous year. This growth is juxtaposed with cocoa's decline from 30% to 25%, reflecting the broader sector's struggles, including climate impacts and evolving regulatory frameworks. Overall disbursements have fallen to £42.1 million from £49.2 million, primarily due to a contraction in our portfolio and reduced uptake of facilities.

Our commitment to supporting smaller enterprises distinguishes us in the social lending sector, with 80% of our producer customers operating facilities under £500k. This focus on smaller businesses stands in stark contrast to broader industry trends, where only 39% of lending occurs at this level, as reported by the Council on Smallholder Agricultural Finance. Such a commitment is essential as we seek to empower vulnerable communities in an increasingly competitive financial environment.

Risk management has assumed heightened importance, given that we currently have 95 accounts in some level of arrears, with 59 of these extending beyond three years. The implementation of the European Union Deforestation Regulation has added another layer of complexity, requiring coffee and cocoa producers to demonstrate detailed traceability, which is essential for compliance but poses additional operational burdens.

As we look to the future, our role as a social lender is more critical than ever in supporting vulnerable businesses navigating market volatility, climate challenges, and regulatory changes. Although the handicrafts sector has contracted slightly, we remain uniquely positioned as the sole social lender within this vital segment, underscoring our commitment to sustaining diverse fair trade supply chains.

The Foundation which celebrated its 20<sup>th</sup> anniversary has made significant strides this year, executing 14 projects across Sub-Saharan Africa and Latin America. This strategic focus on enterprise development, climate resilience, women's empowerment, and youth engagement is not only timely but necessary, given the challenges that these communities face. Our success in securing unrestricted and restricted funding totalling £522,895, echoes the credibility and relevance of our approach. This funding has facilitated projects, from innovative soilless farming in Burkina Faso to technical assistance programmes that enhance the sustainability of producer groups.

Over its 20-year history, the Foundation has delivered 51 projects, in 15 countries, reaching over 13,000 farmers and artisans.

As we navigate the complexities of an evolving financial landscape, our mission remains steadfast: to empower producer groups and artisans through sustainable financial solutions aligning with fair trade principles. The road ahead may not be without challenges, but our track record of resilience, innovation, and commitment to social responsibility positions us to continue making a meaningful impact in the lives of those we serve.

As we embrace the future, we will carry forward the lessons learned, strengthening our resolve to create a fairer, more equitable world through collective action and solidarity, fully aligned with the SDGs that guide our mission.



# Stakeholders

In pursuit of our mission, the following stakeholders are key to Shared Interest. This list is reviewed and updated annually by the Social Reporting Team.

Stakeholders	Definition	Description	2023	2024
<b>Beneficiaries/ participants</b>	Organisations who benefit from the support of Shared Interest Foundation	Beneficiaries trained Producer groups receiving grants	3,408 9	1,892 6
<b>Board of Directors</b>	Collectively responsible for the direction and management of the Society, 7 of these 10 are also Trustees of Shared Interest Foundation	Elected Shared Interest Society Members	9	10
<b>Council</b>	Body which serves to keep the Board “on mission” and is “representative of the views of members”	Elected Shared Interest Society Members	8	8
<b>Customers</b>	Borrower organisations which enter into a business contract with Shared Interest Society	Producer group customers Buyer customers	153 20	147 19
	Other organisations that receive or make payments via Shared Interest Society	Recipient producers Non-customer buyers	158 62	114 26
<b>Donors</b>	Shared Interest Foundation donors	Individual donors Corporate donors Churches and other groups Grant-making bodies	2,089 0 7 7	1,202 3 0 9
<b>Our people</b>	The Shared Interest team	Our people	34	37
<b>Members</b>	Shared Interest Society investors	Members	10,255	10,082
<b>Partners</b>	Those we collaborate with for mutual benefit	People, groups and organisations we work with and umbrella groups of which we are members	26	33
<b>Volunteers</b>	Individuals who volunteer their time and expertise to Shared Interest	Volunteers	92	93

# Consultations

We are keen to understand our stakeholders' view of our performance against the mission and values.

<b>Customers</b>	In addition to our daily contact with customers and annual reviews undertaken by the Lending Team, we carried out two specific consultation exercises, which gathered views from all of our customers. This involved an electronic survey which was sent to 62 producer customers, with 34 responses received. This year, four producer committee meetings were held. Three of these were virtual with the fourth taking place face to face in Ivory Coast with French speaking producers. In total, 26 producers participated: Honduras (1), Ivory Coast (8), Mexico (2), Nicaragua (3), Peru (7), Rwanda (4) and Uganda (1).
<b>Beneficiaries/ participants</b>	Organisations benefiting from the work of Shared Interest Foundation were consulted on a project basis: <ol style="list-style-type: none"> <li>1. Growing Fairer Futures: Rwanda (Expansion) – 143 producers completed an end evaluation survey to measure project impact and inform end of year project report</li> <li>2. Building resilience of coffee farmers in Western Uganda through agroforestry – An end evaluation was completed with 300 farmers. The data collected informed the end of project report.</li> <li>3. Strengthening coffee producers' resilience to climate change for increased yield – An end evaluation was conducted with a sample of 244 farmers. The data collected informed the end of project report.</li> <li>4. The SEED Project: Sustainable Empowerment through Enterprise Development (Brian's Legacy) – 200 women completed a baseline survey to inform project targets.</li> <li>5. Improving livelihoods through agro-processing – A baseline survey was conducted with 40 women to inform project targets.</li> <li>6. Bees for Business: Kabwohe - A baseline survey was conducted with 210 coffee farmers to inform project targets.</li> <li>7. Bees for Business: Rwenzori – A baseline survey was conducted with 141 coffee farmers to inform project targets.</li> <li>8. Growing Fairer Futures Ivory Coast: Production data was collected from all 50 farmers to inform end of year report. Two farmers were interviewed to gather information for case studies.</li> <li>9. Improving the resilience of young coffee farmers through the production and sale of dehydrated coffee pulp – A baseline survey was conducted with 58 young coffee farmers to inform project targets.</li> <li>10. Soiless Farming Burkina Faso: A baseline survey was conducted with 75 women to inform project targets.</li> </ol>
<b>Members</b>	Our AGM took place online in March 2024. A total of 115 members attended the event. This was supported by three physical member events held across April and June in Manchester, Durham and Bristol. A total of 171 members attended these events. A further two virtual events were held and attended by 213 supporters. In July 2024 we sent out a member survey to all members who had the option to complete a paper survey, or an online survey. A total of 1,446 members responded (16%). 809 members completed the survey online and the remaining responses (637) were via post.
<b>Volunteers</b>	Our organisation provides new volunteers with role specific online training through presentations and informational sessions. These cover our operational structure and processes. An e-newsletter is sent to our volunteers regularly and volunteers are invited to join our webinar sessions held periodically. Leavers are invited to complete a feedback survey about their experience volunteering with us.
<b>Directors/Trustees</b>	The Shared Interest Board meets five times a year and considers aspects of Social Accounts at three of those meetings. The Board responds to members at the AGM.
<b>Council</b>	Council is not consulted separately from members as part of the Social Accounts process. However, the final report is shared for discussion during their January meeting. It meets three times during the year and provides input to Board meetings and the AGM. There is a joint Board and Council meeting annually.
<b>Donors</b>	We have ongoing communication on a project-by-project basis with our grant funders.
<b>Our people</b>	We continue to work with People Gauge to carry out surveys to colleagues. In July 2024, we circulated the online Engagement Survey. These results indicate that 34 colleagues out of 36 completed the survey, which was a response rate of 94.4%. There has been a positive move in engagement levels, and it showed that people were either 'engaged' (40.6%) or 'actively engaged.' (59.4%'. The results of the survey were presented to the entire team.
<b>Partners</b>	No formal consultations carried out this year. Internal work to develop the mapping activity carried out last year and provided us with the diagrams In Appendix 6.

	2022	2023	2024
<b>Customers</b>	<p>Customer Social Impact Survey to producer customers (39/109).</p> <p>In total five producer committee meetings were held with customers (30). Four of these meetings were held virtually, with one meeting held face to face to gather impact data.</p>	<p>Customer Social Impact Survey to producer customers (51/79).</p> <p>In total four producer committee meetings were held with customers (23). Three of these meetings were held virtually, with one meeting held face to face to gather impact data.</p>	<p>Customer Social Impact Survey to producer customers (34/62)</p> <p>In total four producer committee meetings were held with customers (25). Three of these meetings were held virtually and one held face to face to gather impact data.</p>
<b>Beneficiaries/ participants</b>	<p>To conclude our Improving organic coffee production in Peru project, an end evaluation was conducted and 164 participants completed an evaluation questionnaire to inform this report.</p> <p>All 50 participants of our Growing Fairer Futures project in Ivory Coast completed an end of year one evaluation. Two participants were interviewed to develop case studies. In addition, the Project Co-ordinator, conducted farm assessments.</p> <p>A sample of 200 moss harvesters participating in our Ensuring environmental protection and biodiversity conservation through income diversification project completed a baseline questionnaire.</p> <p>All 50 participants of our Improving livelihoods through agro-processing project completed a baseline questionnaire.</p> <p>A sample of 244 participants of our Strengthening coffee producers' resilience to climate change for increased yield completed a baseline study.</p>	<p>All 50 participants of our 'Growing fairer futures: Rwanda' project completed an end of project evaluation survey. The results informed the end of project report.</p> <p>All 143 participant of our 'Growing fairer futures: Rwanda (Expansion)' completed a baseline survey to inform project target outcomes.</p> <p>A sample of 309 moss harvesters participating in our 'Ensuring environmental protection and biodiversity conservation through income diversification' project completed an end of project survey to inform the final evaluation report.</p> <p>All 50 participants of our 'Improving livelihoods through agro-processing' project completed an end evaluation survey. A baseline and end of project evaluation questionnaire was completed by all 200 project participants of our Seed to Stall: Increasing self-sustainability through soilless vegetable farming project.</p> <p>A baseline and end of project evaluation questionnaire was completed by all 30 project participants of our 'Seed to stall: Increasing self-sustainability through domestic soilless vegetable farming' project.</p> <p>A sample of 193 project participants were consulted as part of the external evaluation of our 'Increasing the resilience of coffee farming households through income diversification' project. Baseline data was collected from all 300</p>	<p>All 143 participants of our 'Growing fairer futures: Rwanda (Expansion)' completed an end evaluation survey to measure project impact and inform end of year project report.</p> <p>All 300 participants of our 'Building resilience of coffee farmers in western Uganda through agroforestry' completed an end evaluation survey. The data collected informed the end of project report.</p> <p>A sample of 244 participants of our 'Strengthening coffee producers' resilience to climate change for increased yield' project completed an end evaluation survey. The data collected informed the end of project report.</p> <p>All 200 participants of our 'The SEED project: Sustainable empowerment through enterprise development (Brian's legacy)' project completed a baseline survey to inform project targets.</p> <p>All 40 participants of our Improving livelihoods through agro-processing project completed a baseline survey to inform project targets.</p> <p>All 210 participants of our 'Bees for business: Kabwohe' project completed a baseline survey to inform project targets.</p> <p>All 141 participants of our 'Bees for business: Rwenzori' project completed a baseline survey to inform project targets.</p> <p>All 50 participants of our 'Growing fairer futures Ivory Coast' were consulted to gather production data. Two farmers were interviewed to produce case studies.</p>



		participants of our Building resilience of coffee farmers in western Uganda through agroforestry.	<p>All 58 participants of our 'Improving the resilience of young coffee farmers through the production and sale of dehydrated coffee pulp' project completed a baseline survey to inform project targets.</p> <p>All 75 participants of our 'Soilless farming Burkina Faso' project completed a baseline survey to inform project targets.</p>
<b>Members</b>	Online feedback forms after AGM and member meetings. Strategic Review consultations and online workshops.	Online feedback forms after AGM and physical feedback forms following supporter events.	Online feedback forms after AGM and physical feedback forms following supporter events. Member survey 2024 (1446/9,038)
<b>Volunteers</b>	Ongoing conversations with volunteers throughout the year. Volunteer Survey (23/76).	Ongoing conversations with volunteers throughout the the year.	Ongoing conversations with volunteers throughout the year. Volunteer Survey (25/68).
<b>Board</b>	Consulted as members.	Consulted as members.	Consulted as members.
<b>Council</b>	Consulted as members.	Consulted as members.	Consulted as members.
<b>Our People</b>	Engagement Survey 2022 (34/36).	Engagement Survey 2023 (34/36).	Engagement Survey 2024 (34/37).
<b>Donors</b>	No formal consultations took place with this group.	No formal consultations took place with this group.	No formal consultations took place with this group.
<b>Partners</b>	Ongoing conversations with partners throughout the year.	Ongoing conversations with partners throughout the year.	Ongoing conversations with partners throughout the year.

# How we have progressed over the year

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

Recommendation	Progress to date
<ul style="list-style-type: none"> <li>Maintain a strong focus on positive employee engagement, retaining and recruiting key skills across the organisation to maintain knowledge and placing emphasis on continuous improvement.</li> </ul>	<p>Although at the start of the period, our labour turnover had reached the highest level seen for several years, by the end of the financial year it had fallen to levels we had been used to previously. During this time, two people did not pass their probationary period, and we received two resignations. Of those, one left to re-locate to another part of the country whilst the second resigned before completing her probationary period to return to her previous sector. Happily, in one role, we were able to promote from within the organisation, enabling us to retain skills and provide career progression and development for that person. In addition, we successfully recruited and onboarded five new members to the team.</p> <p>Our hybrid working arrangements continue to be attractive to candidates during the recruitment process and are valued by existing staff. We continue to bring the teams together both in the UK and regionally, a minimum of once a month.</p> <p>We received the results of our annual staff Engagement Survey in August and the results were again very positive, representing the second highest level of Active Engagement we have recorded since starting this survey in 2014. Not only did we see movement from Engaged to Actively Engaged, but there were also no Actively Disengaged in any of the categories. Again, this is only the second time this has happened since starting the survey.</p>
<ul style="list-style-type: none"> <li>Implement a new HR system to improve communications and make administrative efficiencies.</li> </ul>	<p>The new HR system has been rolled out with training and procedures provided for all. The system organises and manages HR information and streamlines essential tasks around holiday authorisation, absence management, record keeping and compliance. We have been able to incorporate the training request process into the new system along with the return to work interview process, improving efficiency and reducing administration.</p>
<ul style="list-style-type: none"> <li>Continually improve our colleagues' knowledge and technical resilience to protect against cyber and other fraud risk threats.</li> </ul>	<p>We have a continuous improvement process which involves staff training around common security subjects such as reinforcement of setting good passwords, avoiding password re-use between services, and how to handle phishing threats. In addition, staff are kept apprised of less common, or emerging threats like the possibility of AI impersonation attacks. A monitoring tool regularly tests staff ability to spot phishing attacks which has shown constant measurable improvement since its inception.</p>
<ul style="list-style-type: none"> <li>Maintain Share Capital and investor/donor numbers with a strong focus on engagement, enabling members to contribute, question and increase their knowledge.</li> </ul>	<p>We currently have sufficient Share Capital to meet demand for our finance with a total Share Capital value of £50.9m. However, we have seen investment levels contract for the second year. Despite this our members and donors remain engaged. We held our AGM virtually in March with 115 members in attendance and 916 postal ballots. We also held three physical member events and four virtual events, all with very positive feedback. In addition to this we undertook a full members survey with a 16% response rate.</p>
<ul style="list-style-type: none"> <li>Diversify the customer portfolio, expanding into new markets and new products to make a positive impact on more communities and</li> </ul>	<p>During this financial year, we have approved new customer facilities in vegetables (i.e. chilli, French beans) in Rwanda and in quinoa in Peru. The Rwandan producer works with more than 1,600 farmers, of which 82% are women. The quinoa producer works with 230 farmers located in the Andean mountains in regions characterised by high levels of poverty in this country.</p>

<p>enhance the organisations long-term sustainability.</p> <ul style="list-style-type: none"> <li>• Develop technology to improve communication and exchange of information including the development of a customer website.</li> <li>• Improve our credit appraisal process to generate efficiency and help us to assess existing and potential customers faster while managing the quality of credit risk.</li> <li>• Implement a new accounting system to make organisation-wide efficiencies and improve colleague experiences.</li> <li>• Continue to deliver projects through Shared Interest Foundation following our key focus areas of (i) enterprise development, (ii) climate resilience, (iii) youth employment and gender equality.</li> <li>• Appoint a Grants and Trusts Fundraiser to enable us to maximise our restricted funds and deliver more technical assistance and support to producers.</li> <li>• Continue to build strong partnerships, which help to deliver our strategic goals with a particular emphasis on climate change mitigation and adaption, together with gender equality.</li> </ul>	<p>Furthermore, we provided additional finance to a longstanding customer in Brazil Nuts in Peru. This organisation promotes the development of projects related to environmental care, improvement of the living and health conditions of nut gatherers and the responsible management of biodiversity and the conservation of ecosystems in the Amazon rainforest. In addition, we continue assessing term lending for existing customers to boost their production capacity and efficiency, which will favour their long-term sustainability.</p> <p>The customer website project is now in development with an external agency and work commenced in October 2024. The final product will allow all customers to transact with us electronically and allow them to access information on their Shared Interest financial products.</p> <p>Throughout this year, we have successfully implemented automated communication systems with our customers. While a significant portion of these pertain to credit control matters, we have also introduced a lending conditions monitoring report that is generated and dispatched to customers automatically. The primary goal of these reports, along with others, is to alleviate some of the workload on the Lending Team, allowing them more time to focus on annual reviews and developing new business proposals.</p> <p>In terms of the accounting system, we chose not to implement a new accounting system as such but to upgrade our existing system to a cloud-based system. We began this process in January 2024 and went live in February 2024. As an add onto this software, we are also taking on a new expenses package. This phase of the project is partly live – for UK colleagues, with some further work ongoing to complete the roll-out to overseas colleagues.</p> <p>The Foundation continue to develop and deliver projects covering our three focus areas. New projects launched include Bees for business in Kabowhe and Kasese both in Uganda, shea butter processing in Burkina Faso, biopesticide project in Ivory Coast, dehydrated coffee pulp project in Peru and Technical Assistance project in Ivory Coast, Rwanda, Uganda, Peru, Nicaragua and Mexico.</p> <p>Despite extensive promotion and the appointment of a recruitment agency we have not yet filled this post.</p> <p>Maintaining our focus on the country and commodity pairings of Peruvian coffee and Ivorian cocoa, we have developed our knowledge of customers experiences in these regions. We have also mapped potential partnerships to support activity in these regions to support our consideration of relevant action to take. We have also developed a partnership with specialised gender inclusion firm Value for Women who run a technical-advisory support programme for Aceli affiliates.</p>
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# What we want to achieve next year

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

- Deliver new lending with revised credit appraisal methodology to generate efficiencies and help assess existing and potential customers faster while managing the quality of credit risk.
- Diversify the customer portfolio, expanding into new markets and new products to make a positive impact on more communities and enhance the organisation's long-term sustainability.
- Achieve Share Capital targets and investor/donor numbers with a strong focus on engagement, enabling members to contribute, question and increase their knowledge.
- Maintain a strong focus on positive employee engagement, retaining and recruiting key skills across the organisation to maintain knowledge and placing emphasis on continuous improvement.
- Successful onboarding integration of new team members to maintain our strong ethical values and culture.
- Continually improve our colleagues' knowledge and technical resilience to protect against cyber and other fraud risk threats.
- Develop technology to improve communication and exchange of information including the delivery of a new customer website.
- Fully implement the expenses function of the new accounting system to make organisation-wide efficiencies and improve colleague experiences.
- Continue to deliver projects through Shared Interest Foundation following our key strategic focus areas of enterprise development, climate resilience, youth employment and gender equality.
- Appoint a Grants and Trusts Fundraiser to enable us to maximise our restricted funds and deliver more technical assistance and support to producers.
- Continue to build strong partnerships, which help to deliver our strategic goals with a particular emphasis on technical assistance, climate change mitigation and gender equality.

# Glossary and abbreviations

## **Aceli Africa**

An organisation that seeks to address the financing gap for agricultural small and medium-sized enterprises (SMEs) in Africa, through a financing facility that uses targeted incentives to increase lending from local financial institutions and international social lenders.

## **AGM**

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

## **Agroforestry**

A land management approach with multiple benefits. Planting trees and shrubs on farms can give healthier soil, reduce pests and give higher yields – not to mention creating vital homes for wildlife.

## **Agro-processing**

Agro-processing refers to the activities that transform agricultural commodities such as nuts or beans into different forms that add value to the product and give a higher return to the farmer.

## **Baseline Study**

Baseline data is generated from a study or survey undertaken at the starting point of a project. This provides a benchmark against which future progress can be assessed or comparisons made.

## **Biofach**

A leading international trade fair for organic products.

## **Board**

Those elected members who are collectively responsible for the direction and management of Shared Interest Society. Seven of these perform the same role for Shared Interest Foundation.

## **Bond**

The UK network for organisations working in international development of which Shared Interest Foundation is a member.

## **Buyer Customers**

Wholesale or retail businesses, that borrow money from Shared Interest to finance the purchase of fair trade products.

## **Buyer Credit**

Fair trade buyers are required to provide a pre-payment to producer groups of at least 50% of the order value if it is requested. We assist by offering prefinance to pay for orders in advance of shipment.

## **CLAC**

The Latin American and Caribbean Network of Fair Trade Small Producers and Workers (CLAC) is the co-owner organisation of the Fairtrade International system and the network that represents around 1,000 Fairtrade certified organizations in 24 countries of Latin America and the Caribbean.

## **Climate adaptation**

Adapting to the effects / impacts of climate change this could be changing farming methods, growing different crops or managing water sources for example.

## **Climate impact**

The impact of changing climatic conditions, i.e. reduced rainfall, changes in weather patterns, higher temperatures etc.

## **Climate mitigation**

Avoiding and reducing the emission of greenhouse gases into the atmosphere to prevent the planet from warming. This includes improvement of agricultural practices and the application of new technologies such as solar.

## **Climate Smart Agriculture (CSA)**

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

## **Coface**

Global credit insurer.

## **Coffee cupping**

Coffee growers taste and score the coffee to grade it before sale. A score over 80 is classified as speciality coffee.

## **Committed lending**

A credit facility which has been agreed with the customer.

## **Council**

A body consisting of eight members of Shared Interest Society, which serves to represent and reflect the views of the membership.

## **C price**

The benchmark price for commodity-grade Arabica coffee on the New York International Commodity Exchange

## **CSAF**

The Council on Smallholder Agricultural Finance - a global alliance of social lenders of which Shared Interest is a member, focused on serving the financing needs of small and growing agricultural businesses in low and middle-income countries worldwide.

## **Debt consolidation**

When a number of facilities/loans are combined into one loan agreement.

## **Disbursement**

This describes funds sent to a customer as part of a Term Loan agreement or for a Stock Facility or to a producer in advance of a shipment (prefinance).

## **Donors**

Individuals, groups or organisations (including corporates and charitable trusts) who donate money to Shared Interest Foundation.

## **European Union Deforestation Regulation (EUDR)**

A policy that aims to reduce deforestation and forest

degradation by requiring companies to meet certain criteria for their products.

#### **EUR, GBP, USD**

The main currencies in which Shared Interest lends - EUR: Euros; GBP: Pounds Sterling; USD: US Dollars

#### **Export Credit**

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

#### **Facility**

A type of loan (short or long-term) made to a business customer.

#### **Fairtrade**

Fairtrade is used to denote the product certification system operated by Fairtrade International. When a product carries the FAIRTRADE Mark it means the producers and traders have met Fairtrade Standards.

#### **Fair trade**

Fair trade is a trading partnership, based on dialogue, transparency and respect that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalised producers and workers.

#### **Fairtrade Fortnight**

An annual promotional campaign, which happens once every year, organised and funded by the Fairtrade Foundation to increase awareness of Fairtrade products.

#### **Fairtrade Foundation**

A UK-based charity that works to empower disadvantaged producers in developing countries by tackling injustice in conventional trade, in particular by promoting and licensing the Fairtrade Mark.

#### **Fairtrade International/FLO**

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

#### **FLOCERT**

The global certification body for Fairtrade.

#### **Gender Equality**

Gender equality is when people of all genders have equal rights, responsibilities and opportunities.

#### **Good Agricultural Practices (GAP)**

A set of standards for the safe and sustainable production of crops. The standards help farmers to maximise yields whilst minimising production costs and environmental impact.

#### **Insights**

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

#### **Intercropping**

A practice of growing two or more crops in proximity. The most common goal of intercropping is to produce a greater yield on a given piece of land by making use of resources that would otherwise not be utilised by a single crop.

#### **Lien**

A form of security interest granted over an item of property to secure the payment of a debt or performance of some other obligation.

**Living Income Differential (LID)** Specifically related to cocoa in Ghana and Ivory Coast, LID is a premium on the export price of cocoa.

#### **Members**

Shared Interest Society is owned by its members, and each has one vote irrespective of the size of their investment. Individuals, groups or organisations can invest between £100 and £100,000 in a Share Account.

#### **Metric Tonne (MT)**

A metric unit of mass equivalent to 1000 kilograms.

#### **Monitoring and Evaluation Committee**

An internal group tasked to review the monitoring and measurement of impact.

#### **NGO**

Non-governmental organisation.

#### **Participants**

Those taking part in Shared Interest Foundation projects.

#### **People Gauge**

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

#### **Prefinance**

Prefinance takes place when a financial institution advances funds to a borrower based on proven orders from buyers. The borrower usually requires the funding in order to produce and supply the goods. One of the key reasons for prefinance is so that the borrower has sufficient working capital to enable them to complete and deliver new orders or contracts.

#### **Producer customers**

Businesses that supply fair trade products and have a contract with Shared Interest to borrow money in order to finance that trade.

#### **Provisions**

Represent the funds we put aside to cover potential losses in the future. The provisions are listed on our balance sheet under the liabilities section.

#### **Prudential Limits**

To mitigate risk, clearly defined controls are set on the maximum total sum that can be lent against a particular commodity or to a particular country.

#### **QR**

Quarterly Return, the quarterly magazine produced for Shared Interest members.

#### **Recipient producers**

Producer businesses, which do not have a credit facility with Shared Interest, but who receive payments from Shared Interest on behalf of their buyers.

#### **RICE**

Ivorian Fair Trade Network (RICE).



**SAN**

The Social Audit Network is a not-for-profit organisation, which facilitates the exchange of information and experience between practitioners of social accounting and audit. Maintains a register of accredited social auditors.

**SCAA**

Specialty Coffee Association of America.

**Search Engine Optimisation (SEO)**

The process of maximising the number of visitors to a particular website by ensuring that the site appears high on the list of results returned by a search engine.

**Second level co-operative**

This is an organisation that comprises of a number of primary co-operatives (groups of producers). The secondary co-operative buys, consolidates, processes and sells the product.

**SDGs**

The Sustainable Development Goals (SDGs), otherwise known as the Global Goals, are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.

**Share Account**

Members of Shared Interest Society invest between £100 and £100,000 in a Share Account, which can be opened by UK residents. Share Accounts can be held individually, jointly, or by groups.

**Share Capital**

The pooled investments of Shared Interest Society members in Share Accounts, which provides the capital required for Shared Interest to be able to lend money to fair trade businesses around the world.

**Stakeholders**

Groups of people that can affect or are affected by the actions of a business.

**Term Loan**

A loan from Shared Interest for a specific amount that has a specified repayment schedule.

**ToC: Theory of Change**

A comprehensive description and illustration of how and why a desired change is expected to happen in a particular context.

**Trustees**

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

**Value added**

Value added is the difference between the price of a product or service and the cost of producing it. This can be achieved by an additional process or finish.

**VSLA**

Village Savings and Loan Associations are self-managed community-based groups that provide their members access to basic financial services.

**WFTO**

World Fair Trade Organization - a global network of fair trade organisations with regional branches such as WFTO Europe.

# List of appendices

*All of these Appendices can be accessed online at [shared-interest.com/SA24/App#](https://shared-interest.com/SA24/App#) (Replace # with the Appendix number)*

- |  |   |  |
|--|---|--|
| 1. Sustainable Development Goals                         | 6. Partnerships   | 13. Customer Social Impact Survey 2024   |
| 2. Directors' Report and Accounts for the Society        | 7. A detailed explanation of lending products                 | 14. Summary of research paper on cocoa   |
| 3. Trustees Annual Report for Shared Interest Foundation | 8. A detailed explanation of country risk                     | 15. Summary of research paper on coffee  |
| 4. Social Accounts Key Aspects checklist                 | 9. Gallup's State of the Global Workplace Report 2024         | 16. Impact case study: COOPARM           |
| 5. Members Survey Summary                                | 10. Volunteer Roles and Activities                            | 17. Impact case study: BUKONZO           |
|  | 11. Shared Interest Green Policy 2024                         | 18. CSAF State of the Sector 2024 Report |
|  | 12. Notes from producer committee meetings 2024 - All regions |  |



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