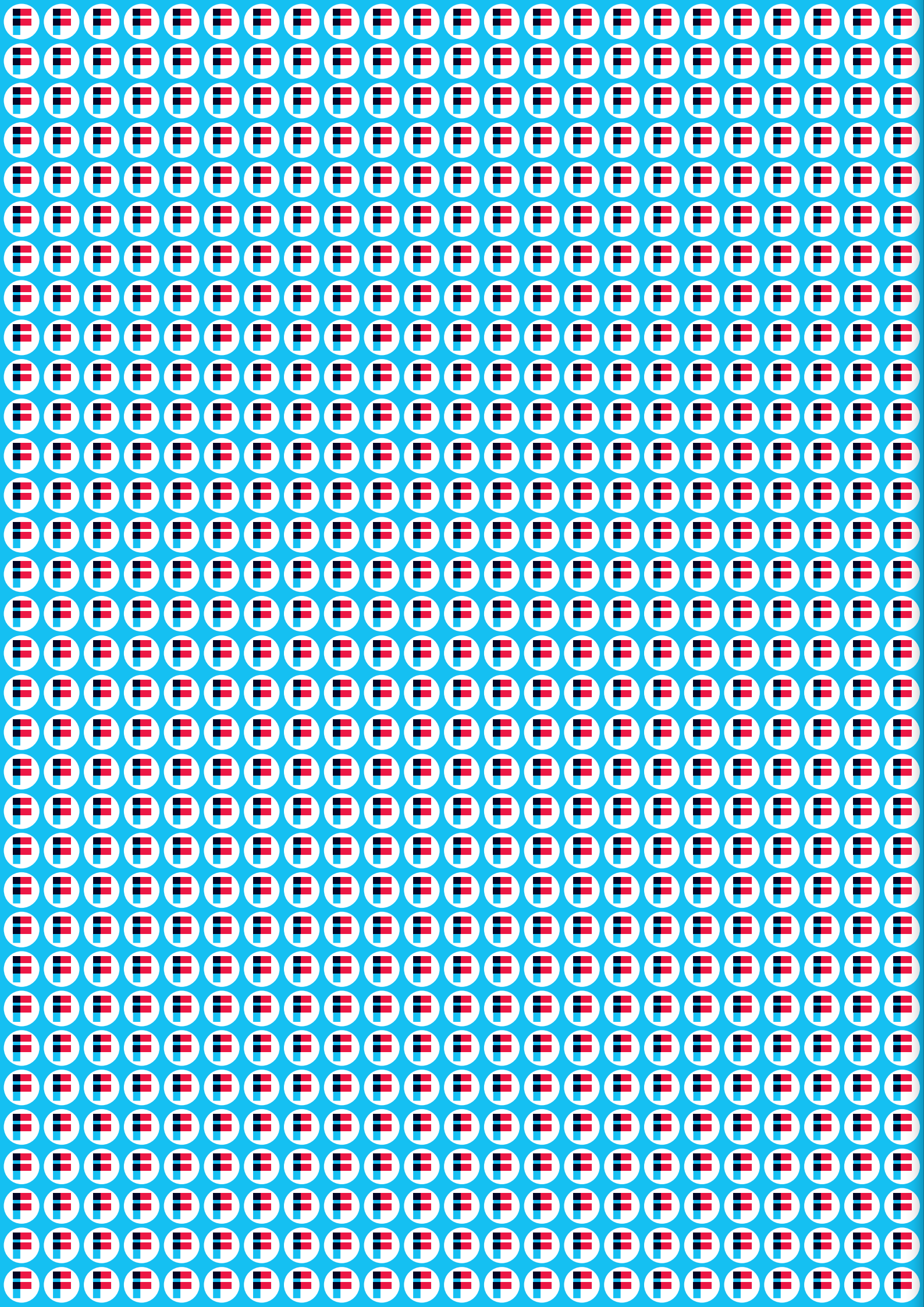




FAIRFOOD

ANNUAL REPORT 2019
A DEMOCRATIC FOOD SYSTEM
WITH SMART INNOVATIONS



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Since 2019, the **NUTMEG** we put on the **BLOCKCHAIN** together with Verstegen Spices & Sauces is available to everyone in the Netherlands at Coop supermarkets (see 3.1.)

We announced the launch of our new **TRACE** platform, a traceability tool that allows everyone to map their food chains using blockchain

We organised several sessions of the **LIVING WAGE LAB**, a breeding ground for constructive discussions and new collaborations

A collaboration with Hivos

We traced the very first coffee beans of coffee importer **TRABOCCA**, which we'll tell you much more about in 2020

We launched the **ALIGN** tool, which helps to guide food businesses on their way towards living wages and income

A collaboration with Hivos, Rainforest Alliance and the German Federal Ministry for Economic Cooperation and Development, implemented by the German bureau for development cooperation GIZ

Together with the Technical Centre for Agricultural and Rural Cooperation (CTA), we organised a **SERIES OF WEBINARS** on what blockchain can do for farmers' incomes

Our highlights in 2019

We organised the **THE ONLY WAY IS UP!** Conference on living wages and income; with over 300 visitors we were more than sold out

At that conference many important commitments were made, including one by nearly all Dutch supermarkets to sell only **FAIR BANANAS** from 2025 onwards. A collaboration with the German Federal Ministry for Economic Cooperation and Development, the Dutch Ministry of Foreign Affairs, Rainforest Alliance, Fairtrade, Hivos and IDH The Sustainable Trade Initiative

We travelled to **SOUTH AFRICA** to kick off a special project with local citrus farmers, with whom we'll work on creating a direct connection to the EU market, without any intermediaries

A collaboration with Fresh Produce Centre, Total Produce and local partners

The Dutch Postcode Lottery supported our work again this year with **500 THOUSAND** euros

Together with CTA and Wageningen University & Research, we published a report on the potential of blockchain in agrifood:
A CHAIN OF POSSIBILITIES

WEL COME



Sander de Jong
Managing Director Fairfood

FOREWORD

Suddenly, there we were: gathered with over 300 people from all over the world, each contributing to better food in his or her own way. The Only Way is Up! Conference: a two-day conference in Rotterdam on living wages and incomes in agrifood in the Fall of 2019. Completely sold out. Full house, fiery speeches, thunderous applause, trending on Twitter. We hadn't dared dream of such incredible enthusiasm for such an incredibly complex subject.

I spoke to politicians, farmers, scientists and people who make our food fairer by building ingenious tools or doing the same through their work at an NGO. It's moments like this that give me, and the rest of the Fairfood team, a tremendous energy boost. Inspiration too, and above all: the confirmation that we are not alone, that we are doing and must do this together.

Over the years, Fairfood has increasingly sought out fruitful collaborations that have a positive impact on the global food system. We found partners in public institutions, agri-food companies and NGOs who, just like us, look to smart innovation to achieve their ambitions and goals. We all make use of the Fourth Industrial Revolution to realise more equality, to democratise the world of our food. Call it tech for good, or call it an unavoidable new reality.

With that new focus on innovation, words like big data, blockchain and self-sovereign identities inevitably entered our office walls. As a bunch of autodidacts, we followed the developments of the Fourth Industrial Revolution very closely. We put all our newly gained knowledge into practice during our own pilot projects ([coconut on the blockchain!](#)). Over the past two years, we've perfected our work in collaborations such as the one with Verstegen Spices & Sauces, which allowed us to make the entire production chain of [nutmeg](#) transparent.

2020 is the year it will all come together: knowledge and experience gained over the years, (blockchain) projects and partnerships are culminating in Trace – an accessible traceability tool that agrifood companies can use to explore their production chains and expose socio-economic challenges, to then effectively tackle them. This makes Fairfood a catalyst for tech for good. We strongly believe these smart solutions must be accessible to everyone.

While we were finalising this annual report, 2020 turns out to become a year in which humanity is getting a serious wake-up call. The corona crisis strikes with massive force and while I am writing these words, the world has only just begun to understand what the consequences will be on a global level. For one, the people behind our food are again faced with big challenges; the International Labour Organization warned that already vulnerable groups will be pushed over the edge where they will be confronted with unemployment and poverty. You can only imagine what this means for the people who are already struggling to make ends meet.

Fairfood is currently exploring how our work, solutions and partnerships can contribute to averting this humanitarian crisis – how we can add to the resilience that the people behind our food have so often demonstrated, when faced with floods, droughts and issues of social sustainability.

Hard times, that once again remind us to look after each other. Let's push for a food system that emerges from these unprecedented times better, stronger and more just.

1 • THE STATE OF THE FOOD SYSTEM

1.1 NEWS

Here at Fairfood, we are constantly sharing articles, reports and updates with each other, that caught our eye for one reason or another. Usually, these are amazing and inspiring pieces about solutions and ambitions. Unfortunately, they're also very often articles and reports that starkly remind us of why we are doing what we do. That's why, once again, we are presenting a cross section of the state that our food system is currently in, **based on the most eye-catching bad news reports:**

October 25: bananas from the French Antilles

In the banana sector, excessive use of pesticides is a common issue; in 2019, bananas from Laos, Myanmar and the French Antilles made the news for exactly that reason. Chlordecone is a pesticide commonly associated with cancer. Although the agent was banned in the US in 1975, it was still widely used in the French Antilles until 1993. The head of research at the French National Institute for Health and Medical Research told the BBC last year: "One third of all coastal waters are currently infected; the same goes for all the rivers – fishing is forbidden. 30 to 50 percent of all agricultural land is contaminated." Almost all adults on the islands show traces of pesticides in their blood and no other place in the world has such high rates of prostate cancer as Guadeloupe and Martinique.

September 19: hazelnuts from Turkey

Turkey grows almost three quarters of all hazelnuts consumed worldwide – eaten unprocessed, or in Nutella for example. The nuts are mostly picked by migrants, including children. The pickers work long hours and earn less than a minimum wage. According to the BBC, Turkey has about 400 thousand hazelnut orchards, most of them small family farms. The problem of exploitation and child labour is able to exist within complex, difficult-to-understand production chains; Ferrero, for example – the brand behind Nutella – seeks to realise 100 percent traceability by the year 2020 but is currently able to trace just 39 percent of its nuts to the plantation.

November 19: sugar cane from Zimbabwe

Sub-Saharan Africa has the highest number of child labourers in the world; it is estimated that 59 million children between the ages of 5 and 17 currently work there. The International Labour Organisation (ILO) estimates that one in five African children are being exploited and forced to do very dangerous work against their will. The Guardian dove deep into the country's cane sugar industry last year and stumbled upon many issues there too. 9-year-old Tapiwa, who they saw working on a cane sugar plantation, told them: "I have never been to school. This is all I do. I'm helping my grandma. If I don't work, we'll both starve to death." His parents died in 2017. Tapiwa and his grandmother both make about two dollars every two weeks.

June 5: cocoa from West Africa

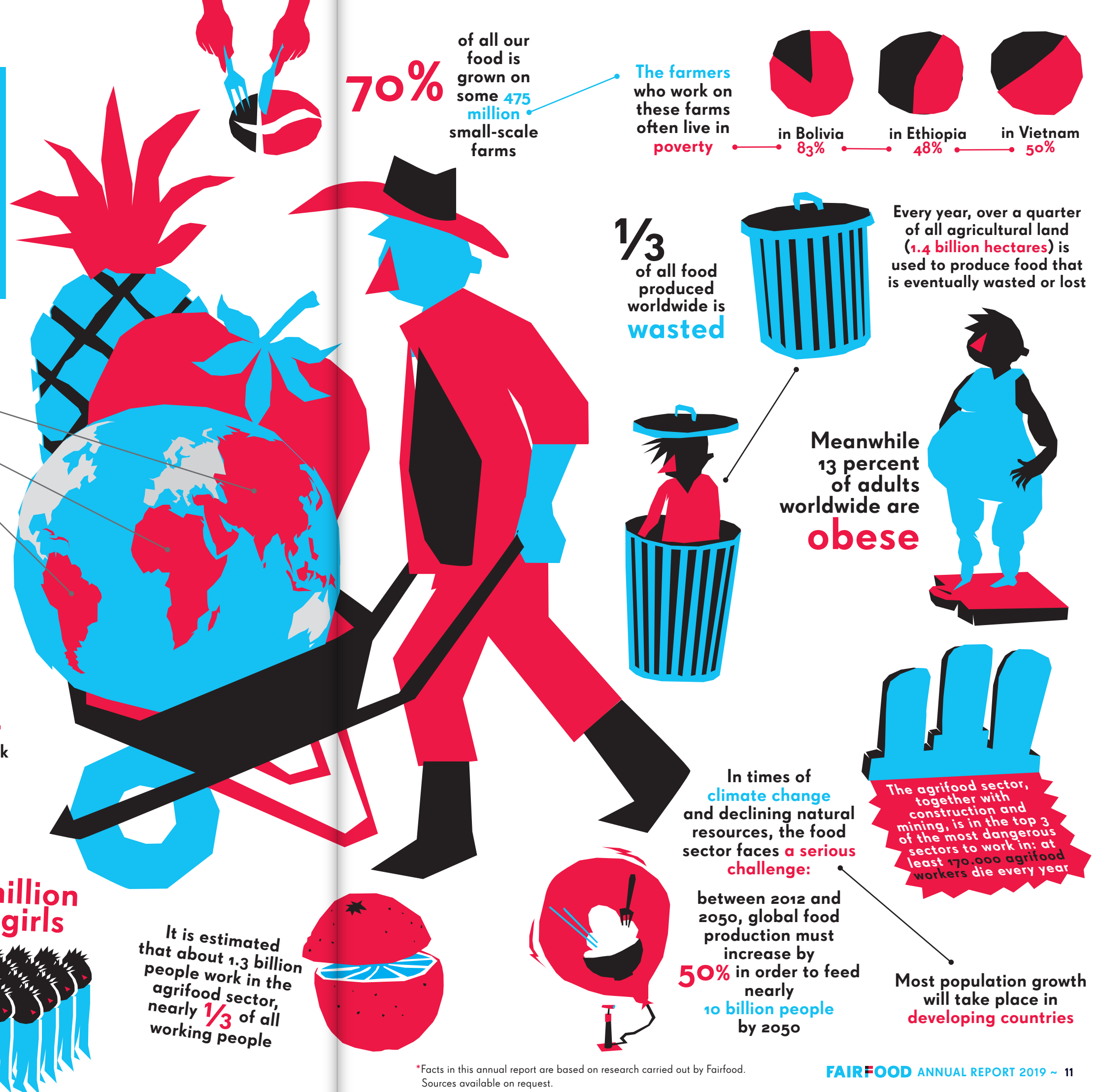
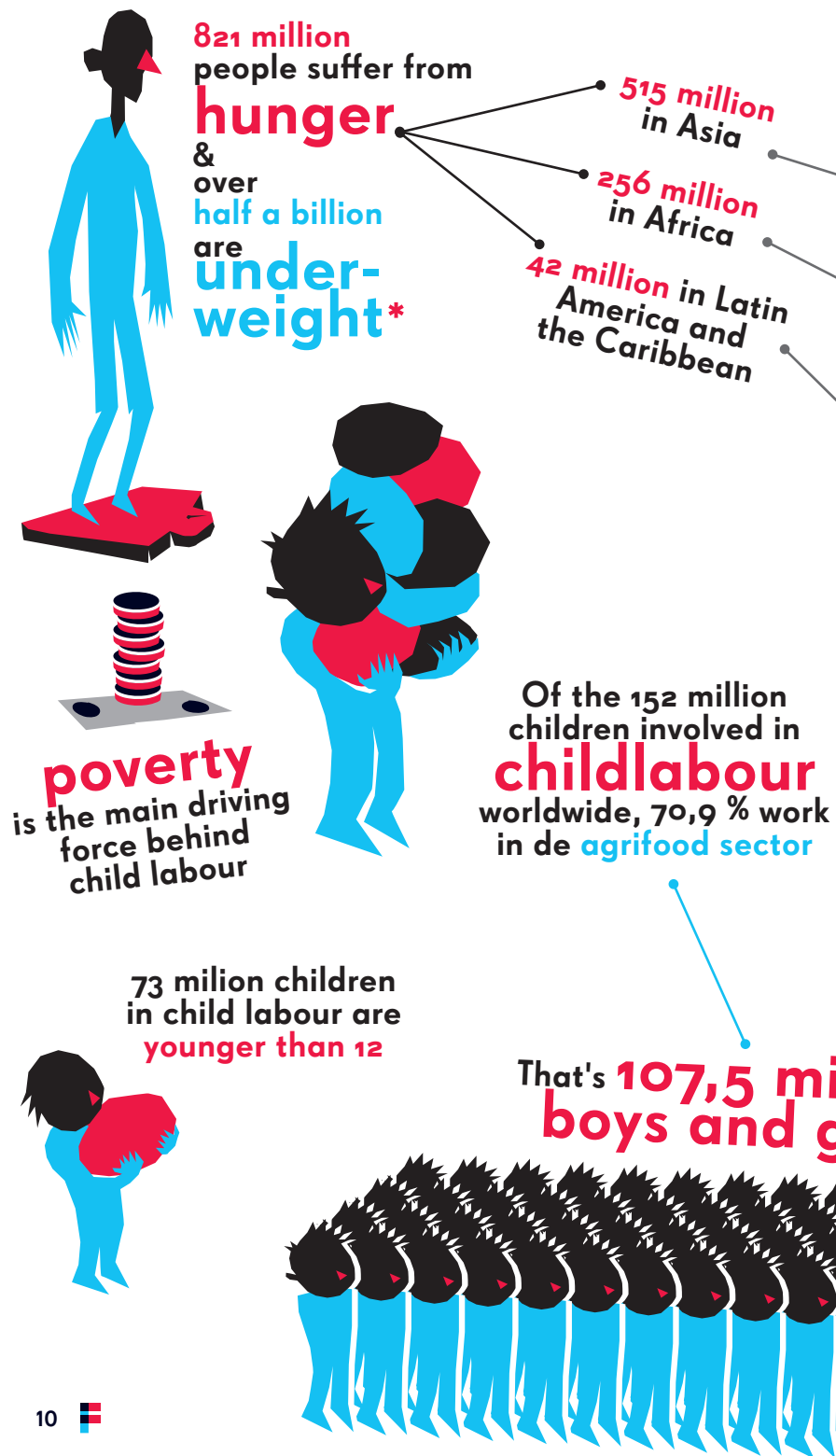
Child labour in the cocoa sector. You probably won't be surprised to hear this – something that says more about the food sector than about you. It's estimated that 2.1 million children work on cocoa plantations in the Ivory Coast and Ghana, two of the world's main cocoa producing countries. About 20 years ago, the largest chocolate companies in the world promised to put an end to this; they were going to ban child labour from their production chains. They have already missed many of their own deadlines and their target has actually been adjusted: by 2020, 70 percent of all child labour should have been put to an end. That's another deadline they've missed.

December 12: coffee from Brazil

More than a third of the coffee being poured worldwide comes from Brazil – for the country itself it's a billion-dollar industry. More than half of all Brazilian coffee beans come from the state of Minas Gerais. The Thomson Reuters Foundation closely examined that industry for six months, exposing extensive slavery. The coffee from Minas Gerais is grown and picked by workers of whom more than two thirds are undocumented. As a result, they are not entitled to a minimum wage, overtime pay, severance pay or benefits.

1.2 FACTS *

It's going to be quite a challenge: feeding 10 billion mouths in 2050 without completely exhausting the world's resources. With the 7.7 billion people currently inhabiting the world, we are already facing a great deal of issues. With the United Nations Sustainable Development Goals (SDGs), we have all set ourselves the goal of eradicating hunger from the world by 2030. But the Food and Agriculture Organization (also part of the United Nations) knows that the number of people suffering from hunger has actually been on the rise for the past three years after falling slowly for decades – at the moment, one in nine people worldwide are suffering from hunger. That's one food fact. Here are a few more:



*Facts in this annual report are based on research carried out by Fairfood. Sources available on request.

1.3 PROMISING TRENDS

A lot of beautiful things are happening in the world of our food too. New technologies, legislation and awareness are generating trends that trigger constructive change. These are a few of the trends that have boosted our optimism and inspired us this past year:

THE FOURTH INDUSTRIAL REVOLUTION, BIG DATA AND SELF-SOVEREIGN IDENTITY

Technology is changing the way we work and communicate with each other. Within this revolution, the interest in digital innovation that helps us towards a better world is growing. This past year, the Fairfood team has spent a lot of time expanding their knowledge about 'big data' and finding answers to the question of what exactly farmers can do with it. Increasingly, start-ups are releasing smart tech solutions that allow small-scale farmers to strengthen their position within the production chains of our food. If we look at Africa, for example, we can see that there are at least 390 smart farming tools being actively used at the moment. Nearly 60 percent of these tools were launched in the past three years.

These solutions – for example, an app that tells farmers more about weather forecasts using satellite data, or that automatically pays out insurance money when satellite images identify a flood – also generate a lot of data on those farmers. A farmer can share their data on location, harvest or transactions, and receive data that could benefit his or her harvest/partnerships/communication in exchange. Sounds like a pretty good story, right? But who will ensure the farmers' privacy?

More and more tech companies are starting to think about this – they're looking for ways to keep the farmer in control of their personal data and possibly even allow them to sell that data to the highest bidder. Is information about yield per acre or the impact of the weather on harvests perhaps worth any money to anyone else? That leads us to another trend that's reverberating in our network: the self-sovereign identity. In order to maintain control over their own data, a farmer must be able to prove that he or she is actually the person behind the data in question. At present, however, there are more than 1.1 billion people worldwide without any (official) form of identification. Blockchain technology could play a role in providing them with an alternative identity; the technology consistently records interactions between different individuals and parties. All these interactions put together can serve as an alternative form of identification – a digital, self-sovereign identity.

A NEW ECONOMY

Success is often measured in money. Governments strive for an ever-increasing Gross Domestic Product (GDP) to demonstrate and monitor the vitality of their economy. But there is little regard for the negative by-products of that growth – things such as damage to the climate or increasing inequality. More and more people are beginning to reconsider GDP growth for exactly those reasons. Last year, British journalist George Monbiot asked on TV programme Frankie Boyle's New World Order: "Since when was GDP a sensible measure of human welfare? And yet everything that governments want to do is to try to boost GDP. They say, 'Oh, we're not asking for a lot of growth. Just 3 percent a year'. That means doubling in 24 years. We're bursting through all the environmental boundaries and screwing the planet already, and you want to double it?"

In her book *The Value of Everything*, American-Italian economist Mariana Mazzucato suggests that we should reinvent the concept of value in its entirety. She takes down the pursuit of an increasing GDP defeats by saying: "How we value sectors affects our calculations of growth rates, which in turn affects how we steer the economy. In other words, how we measure the GDP is determined by how we value things, and the resulting GDP number can determine how much we produce of a particular product."

The good thing is that it doesn't all end with criticism and thought experiments. New Zealand presented a

budget last year that is geared towards the wellbeing of man and nature rather than economic growth. Last December, the Dutch government was reprimanded by sustainable business network MVO Netherlands when it presented a plan that put economic growth at the heart of the government's plans for coming years ('the growth limit of our country has been reached', claims MVO), but some companies are starting to show a lot more ambition. We're thinking of B Corps (commercial companies that received a certificate given for "doing good" by the NGO B Lab), such as Tony's Chocolonely and Dopper. And we are thinking of all the partners that we have found in the business world, such as Verstegen Spices & Sauces and Trabocca (see chapter 3). Onwards towards a new economy, with an eye for social profit!

TRANSPARENCY

True, we already discussed this trend in our previous annual report, but it is so closely related to our work that we want to include it again this year: we can clearly see a growing need for transparency. For more food safety, for better business practices, for sustainability. The consumer wants to know where his or her food comes from; in 2016, American research showed that 37 percent of consumers are willing to switch brands if the new brand offers more transparency. Governments are also committing to transparency; in the Netherlands, for example, the Child Labour Act was recently adopted, which obliges companies to actively prevent selling goods and services that involve child labour. In Germany and France, they've already reached the point where companies are obliged to have a good understanding of possible risks within their chain. Big companies feel the pressure or recognise the potential of transparency themselves; Albert Heijn, Walmart, Carrefour – they're all experimenting with blockchain for more transparency. A revolution to our food system?

"Transparency can improve the income of the people who grow your coffee. Quality and quantity can also increase. Farmers will gain confidence when they know what price they'll receive if they deliver a certain quality."

Tesfaye, coffee supplier Trabocca



2 • OUR RIGHT TO EXIST

It's pretty clear from the previous chapter that there's an incredible amount of work to be done within our food system. That's why Fairfood exists. We'd like to take some time to tell you a little more about ourselves and the world we are working towards:

2.1 HOW, WHAT, WHY

Fairfood strives for a world in which everyone can enjoy good food. A world without hunger, in which the people who produce our food can build an existence, and in which food is made with respect for humans, animals and the environment.

We are actively working on the transition towards a sustainable food system. We're doing so by developing innovative solutions that allow companies to improve their business practices – open and accessible solutions that are going to democratise the world of food. We see an active role for everyone in the production chains of our food to improve the living conditions of farmers and food workers. Fairfood invests in partnerships to accelerate change towards that sustainable food system together.

2.2 A NEW STRATEGY: AN EYE FOR INNOVATION

In recent years, we have carefully examined the value that Fairfood adds to the NGO landscape in the Netherlands and beyond. In the coming years, we'll be developing ourselves further as a mission-driven innovation organisation, shifting our focus from campaigning to developing innovations that contribute to the prosperity of the people behind our food.

A growing number of organisations, NGOs and governments recognise how digitisation can contribute to the Sustainable Development Goals of the United Nations. Fairfood has been championing this tech for good from the very beginning. In the coming years, we'll continue to explore the potential of innovative technologies. To this end, we are launching new solutions to enable agrifood companies to explore their own supply chains and identify (socio-economic) problems, to then effectively tackle them.

"Fairfood has undergone a fantastic transformation in recent years. From campaigning to fair tech solutions that show whether the farmer who makes your coconut, coffee or nutmeg receives a fair wage. Fairfood will continue to work hard to ensure that the people behind our food receive a fair income. I'm very proud of the amazing team that has pulled all of this off."

Jolande Sap, Chairman of the Supervisory Board



3 • PARTNERSHIPS

Your food passes through many hands before it ends up on your plate. The production chains of our food are long and complicated. The bottom line is that no one can solve the problem of dishonest food on their own. We need to work together and build strong partnerships. These are the partnerships that Fairfood forged in 2019.

3.1 VERSTEGEN & COOP: NUTMEG

2019 will be remembered as the year in which we put 'blockchained' food in the supermarket for the very first time. That supermarket was Coop, and the food was the nutmeg of our partner Verstegen Spices & Sauces. The Verstegen family company asked Fairfood to trace a shipment of nutmeg from tree (in Indonesia) to plate (in the Netherlands). We also connected nutmeg farmers to the blockchain that was custom-made for Verstegen. The farmers could verify whether an agreed price had been paid and all transactions were consequently logged on to the blockchain.

Verstegen wants to invest in a sustainable and future-proof food system and lead the way for other businesses. The spice house is already building sustainable relationships with all of the partners within their chain. By working together with their chain partners closely and on a long-term basis, the company wants to keep the quality of their products as high as possible. Director Michel Driessen put it nicely: "I want everyone in our production chains to have the same opportunities as we have here in the West. Verstegen wants to actively work with the different partners in our chains so that we can take care of each other and the world together." Only when farmers can take care of their families and of themselves, can they start to think about caring for the world. That's the idea.

New technologies are going to help Verstegen achieve that goal. Blockchain creates transparency and thus a greater understanding of the chain. There's another goal: to give farmers a voice in the production chains and to provide them with access to new information, for example on the quality of their product or consumer preferences. Verstegen hopes that this will encourage entrepreneurship among farmers, so they can personally work towards generating a better income as well. In line with all this, we carried out a study on the income of nutmeg farmers for Verstegen. Verstegen wanted to know: do they earn a living income? The answer was no, most of them don't. That's something that Verstegen is going to change in the coming years.

You can see exactly which farmers took part in the project, how much nutmeg they harvested and what journey their nutmeg took on a [publicly accessible website](#).



The project also appeared in the media almost **40 times**, including in Trouw, De Volkskrant, De Telegraaf, Het Financieele Dagblad (the Dutch Financial Times) and in specialist journals (including Levensmiddelenkrant (Dutch Food Newspaper), AGF, EVMI, Duurzaam Ondernemen (Sustainable Enterprise) and Distrifood).



3.2 VERSTEGEN: SUPPLY CHAIN TRANSPARENCY

Sustainability starts with mapping your chain, all the way to the farmer. You can only work towards creating a positive impact when you know what your chain looks like. That's why we started a follow-up project with Verstegen. We already mapped out their nutmeg's journey from Indonesia, but in this second project we wanted to investigate the journeys of Verstegen's other herbs and spices. Together, we took a deep dive into 20 product chains of Verstegen herbs, to map them all the way back to the farmer. A challenging project, since all the partners in the chain had to offer completely transparent insight into their business. We used our Trace platform to safely store and share all the partner and product information.



"Together we can achieve more, as we've seen in our collaboration with Fairfood in recent years. We have set ourselves the goal of making the chains of our herbs and spices completely transparent. To realise that we looked at blockchain technology. That technology has already offered us a lot, including more knowledge about the main player in the chain, the farmer. Through sustainable collaboration with the farmers, we can keep the chain fair, transparent and sustainable from tree to plate. Even in the future."

Marianne van Keep, Director Sustainability Verstegen



3.3 JUMBO

We had productive conversations with Jumbo, too. The supermarket chain operates on the basis of a number of beautiful sustainability principles, including: conservation of natural resources, the environment and everybody's health. And also: treat man and animal with respect. We found each other in a shared goal: caring for future generations. Currently, we're setting up a joint project with the ultimate goal of creating transparent and future-proof product chains for all of Jumbo's overseas potatoes, fruit and vegetables. This year we kicked off with the mango chain, and we'll be scaling up the project in coming year.

3.4 FRESH PRODUCE CENTRE

Dutch companies selling fruit and vegetables find each other through the Fresh Produce Centre association. All members together account for 80 percent of the total turnover of fruit and vegetables in the Netherlands. That creates great opportunities to make an impact. In 2019, we investigated the possibility for a collaboration with the Fresh Produce Centre that would guide the way towards greater transparency and traceability for members of the association.

After a thorough investigation, we decided to kick things off with a group of citrus farmers in South Africa. Last year, our Lonneke travelled to the area where the farmers are located, where she kicked off the project. Together with the Fresh Produce Centre, we will give the farmers insight into the global production chains of their fruit, and we'll make sure that they have a direct connection to the EU market. In the end, we want to use blockchain to also create a direct connection with the consumer, at the very end of the chain.

3.5 DUTCH POSTCODE LOTTERY

A huge shout-out to the Dutch Postcode Lottery, which has been our partner for quite some time now. They've supported Fairfood with 500.000 euros a year since 2009. Without the support of the lottery and its participants, Fairfood could never have been where we are today. This is not just the case for us – the lottery has the generous policy of putting at least 40 percent of its revenue towards organisations that make the world a better place in terms of the environment, human rights and development cooperation.



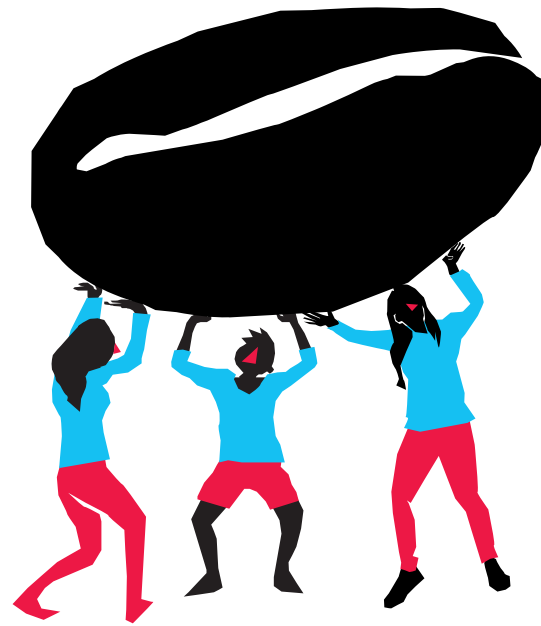
"It is our mission as a charity lottery to contribute to a green and just world. Fairfood has been one of our beneficiaries since 2009, and we support them in the fight to create a fair and transparent food chain. Fairfood ensures that the most vulnerable in the food industry earn an income that allows them to live a good life. Thanks to the 3 million participants of the Dutch Postcode Lottery, Fairfood has received a total contribution of € 6.1 million for their work."

Margriet Schreuders, head of charities at Dutch Postcode Lottery



3.6 THE COFFEE QUEST

We're going a bit further back in time. It's the year 2018 when Fairfood turns the bathrooms at theatre festival De Parade into a super-bad supermarket, to teach the visitors something about the world behind their food. The donations we collected there were doubled by the Triodos Foundation and their Give the Change platform, taking us to an impressive sum of nearly 10.000 euros. We then donated that money to The Coffee Quest. The coffee importer has used that money last year to develop a training programme for coffee farmers, so they can increase the quality of their coffee, and subsequently their income. In 2020, the training programme, which now has an agronomist on board, will be rolled out in Santa María, Colombia.



4 • INNOVATION

A frame from the Trace-animation

Solution-oriented? That is our second name. We see the problems and actively work to bring a fitting solution. The past year we worked on Trace and ALIGN.

4.1 TRACE: TRACE YOUR FOOD FROM TREE TO PLATE

Much thought went into the creation of our solution Trace last year. With this accessible traceability tool, we want to enable agrifood companies to explore their production chains and expose socio-economic challenges. The accessibility comes from the user-friendliness and (financial) accessibility of the tool, allowing small-scale agrifood companies to use it as well.

Trace took shape through our own pilot projects with coconut and coffee, and through partnerships such as those with Verstegen and Jumbo. The only way to get people at the beginning of the food chain out of trouble is to know who they are and to give them back their rightful position in the chain – to give them a voice in that chain and treat them as the equal chain partners they are. That is why the solution to our problems starts with traceability and transparency: knowing where our food comes from and being transparent about it to the outside world. Trace allows companies to take that first step.

What matters to us most is: anyone can work with Trace. Trace is available in different sizes – basic for small companies with small chains and budgets, pro for the big players. In 2019, we were hard at work behind the scenes to build this solution. In 2020, we will officially launch Trace with coffee importer Trabocca as our partner.





4.2 ALIGN: GUIDANCE TOOL ON LIVING WAGES AND INCOME

At our The Only Way Is Up! Conference, we presented the first version of ALIGN: a tool that guides agrifood businesses through the world of living wages and incomes. Because once you've committed yourself to paying everyone in your production chains a living wage or income, where do you start?

ALIGN is an outcome of the Living Wage Lab. This breeding ground aims to provide its participants with pragmatic solutions to problems that are in the way of realising living wages and incomes. We asked social enterprise True Price to investigate what exactly the greatest need of participants of the Lab was. Their answer: a tool that helps us see the forest for the trees again.

Together with Hivos and Rainforest Alliance, we use ALIGN to offer agri-food companies an interactive guide that helps them towards the solution in four steps. What research has been done on living wages? Which research institutes can I turn to? Can I do this alone, or do I need partners? Who could those partners be? ALIGN answers these questions by collecting and simplifying the work done by leading organisations and experts.

With special thanks to the German Ministry for Economic Cooperation and Development for the financial support, and to the German bureau for development cooperation GIZ for the implementation.



5 • SHARING KNOWLEDGE

If you read our monthly newsletter, if you follow us on social media, if you've heard us speak at events, then you probably know this already: we do not keep the knowledge that we acquire to ourselves. Knowledge is meant to be shared and to inspire. Together, we can do so much more.

5.1 THE ONLY WAY IS UP! CONFERENCE

The international conference on living wages and income, The Only Way Is Up!, was a huge success. On November 5 and 6 last year, governments, NGOs and the private sector gathered in the Van Nelle factory in Rotterdam for two days to investigate how we are going to make a positive impact, and realise living wages and incomes in the agrifood sector. It was more than sold out, with over 300 people attending.

A wonderful collaboration with the German Federal Ministry for Economic Cooperation and Development, the Dutch Ministry of Foreign Affairs, Rainforest Alliance, Fairtrade, Hivos and IDH The Sustainable Trade Initiative. During workshops, panel discussions and other meetings, we learned from positive and negative examples, we actively built new partnerships and we explored how to increase our collective impact.

A FEW HIGHLIGHTS:

- ➔ **Dutch supermarkets** (almost all of them, with the exception of Aldi and Lidl) announced that they would work on living wages for banana-growing workers. From 2025 onwards, they want to only sell bananas from plantations that pay their workers a living wage.
- ➔ **Olam**, one of the world's largest cocoa suppliers (besides many other products), stated that between now and 2030 they want to eliminate all child labour from their cocoa chains and, in addition, achieve a living income for **150.000 cocoa farmers**
- ➔ "The biggest environmental problem is poverty" and "a living income is a business necessity". **Antonie Fountain**, foreman of cocoa industry watchdog **Voice Network**, made the subject of living wages and incomes evident and understandable in a way we had never seen done before, in an **impressive opening speech**



During the conference, all organisation partners organised their own sessions, which took place alongside the plenary programme. Fairfood hosted two panel discussions which, as to be expected from us, dealt with potential new solutions to the problems our food chains face today.

The first session – Small farmer, big data – questioned existing solutions, apps and tools. How inclusive are they? How do you design tools in such a way that they actually benefit the farmer? Frederik Claasen (Solidaridad), led an interactive session in which the audience could ask all their questions to the panel: Mariska Lammers (policy officer for food security at the Dutch Ministry of Foreign Affairs), William Matovu (Uganda country director at American NGO Heifer), Panos Loukos (senior insights manager at GSMA, the trade association for mobile network operators and service providers), Jan Top (senior scientist food informatics at Wageningen University & Research) and Jayadeep Akkireddy (senior manager learning and innovation IDH).

At the panel discussion 'where sustainability meets tech', we presented an ideal future for our food using a number of positive examples. Together with the panel, Chris Georgen (blockchain platform Topl) examined the role that innovative technologies can play in delivering on our sustainability ambitions. Many thanks to an enthusiastic, ambitious panel: Genevieve Leveille (founder and CEO of blockchain company Agriledger), our own Marten van Gils, Sander Reuderink (commercial director at coffee importer Trabocca) and Ad Rietberg (director at mobile bank account Agri-wallet).





5.2 LIVING WAGE LAB

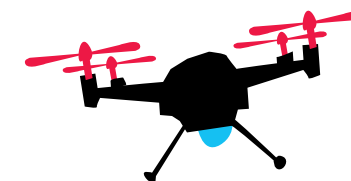
We are proud of the strong content of the Living Wage Lab sessions. Last year, among other things, we studied how to make the subject of living wages and incomes more understandable and, more importantly, what the best strategy is to calculate the level of living wages and incomes in your production chains.

Together with Hivos, we founded The Living Wage Lab in 2016; a breeding ground for constructive discussions and new collaborations. Participants from all branches of the agrifood sector meet here and discuss: how are we going to improve the sustainability of the production chains? Because it's only when government, trade unions, supermarkets, producers, NGOs and certifiers work together that things will actually begin to change. Participants in this year's sessions included Jumbo, Albert Heijn, Aldi, Verstegen, EOSTA, the Socio-Economic Council and the Dutch Ministry of Foreign Affairs.

5.3 TECHNICAL CENTRE FOR AGRICULTURAL AND RURAL COOPERATION AND WAGENINGEN UNIVERSITY & RESEARCH

Together with the Technical Centre for Agricultural and Rural Cooperation (CTA) and Wageningen University & Research (WUR), we published the report [A Chain of Possibilities](#) last year, in which we examined the potential of blockchain technology for the agrifood sector in low- and middle-income countries.

Later in the year, we entered into a larger-scale collaboration with CTA, which was fully focused on sharing knowledge. We produced three info sheets, three webinars and eleven extensive (guest) blogs. The overarching topic: better food with blockchain. Together with each other, experts, and anyone interested in discussing the issue, we examined how farmers can stay in control of their own data, how to improve the design of production chains and how to restore the connection between the consumer and the origin of their food. Want to know more? Visit the [community page](#).



"CTA works with and for small-scale farmers in Africa, the Caribbean and the Pacific. Working with software developers, entrepreneurs and farmers' associations in the region, we can clearly see opportunities to tackle inequality in the production chains using blockchain, to ultimately improve farmers' incomes."
Chris Addison, senior programme coordinator Data4Ag at CTAA]

"It's been very interesting to raise awareness of blockchain's potential for the agri-food sector together with Fairfood. They've helped us reach a new audience for our message about digital identities and transparency in the production chains, and how they can be applied in low- and middle-income countries."
Ken Lohento, senior programme coordinator ICT4Ag at CTA



6 • ABOUT US

As a team, we got to know each other even better in 2019. As it turns out, we all have an extreme adversity to passively waiting around and get really happy when we undertake action. Trial and error collectively doesn't seem to scare us. That results in a high work tempo and good results. Allow us to tell you a little bit more about ourselves.

6.1 WAY OF WORKING

A few months ago, as a team, we literally got hands-on. We did so at Jan Huygen's farm the Eemlandhoeve. "Wow," Jan and his colleagues said, ten minutes after they'd asked us to prepare a cow barn for winter, "that's fast." A good example of the effective collective approach we were just talking about. Also, a good example of a team that's perfectly tuned to each other. That's because we talk to each other a lot, share knowledge, but also because we maintain a 'flat organisational structure', as it's so beautifully called. As colleagues we keep lines of communication short and we have no hierarchy (even the director sometimes prepares lunch).

At Fairfood, we also value personal development. Fairfood is a place where you do your job, but where you can also grow as a person. A place where you, if you want to, can develop competences that aren't necessarily in your job description.

And, of course, we sometimes find common ground in shared interests besides fair food. That means that you might suddenly find yourself taking part in the Week Without Meat with the entire team (we do vegetarian lunches anyway), it could mean splitboarding with a colleague (which the rest of us had to Google first) or playing Rummikub while enjoying a beer together until the small hours. We also want to provide space for relaxation during work hours, to avoid excessive stress. That's why we're delighted with our office dog Dorus and our vegetable garden. If you're stressed out, you're sent to the park to take the dog for a walk. Or, "why don't you go check on the pods?"

6.2 TEAM

These are the people behind Fairfood:



MARTHE VAN ANDEL

Our **program manager living wage & income** by day, unrivalled Rummikub queen at night. One of those people who casually converts five rows on the table with one hand to get rid of one tile. And that's exactly how she solves puzzles at work; setting up projects until all plans are impeccably layed out. Marthe has changed working late into working early – because why wouldn't you start work at 7.30 AM? That way she'll never have to miss out on drinks, a pub quiz or a Rummikub match. Her weapon of choice is most definitely her look, which can turn you to stone. When needed she'll use it to put entire projects to a halt until further notice.

CHANNA BRUNT

There's always a reason to bring lemon meringue pie to the office. And if there isn't, Channa will think of one. As **head of communication**, Channa isn't just the voice, but also the conscience of Fairfood. Whatever we do – whether we're in the middle of a big project or philosophising about our next BHAG (Big Hairy Audacious Goal) – Channa's famous mental eye-roll and determined voice will unavoidably make an appearance: "But what does this mean for the people at the beginning of the chain?" If we can't answer that question to her satisfaction, it's back to the drawing board. We couldn't have asked for a better Officer of Integrity.



LONNEKE CRAEMERS

Observing her as an outsider, you probably couldn't tell what role Lonneke plays in the Fairfood team even if your life depended on it. If needed, Lonneke will enter any meeting to effortlessly advise anyone who wants to be advised – whether it be on a communication issue, a piece of project management or pure strategy. As our **business developer**, she'll effortlessly switch between absolute concentration and cheerfully celebrating our victories. Lonneke's personal motto is: "participating is more important than winning." She proved that once again when she managed to give impressively few correct answers during last year's pub quiz, although she did manage to give more correct answers than Channa.

MARTEN VAN GILS

Marten can take any conversation to new heights, merely by asking a question that will stop everyone in their tracks for a moment. We suspect that he usually already knows the answer, but this way he does manage to wake up the team and help them to think clearly again. Tucked away behind his computer screens, equipped with a wireless headset that has proven to work all the way up to the toilet, our **program manager fair tech** is a silent force to be reckoned with. But he's not afraid to raise his voice when he steps to the stage, where he manages to silence entire crowds while sharing our story in an extraordinarily charismatic, humorous and compelling manner.



RAFAEL DA COSTA GUIMARAES

Every now and then Rafael will turn up to the office all suited up, his lion's mane neatly tucked away in a bun. On those days, his chest is usually adorned with a brooch with a B on it which, as he's explained to us, stands for bitcoin. On those days, Rafael is expected to host a webinar, speak on stage or give a guest lecture to a class full of online marketing students. Nothing is ever too much for our **blockchain & growth agent**. We suspect that students nowadays are all taught the skills of networking, because while we used to quietly stay in the background at his age, Rafael leaves congresses with an average of 50 business cards and 120 new LinkedIn contacts.



DEREK HARDWICK

We ran into Derek at one of our workshops last year. He casually introduced himself as an old Fairfoodie – from well before our time, it turned out. One thing led to another. And when we heard that this guy likes to hang on the climbing wall in his spare time, we instantly knew: we want him back on our team. Which means that nowadays, you're not only likely to spot Isa, Rafael and Channa at your local climbing hall, you might also run into our new **product owner Trace**. With the introduction of smart tools, Derek brought the efficiency of team Fairfood to unexpected new heights. That is until he stops us all for a good ten minutes to tell one of his many stories. Those stories always end with a great roaring laugh; the signal that we can all go back to work.



SANDER DE JONG

Our **managing director** is as Frisian as they come. Always down to earth and with a dose of energy that will blow your socks off, Sander's endless enthusiasm seems to be more contagious than, for example, the cold that struck down a few of our team members last year. His continual optimism has become decisive for the direction that Fairfood is taking, and it never fails to help with the challenges we face. You want honest food? Leave it to this team of nine. A blockchain tool for more transparency? We'll make one to measure!



ISA MIRALLES

Isa has opinions. Well-founded opinions that will survive any discussion. It usually goes like this: seemingly from the side-lines, our **impact researcher** lets everyone speak, to then take the stage herself at the very last moment. Calmly, but with a compelling voice, she'll throw an intricately put-together series of facts our way, in a way that would put the world's best public speakers to shame. And her speeches are so fool proof that after she's done, we can do nothing but jump on the bandwagon.



HANS MOLENAAR

Last year, Hans took the entire Fairfood team on a trip to his hometown of Amersfoort. After a tapas restaurant he took us to a café and then to a karaoke bar. Hans took it all in with a big smile on his face and a beer in his hand. Our colleague **finance and business** always chooses his words carefully and never fails to exert a tremendous sense of peace. That comes in handy in his second role; Hans has recently trained to become a psychodynamic therapist. And we believe that's a very good example of the old adage 'you're never too old to learn'.

With huge thanks to volunteers Karina Fensterseifer and Lotte Duursma, who helped us out last year whenever we needed them, and to interns Dylan Foley, Daniel Kist, Katherine Novoa and Loretta Le, who have inserted new knowledge from all over the world into the team.



6.3 SUPERVISORY BOARD

Fairfood is managed according to the Supervisory Board model. This Board is responsible for the appointment of the managing director – in our case, Sander – who in turn is responsible for the foundation's policy and daily supervision. Each year, two members of the Supervisory Board, including the chairman, sit down with the managing director for an assessment interview. The Supervisory Board not only monitors the management, but also keeps an eye on the general course of affairs at Fairfood. The Board's tasks include approving the annual plan and budget and assessing the annual report and financial statements.

Our Board consists of six people who carry out their work unsalaried. When a position opens up, a profile is drawn up by Sander and the Board, taking the current expertise of the Board into account. New members are appointed by sitting members. The audit committee is made up of two members of the Supervisory Board. This committee supports the supervisory role of the Supervisory Board with regards to financial matters. The audit committee meets with the director at least twice a year to discuss, among other things, the preliminary budget and the yearly interview with the accountant.

We are extremely proud of our Supervisory Board – they all have impressive CV's and a combined know-how that will blow you away. Know-how we're excited to have direct access to. Our lines of communication with the Board are short, and informal consultations and rounds of feedback are not uncommon. Sometimes the entire Board joins us for after-work drinks or a Christmas dinner, so everyone on the team knows everyone on the board and knows how to find them when needed. Our Supervisory Board of 2019 consisted of:

JOLANDE SAP

Independent sustainability adviser, supervisor and commissioner for corporate and social organisations, as well as a sought-after speaker and chairman of the day. From 2010 to 2012, Jolande was chairman of political party GroenLinks in the Dutch House of Representatives. She was member of parliament from 2008 until October 2012, when she bid goodbye to politics. She's held several research and management positions at governmental and private organisations and has a broad knowledge of socio-economic and development issues. Jolande has been the Board's chairman since January 2014.

MAXINE TILLIJ

Director of Strategic Analysis & Policy at TNO. Maxine is highly experienced with strategy development, business development, alliance management and legal affairs. Maxine moves around within an ecosystem of professionals who share a belief in sustainability, equality and transparency. Previously, as project director, she developed the joint venture between the Port of Rotterdam and energy network operator Gasunie, for the construction of a large-scale heat infrastructure in South Holland. She was also one of the driving forces behind the development of the Heat Alliance South Holland. She started her career as a lawyer at De Brauw, Blackstone & Westbroek.

HEDWIG BRUGGEMAN

Hedwig Bruggeman grew up in Dutch Flanders and trained as an animal husbandry specialist at Wageningen University. She gained extensive international experience through several long-term missions to Africa, after which she managed network organisation AgriProFocus for ten years. She returned to Wageningen University in November 2015, where she currently heads the Centre for Development Innovation of Wageningen University & Research.

FRITS KREMER

Director of Mediaset Business Events, chairman of sustainability network Foodpolicy NL and member of the Advisory Board of the Good Fish Foundation (Viswijzer). Frits is also a regular columnist for FoodPersonality magazine. He was head of corporate communications at supermarket group Laurus from 2003 to 2006. At the same time, he collaborated with Natuur & Milieu and Oxfam Novib to lay the foundations for a sustainability policy for supermarket format Super de Boer, which later merged with Jumbo.

PIETER GOUDSWAARD

Independent marketing specialist Pieter Goudswaard helps innovative and sustainable entrepreneurs increase their social impact and business success. He also helps companies future proof their international production chains. He does this through his own company Abre and the agrifood-team of MVO Netherlands, among others. Pieter has many years of experience in the fields of marketing, commerce, innovation and sustainability within Procter & Gamble, Unilever, Danone, People4Earth, Jumbo and Generous Minds.

6.4 ADVISORY BOARD

In addition to the Supervisory Board we have an Advisory Board, which advises our managing director on strategic issues. This board is made up of prominent experts with an extensive international network and diverse professional backgrounds. We are very proud of the wonderful team that has taken on this task:

GUUS LOOMANS

Guus Loomans is Charity Manager at Rabobank Netherlands. He aids us in our work with his infectious enthusiasm and knowledge about strategic marketing, corporate engagement and fundraising.

PIERRE-LOUIS VAN HEDEL

The former managing director at Rabobank Foundation, our patriarch and our rock. Pierre is always ready to help us out with his knowledge and network.

GERRIT BRUGGEMAN

Managing partner RTB Transition toward Sustainability, boardroom advisor on sustainability. Gerrit brought the cradle-to-cradle concept to the Netherlands. Always helps us raise the bar.

NIELS PENNINX

Managing partner at Green April consultancy. Niels combines sharp insights and business modelling with impeccable humour and drive.

MARTIJN SMELT

Chief marketing officer at TV manufacturer TP Vision, has invaluable knowledge of international marketing and where and when needed advises and helps us.

6.5 RISK ANALYSIS

Fairfood is transparent about its business operations and strives for the most effective use of resources – each euro spent, every hour worked is accounted for. Risk management is very important to us, because we're all too aware that economic conditions can change, politics can be unstable and markets can be volatile. The recent corona pandemic is causing us to be extra alert. Political decision making – and the availability of funding – are difficult to predict, as are the political forces that influence partner organisations. Fairfood collaborates with other NGOs and lobby organisations Partos and MVO Platform to influence political decision-making through smart lobbying and advocacy.

Our multi-annual strategic and financial plan is aimed towards long-term partnerships and funds that deal with technological applications, such as blockchain, artificial intelligence and the Internet of Things. First and foremost, we value the partnerships we enter into with companies and organisations that wish to contribute to a sustainable food system – see Chapter 3 for examples of these partnerships.

6.6 INTEGRITY

Last year, we began to actively work on safeguarding the integrity and equality within our company, and our Code of Conduct on Integrity. To this end, we appointed an integrity officer and internal and external confidants. Together, we want to ensure that the integrity of Fairfood is guaranteed, even if we seriously expand in the years to come.

Fairfood is a member of Partos, the trade association for development cooperation. That means that we also comply with Partos' Code of Conduct. We've expanded and focused this code with our own values: inclusivity, peacefulness, fairness, sustainability and compassion. These values guide us in our work and determine our working atmosphere.

We continue to ask ourselves questions such as: are we doing justice to the people and organisations we work with? But also, with regards to our own organisation: when do we call something unjust? And what do we do when we encounter injustices? We are thinking of abuse of power, financial violations and interpersonal violations. It all starts with prevention: what can you do to prevent offences or abuses? In the case of inappropriate behaviour, we report, carefully examine, sanction if needed and take measures to care for the affected.

Our Code of Conduct on Integrity applies to anyone who works for Fairfood. As an employee, trainee, volunteer, hired consultant or agency worker, or member of the Supervisory Board or Advisory Board.

6.7 FINANCES

The annual accounts, which can be found further on in this annual report, show that the total income for 2019 amounted to € 895.175. That is lower than the previously budgeted € 1.100.700 but a lot higher than recent years. Setting up partnerships and putting Trace on the market widely sometimes takes up more time than we would ideally want it to.

By tempering our investment drive slightly, we ended the financial year 2019 with a positive result of € 77.530. This is also lower than the budgeted € 100.000 and, again, a lot higher than in recent years. The lower result is mainly due to delays within one of our planned projects, which will be implemented in 2020. With this positive result, we have been able to build up our reserves, providing a comfortable financial basis for all our future plans.

We work with a monthly financial dashboard, which allows us to monitor the project funds, cash flow and overall finances and to adjust them in a timely manner when needed.



"In collaboration with Verstegen's partner Fairfood, I have been able to expand my knowledge of nutmeg. I've always dreamed of better education for my children so they can make their dreams come true. If I could get a better understanding of the food chains, that would benefit my own future as well as the future of my children."

Riandy Kendahe, nutmeg farmer

7 • FULL STEAM AHEAD!

That's it for now. The Annual Report 2019 – in words that is. The following pages will detail the figures. We'll close things off with a little sneak peak of what to expect in 2020. Because to be honest, we simply can't wait.

7.1 TRACE AND TRABOCCA

Already a highlight of 2020: the launch of Trace. Starting this April, any agrifood company can use it: one single tool to trace your products from your position in the chain to the very first link. You share the journey of the product on a publicly accessible interface that allows you to introduce all the players in the chain and demonstrate that you are actually fulfilling the promises you've committed to as a brand. Behind the scenes, you are gaining new insights into the chain as well. Because, as you've heard us say before: better food starts with a transparent supply chain.

Trace democratises the supply chains of food. Involved parties are able to safely and securely share knowledge and value within their chain. Inefficiencies can be uncovered, unknown partners identified, and brand promises verified. What we're also working towards: by sharing information about a product in a transparent way, value should be added to that product – would you pay more for a product that shows you exactly where it comes from and which hands it passed through? For which other parties in the chain is this information valuable? We see great opportunities here to distribute that value proportionally across the chain.

Trabocca's kicking it all off. As our launching partner, the coffee importer is the first to use Trace to track a shipment of Ethiopian coffee. Keep an eye on their social media channels to see how it all works out!



7.2 VERSTEGEN, PART 3

How do you sell traceability to people? How do you ensure a structural increase in farmers' incomes? What is the value of data? We will answer these questions during the third part of our collaboration with Verstegen Spices & Sauces. Together we will explore the business case for transparency – where in the chain is the information you bring to the surface worth money? The main purpose of this cooperation: to generate a new income for the farmers of Verstegen. Not by simply increasing the price per kilo (although Verstegen is exploring that option outside of this project) but by creating a completely new source of income: data. Can a farmer sell their data on, for example, soil quality and yield per hectare?

7.3 ALIGN 2.0

Behind the scenes, our impact researcher Isa is already hard at work with ALIGN 2.0, the tool that helps agrifood businesses find their way towards living wages and incomes. We launched the beta version of ALIGN in 2019 at the The Only Way Is Up! Conference. This year, we will introduce the new and improved version. To do this, we'll be consulting potential users of the tool – together we will examine what is currently in place and what can be improved. Expect new functionalities, more research and new information about countries and products.

8 • FINANCIAL FORECAST 2020

With our strategic plan for the next three years, we are focussed on greater cooperation with businesses. Our goal for 2020 is to move on to an operational budget of € 1.3 million, adding € 135.000 to our reserves. The benefits come from collaborative projects with companies, funds and grants. We'll also start exploiting the operating licenses for our platform Trace. We are going to realise all this with a small, flexible organisation of dedicated professionals. This budget was drafted well before the corona outbreak. At the time of writing, Fairfood expects that the income will be € 150,000 to € 200,000 lower than budgeted, and that a financial result will be achieved of € 70,000 to € 80,000. The continuity of the foundation is not at stake.

8.1 OUR 2020 BUDGET NUMBERS IN €

INCOME

PROJECTS PRIVATE SECTOR	300.000
PROJECTS NGOS	100.000
PROJECTS GOVERNMENTS	400.000
INCOME LICENSE	31.440
NATIONAL POSTCODE LOTTERY	500.000
TOTAL INCOME	1.331.440

COSTS

STAFF:	
SALARIES	589.816
FREELANCERS	78.000
OTHER PERSONNEL COSTS	41.520
PROMOTION COSTS	
COMMUNICATION	64.200
PLATFORM COSTS	
NON-PROJECT PLATFORM COSTS	56.000
PROJECT COSTS	
PROJECT COSTS PLATFORM	56.740
OTHER PROJECT COSTS	56.740
OVERHEAD	
RENT	205.281
OFFICE	28.500
ORGANISATION	5.000
UNFORESEEN:	
UNFORESEEN	68.000
	1.195.597

RESULT	135.842
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YEAR-END RESERVES	403.941
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FINANCIAL STATEMENTS

BALANCE SHEET AS OF 31 DECEMBER 2019

(after profit appropriation)

	2019	2018
	€	€
ASSETS		
DEFERRED ASSETS AND RECEIVABLES	82.100	59.622
LIQUID ASSETS	393.139	202.013
TOTAL	475.239	261.635

	2019	2018
	€	€
LIABILITIES		
STATUTORY RESERVES		
CONTINUITY RESERVES	256.599	179.069
	256.599	179.069
CURRENT LIABILITIES		
DEFERRED LIABILITIES AND DEBTS	218.640	82.566
	218.640	82.566
TOTAL	475.239	261.635

PROFIT AND LOSS CALCULATION FOR 2019

	2019	2018
	€	€
INCOME		
INCOME FROM PRIVATE FUNDRAISING	356.167	187.965
BENEFITS FROM THIRD-PARTY ACTIONS	500.000	500.000
GOVERNMENTAL CONTRIBUTIONS	38.933	-
OTHER INCOME	75	-
TOTAL INCOME	895.175	687.965
COSTS		
STAFF COSTS	522.060	443.853
OTHER PERSONNEL COSTS	22.159	21.445
HOUSING	21.007	18.480
OFFICE	2.506	1.903
ORGANISATION	48.308	44.593
COMMUNICATION	22.489	25.327
RESEARCH	10.454	18.136
PROJECT COSTS (EXCLUDING PERSONNEL)	168.214	165.421
TOTAL COSTS	817.197	739.158
OPERATIONAL RESULT	77.978	-51.193
FINANCIAL INCOME/COSTS	-448	-360
RESULT	77.530	-51.553
APPROPRIATION OF RESULT		
GENERAL RESERVE	77.530	-51.553
TOTAL	77.530	-51.553

NOTES TO FINANCIAL STATEMENTS

General

The registered address of Stichting Fairfood International is Mauritskade 63 in Amsterdam (registered at the Chamber of Commerce with file number 34141098).

Principles of value and determination of results

The financial statements have been prepared in accordance with the Guideline for Annual Reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards. Annual accounts are based on historical cost conventions. The valuation of assets and liabilities is done at nominal value, unless stated otherwise. Profits are assigned to the period in which they were realised. Expenses are also accounted for.

Comparative figures

The figures from the preceding year have been reclassified for comparison purposes. The budget figures are not presented in this annual report because in 2019 the budget was not used as a direct steering mechanism. However, regular internal reporting on the finances took place and close contact with the Supervisory Board as to whether or not commitments were enforced was maintained.

Foreign currencies

The accounts of the organisation are presented in euros, which is Fairfood's functional currency. Transactions in foreign currencies are converted to euros at the beginning of the month in which the transaction occurs. At the end of the financial year, all accounts receivable and liabilities in foreign currencies are converted to euros on the basis of the exchange rate as per balance date. Exchange rate results have been added to the statement of revenues and expenditures.

PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES

Fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and, where applicable, minus impairments. Depreciation is based on the estimated useful life and calculated as a fixed percentage of costs, taking into account any residual value. Depreciation is recognised from the date an asset comes into use.

Receivables

The receivables are stated at nominal value. Provisions deemed necessary regarding the risk of bad debts are deducted. These provisions are determined on the basis of individual assessment of the receivables.

Current assets

All cash and cash equivalents are at free disposal.

Reserves

Fairfood aims to reach a discretionary net worth of 45 per cent minimum and 60 per cent maximum of the annual ongoing costs of the work organisation. This is done in order to avoid immediate issues that may arise in case of financial setbacks.

Liabilities

The current liabilities are those with a term of less than one year. These are initially valued at their fair value and subsequently valued at amortised cost, which is similar to the face value. Accruals are valued at their nominal value. Accruals and deferred income are stated at their nominal value.

PRINCIPLES OF THE DETERMINATION OF RESULTS

Gifts in kind

Gifts in kind are valued against fair value in the country in which they are received. The fair value is estimated as the regular selling price of the supplier minus the reduction indicated by the supplier. Contributions from volunteers are not accounted for financially. Processing gifts in kind does not affect the result and the equity, but only the volume of income and expenses. The income is accounted for 'sponsoring in kind' revenues. The expenses are accounted for where they are usually accounted for.

OTHER NOTES

Events after the balance date

The outbreak of the COVID-19 pandemic has consequences for the way in which the foundation cooperates with all its partners. The COVID-19 pandemic will also have an effect on Fairfood's financial management. At the time of writing, nothing can be said with certainty, but it is expected that the pandemic will have no consequences for the continuity of the foundation. This expectation is reinforced by signals from financiers and the fixed contribution from the Dutch Postcode Lottery. However, it is expected that both the turnover and the financial result will be lower than budgeted in December 2019. A 10-30 percent drop in sales is expected in comparison to the budget, which results in a constant or slightly growing turnover compared to 2019. Furthermore, the financial result for 2020 is expected to be positive.

NOTES ON BALANCE SHEET AS OF 31 DECEMBER 2019

	2019	2018
	€	€
ACCRUALS AND DEFERRED INCOME		
PREPAID COSTS	6.029	5.459
RECEIVABLES	286	35.942
DEBITORS	75.785	18.221
	82.100	59.622
LIQUID ASSETS		
CASH	48	-
PAYMENT ACCOUNTS	41.339	80.397
SAVINGS ACCOUNT	351.752	121.616
	393.139	202.013

	2019	2018
CONTINUITY RESERVE		
BALANCE SHEET AS OF JANUARY 1	179.069	230.622
ALLOCATION OF RESULT	77.530	-51.553
BALANCE SHEET AS OF DECEMBER 31	256.599	179.069
CURRENT LIABILITIES		
CREDITORS	21.778	14.089
DEFERRED LIABILITIES	25.775	23.978
PAYABLE LEVY TO PAY	15.970	-
SALES TAX TO PAY	13.902	4.110
PROJECT MONEY TO BE SPENDED	141.215	40.389
	218.640	82.566

Off balance sheet commitments:

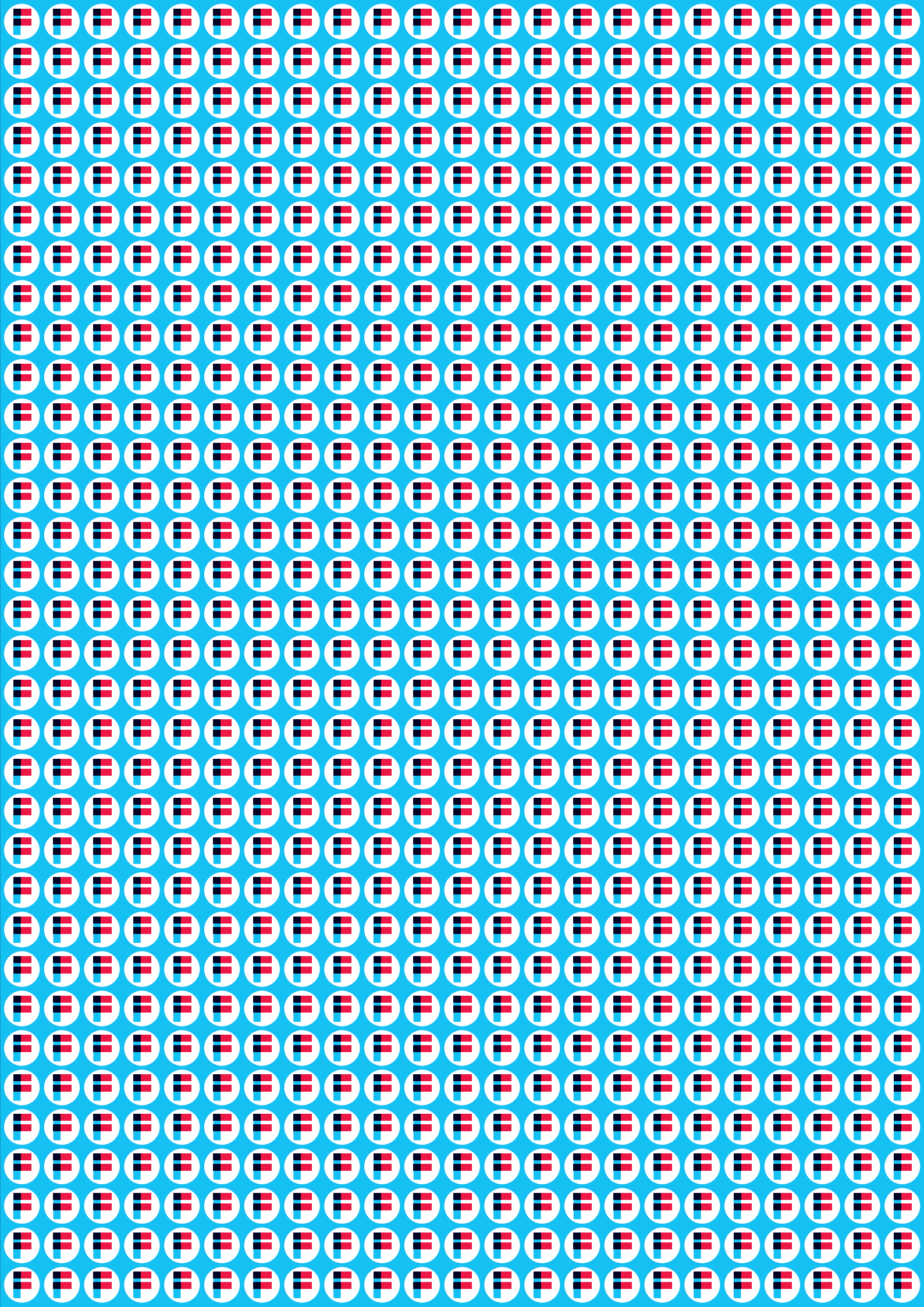
Fairfood has signed a lease with the Royal Tropical Institute. This agreement cannot be canceled in 2020. The rental charge for 2020 is € 20,287.

NOTES TO THE PROFIT AND LOSS ACCOUNT 2019

INCOME		
	2019	2018
	€	€
INCOME FROM PRIVATE FUND RAISING		
DONATIONS AND GIFTS	904	6.982
SPONSORSHIP IN KIND	-	24.681
NGO CONTRIBUTIONS	183.029	43.112
BUSINESS ASSIGNMENTS	172.199	112.791
PROCEEDS CAMPAIGN-SALE	35	399
	356.167	187.965
BENEFITS FROM THIRD-PARTY ACTIONS		
DUTCH POSTCODE LOTTERY		
- GENERAL FINANCING	500.000	500.000
	500.000	500.000
GOVERNMENTAL CONTRIBUTIONS		
GIZ - GERMANY	38.933	-
	38.933	-

SPECIFICATION NGO CONTRIBUTIONS		
HIVOS	65.326	10.000
RAINFOREST ALLIANCE	47.300	20.400
SIDN	29.017	293
CTA	22.410	-
KMF	18.776	11.592
JMCA	200	-
MILIEU CENTRAAL	-	827
	183.029	43.112

COSTS			
	2019	2018	
	€	€	
PERSONNEL COSTS			
WAGES AND SALARIES	372.538	342.587	
SOCIAL EXPENSES	59.534	53.446	
NON-SALARIED STAFF	89.988	47.820	
	522.060	443.853	
The average FTE in 2019 was 6,12 (2018: 5,19)			
Director S.B. de Jong received a total gross salary of € 95,502 in 2019 with a full-time position of 36 hours per week. This amount includes holiday allowance and compensation for a pension provision. No loans have been extended to the CEO. This remuneration is in accordance with the "regulation for the remuneration of directors of charity organizations" of Goede Doelen Nederland.			
The members of the Supervisory Board do not receive any remuneration.			
OTHER PERSONNEL COSTS			
TRAVELLING EXPENSES	5.627	9.364	
TRAINING	2.379	1.673	
CANTEEN EXPENSES	3.361	5.178	
ADDITIONAL PERSONNEL COSTS	10.792	5.230	
	22.159	21.445	
HOUSING COSTS			
RENT	19.800	17.710	
ADDITIONAL HOUSING COSTS	1.207	770	
	21.007	18.480	
PROJECT COSTS (EXCLUDING PERSONNEL)			
LIVING WAGE/INCOME PROJECTS	78.873	NOT SPECIFIED	
TRANSPARENCY PROJECTS	79.053	NOT SPECIFIED	
OTHER PROJECTS	10.288	NOT SPECIFIED	
	168.214	165.421	
FINANCIAL INCOME AND EXPENSES			
INTEREST INCOME	83	161	
BANK CHARGES	-531	-521	
	-448	-360	



Stichting Fairfood International
Mauritskade 63
1092 AD Amsterdam

Amstelveen, 29 May 2020

INDEPENDENT AUDITOR'S REPORT

To: de Raad van Toezicht of Stichting Fairfood International

A. Report on the audit of the financial statements 2019 included in the annual report

Our opinion

We have audited the financial statements 2019 of Stichting Fairfood International based in Amsterdam.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Stichting Fairfood International as at 31 December 2019 and of its result for 2019 in accordance with the 'RJ-Richtlijn 640 Organisaties zonder winststreven' (Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board).

The financial statements comprise:

1. the balance sheet as at 31 December 2019
2. the profit and loss account for 2019; and
3. the notes comprising of a summary of the accounting policies and other explanatory information. .

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Stichting Fairfood International in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Diensten geschieden volgens algemene leveringsvoorwaarden waarin een beperking van de aansprakelijkheid is opgenomen. Desgewenst sturen wij een exemplaar kosteloos toe. Uitdrukkelijk worden andersluidende voorwaarden afgewezen. Member of MSI Global Alliance, one of the world's leading international alliances of independent legal and accounting firms.



B. Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The administrative report;
- The other data.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the administrative report and the other data in accordance with 'RJ-Richtlijn 640 Organisaties zonder winststreven'

C. Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the 'RJ-Richtlijn 640 Organisaties zonder winststreven' (Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board). Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;



- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

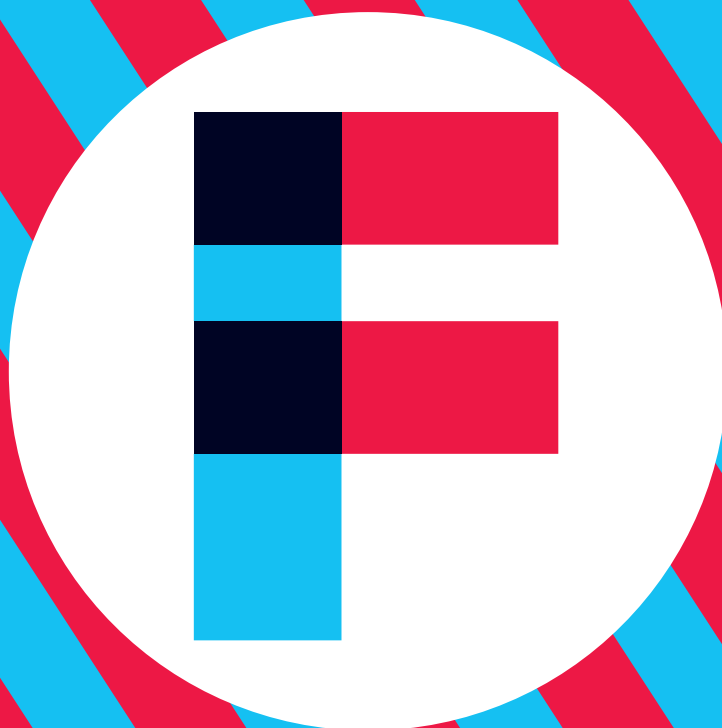
We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Amstelveen, 29 May 2020

Vanhier Audit Services B.V.

Was signed

Drs. Jenno Kruimer
Accountant-Administratieconsulent



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