

A smiling woman with dark hair, wearing a purple and red sari, is working with orange yarn on a bamboo frame. The background shows more bamboo frames and orange yarn, suggesting a textile or dyeing workshop.

GEPA[®]



Business Report 2017

Basis for the Future of Fair Trade



*Dear customers,
dear supporters of Fair Trade,*



**Dr Peter Schaumberger
and Matthias Kroth**
Managing Directors of
GEPA –
The Fair Trade Company

To work as partners with all the actors in a fair value chain, that has again been our objective in 2017 – especially at the end of the year with our new product range **'Taste Fair Africa'**. With that we intend to highlight **Africa as a continent of the future** [page 7](#).

The business year 2017 was characterized by the introduction of a complete inventory control system [page 5](#).

Here we would like to thank you very much for your patience since we had initial difficulties and there were delays in delivery. Despite all that, we have been able to keep the sales on a stable level. We consider this system to be an investment into the future, with which we are well prepared for further growth.

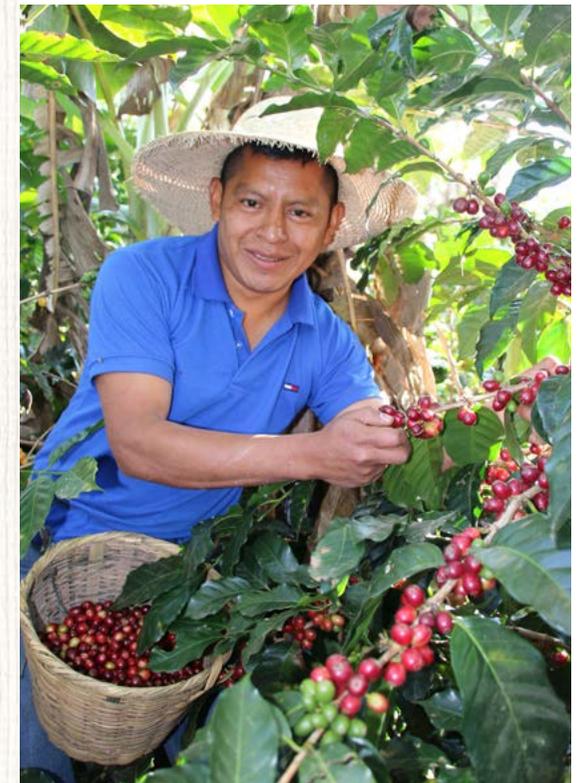
We see ourselves as pioneers, who also want to use innovations to bring forward the topic of Fair Trade. Our **trading partner fonds** [page 8](#) is meant to benefit especially the smaller trading partners and additionally supports project on site. Particularly the topic of **climate justice for our partners** was central [page 9](#).

We will continue to intensively support the World Shops. A fair shopping experience and educational activities made possible thanks to the commitment of volunteers are exemplary for our society. Another central aspect was our online and social media development, for example **#echtfairekaffeeliebe (#trulyfairloveforcoffee)** [page 12](#) and our commitment in Wuppertal in the competition **Capital of Fair Trade** [page 8](#).

We look forward to reaching these objectives with your support.
Thank you for your great trust also in the name of our trading partners in the South!

*'Quality does not only lie in
the bean, but also in the
relationships, in the exchange
and communication.'*

Roberto René Gonzalez, Managing Director
of Coffee Cooperative RAOS (Honduras)



GEPA – Global Fair Player



Personal, long-term, credible

Fair Trade has been the core of our corporate philosophy for more than 40 years.

Our three core objectives

- to sustainably support producers in the South
- to inform customers
- to contribute to the change of unfair world trade structures

With 'fair plus' into the future

For us 'fair plus' means: We do far more in many areas than what is required by the general Fair Trade criteria. As a pioneer we are driven by our objective to collaborate with our partners in the South to contribute to a better life – with respect for man and nature.

Our Plus

- We are 100 percent fair as an organization.
- We are certified according to the guarantee system of WFTO – as one of very few companies in Germany.
- High credibility and transparency distinguish us
- We are supported by the Fair Trade Movement with i.a. 800 world shops and more than one hundred thousand supporters and committed people
- We have an international network in Fair Trade.

For more information see:
www.gepa.de and www.fair-plus.de



'Germany's most sustainable brand 2014'
 German Sustainability Award

This has also been established in the articles of association by our associates, without exception development and youth organisations.

Fair prices and long-term trading relations with numerous partners in Latin America, Asia and Africa form part of our principles.

GEPA is THE brand and pioneer of Fair Trade

Strong brand with character

TASTE
FAIR
AFRICA



Our products' Plus':

This is what counts: **Fair, high-end, environmentally friendly and preferably organic** – we want to meet these expectations as best as we can:

- **Only the best of everything:** Selected ingredients and strict quality requirements make every product unique.
- **Organic and fair:** 80 percent come from certified organic production.
- **No GMOs:** We categorically reject genetically modified organisms.
- **Eco-friendly packaging:** recyclable or mainly aluminium -free
- We opt for materials from predominantly re-growing raw materials, like in case of the aroma protecting foil for our tea bags and chocolates.
- **Completely fair:** With 'North' products, like fair-traded organic milk in chocolates, we get closer to our objective of more fairness in the supply chain.
- **We pay fair prices** – for our crafts and artisanry portfolio we adopt our trading partners' calculations as our basis.

Our groceries as well as the crafts and artisanry portfolio comprises approximately 1,000 products that are constantly further developed.

For more information visit www.gepa.de and www.gepa-shop.de

Profit and loss statement 2017



	Business year	Business year		
	2017	2016	Change	Change
	in k €	in k €	in k €	in %
Turnover	72,437	73,816	- 1,379	- 1.87
Cost of Goods	- 51,130	- 52,197	1,067	- 2.04
Gross Margin	29,41 %	29,29 %		0.43
Gross Revenue	21,307	21,619	- 312	- 1.44
Other Revenues	330	564	- 234	- 41.49
Revenue deduction	- 3,286	- 2,678	- 608	22.70
Revenue	18,351	19,505	- 1,154	- 5.92
Personnel Costs	- 7,666	- 7,665	- 1	0.01
Facility expenses	- 786	- 1,037	251	- 24.20
Administration costs	- 1,921	- 1,918	- 3	0.16
Distribution costs	- 5,646	- 6,139	493	- 8.03
Depreciation	- 920	- 607	- 313	51.57
Other costs	- 518	- 310	- 208	67.10
Interest results	- 301	- 452	151	- 33.41
Total expenditures	- 17,758	- 18,128	370	- 2.04
Earnings before taxes and valuation	593	1,377	- 784	- 56.94
Revenue Tax	- 151	- 599	448	
Stock asset valuation	105	225	- 330	
Result after taxes and valuation	337	1,003		
Transfer into retained earnings	- 337	- 1,003		
Result after appropriation of earnings	0	0		

The business year 2017 was characterized by the investment into the future, that is, the introduction of an inventory control system. This major project did not only absorb enormous resources and capacities, but introductions of this kind will always come with initial difficulties, too.

Despite all that, we did not experience a slump in sales. With sales before revenue deduction of approx. 72,44 million euros we only missed reaching the comparable level of the previous year by approx. 1.4 million euros. This corresponds to a decrease of just 1.9 percent. The core sales areas (World Shops and Action Groups, groceries retail, out-of-home service and end consumer/online shop) generated approx. 58,16 million euros, almost the same sales compared to the calendar year 2016.

Another 14.28 million euros were generated with other sales (minus 1.3 million, -8.6 percent). These comprise sales to other Fair Trade organisations, sales in other countries and also sales of raw material for technical reasons to refiners of our products.

The total yield remains below the previous year's level by almost 1.2 million euros due to lower gross revenue and especially due to significantly higher revenue deductions. The reason for the heavily increased revenue deductions are first and foremost changes in the terms structure with our major customers. Despite a significant rise of our depreciation costs in connection with the investment into the new ERP system and the fact that personnel in logistics was temporarily increased after the introduction of the system, the overall costs are almost 0.4 million euros below the previous year's level. However, the considerably higher reduction in yield could only be partially absorbed, so that the result before taxes and valuation presents itself heavily reduced.

Turnover development 2017

Turnover development 2017 by sales areas

39 %

Groceries, organic and natural food retail

28 %

World Shops and Action Groups

11 %

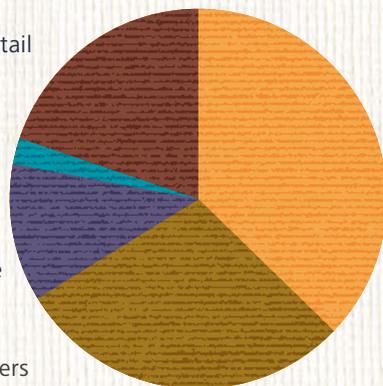
Out-of-home service

2 %

Online shop end users

20 %

Other countries/processors



	2017 in k €	2016 in k €	change in %
groceries, organic and natural food retail	28,650	28,047	2.15
World Shops and Action Groups	20,219	21,096	- 4.16
Out-of-home service	8,026	7,943	1.04
Online shop /end users	1,262	1,114	13.23
Other countries/pro-	14,280	15,616	- 8.65
Total	72,437	73,816	- 1.87

Turnover development 2017 by product groups

44 %

Coffee

22 %

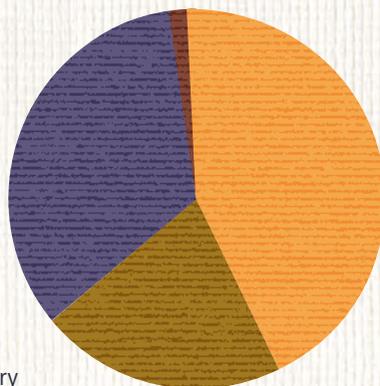
Chocolate

33 %

Other groceries

1 %

Crafts and artisanry



	2017 in k €	2016 in k €	change in %
Coffee	31,705	31,743	- 0.12
Chocolate*	16,191	15,980	1.32
Other Groceries	23,544	24,845	- 5.23
Crafts and artisanry	997	1,248	- 20.14
Total	72,437	73,816	- 1.87

*exclusive of loose cocoa

The wholesale turnover of GEPA presented itself as stable – with 72.4 million euros slightly below the previous year (minus 1.9 per cent). Consumers bought products for approximately 114 million euros (sales based on retail prices), e.g. coffee, chocolate, tea, honey as well as crafts and artisanry articles.

Groceries

The groceries portfolio (exclusive of coffee) decreased by 2.7 per cent to sales of 39.7 million euros. Sales in chocolate increased by 1.3 per cent to 16.2 million euros. New are the vegan 'Organic Cocoba bittersweet chocolate spread' and two variations of 'hazelnut waffles': pure and with chocolate coating.

In **coffee** we broke new ground regarding microlots with the 'Organic Coffee Los Catadores Red Honey'. Coffee sales remained on the previous year's level with 31.7 million euros.

Tea sales almost reached the previous year's level with 4 million euros (minus 0,8 per cent).

Crafts and artisanry

The sales in crafts and artisanry products fell in total by 20.1 per cent to roughly 1 million euros. With a new fair trade appearance that has been developed in cooperation with the University of Düsseldorf, we aim to tap new target groups.

Development in the South – fair world-wide

Import volume business year 2017

47 %

Coffee cooperatives

16 %

Tea trading partners and groceries partners from Asian

31 %

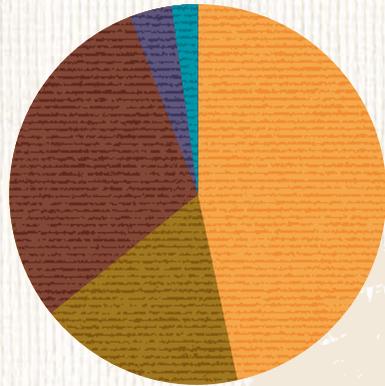
Honey partners and groceries partners from Latin America

4 %

Dairy cooperatives

2 %

Crafts partners



In the calendar year 2017, GEPA bought goods of a value of about 22.2 million US dollars (19.8 million euros) from its trading partners.

The highest value went with 14.8 million US dollars (13.1 million euros) to trading partners in Latin America, then 3.2 million US dollars (2.9 million euros) to trading partners in Asia, 3.1 million US dollars (2.8 million euros) to trading partners in Africa and 0.9 million US dollars (0.8 million euros) to trading partners in Europe. Fairly traded products and ingredients of a value of 0.2 million US dollars (0.2 million euros) were bought from other importers.

For example ... Uganda



With which trading partners do we cooperate?



Africa
34 partners
in 16 countries

America
70 partners
in 14 countries

Asia
37 partners
in 11 countries

Europe
3 partners
in 3 countries

Total
144 partners

'By buying organic quality you encourage us to continue growing coffee in an eco-friendly way.'



For example ...
'Taste Fair Africa'

We obtain our raw coffee from ACPCU for our product range 'Taste Fair Africa', which we developed in 2017 especially for the organic and fair specialized trade.

With fair-traded products from Africa we intend to highlight this diverse continent. At the same time, we draw attention to the importance of organic and fair specialized trade in the task to convey values like Fair Trade and organic production. Africa's burdening colonial history continues until modern times – but high-quality coffee and chocolates produced under fair conditions can display impressions beyond the usual clichés.

'We aim for a **partnership in the whole chain** between all those who are committed in Fair Trade with and in Africa – from the people to the producing countries to GEPA and trade and to the consumers,' says Peter Schaumberger, GEPA managing director for brand and sales.

'World Shops and natural food shops are from our point of view two roots of the same tree and thus a **community of shared values**. When we establish production standards worldwide that are as fair as possible, as organic as possible, as sustainable as possible – then this is the draft for a new global economic scheme,' explains Peter Schaumberger.

GEPA – Internationally and politically



During the yearly GEPA workshop with trading partners the focus was on dealing concretely with the topic **Living Wage**, since this topic is not only relevant for GEPA but also for its trading partner. By means of concrete examples, the participants tested and discussed the instruments which WFTO has developed for the calculation of a Living Wage. The feedback on this workshop was very positive. Especially the practical part was seen as very helpful.

The town of Wuppertal seeks to apply for the title 'Capital of Fair Trade'.

As a Fair Trade company that has its headquarters in Wuppertal, GEPA actively supports the town's commitment. Particularly in the holistic transition of the public procurement to ecological and fair products, GEPA sees enormous potential for the promotion of Fair Trade in Wuppertal.

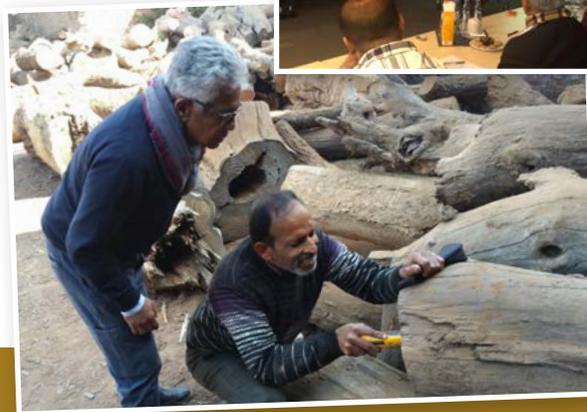
Which contribution can Fair Trade make to the urgently needed socio-ecological transformation?

The participants of the Fair Trade Congress in March 2018 that was hosted by Forum Fair Trade and co-arranged by GEPA set out to seek a holistic solution to the global challenges in world trade. They discussed impulses for thought and new options for actions in an exchange with representatives of the civil society.

Since 2017 GEPA has had a trading partner fund in the amount of 50,000 euros per year, with which it promotes small projects on site.

GEPA sees the fund as an additional measure for the financial support of its partner organisations. Amongst the activities that are supported by this fund are e.g. consulting services for producer organisations regarding product development and quality assurance, transition to organic ecological production or measures related to the adaptation to climate change.

The GEPA trading partner fund allowed for e.g. the consulting of GEPA's partner TARA projects in India by the wood expert Swapan Chowdhury (left).



Agenda 2030 and the UN Sustainability Goals

The UN Sustainable Development Goals (SDGs) take up many of the principals and demands that Fair Trade has lived and breathed for more than 40 years.

For the political work of GEPA and the Fair Trade Movement the SDGs are an important reference frame.

Fair Trade makes an important contribution to achieve the overall 17 goals for a sustainable future.

In our brochure 'On the path to Agenda 2030' we discuss eight of these goals, which are of special importance for GEPA and Fair Trade and show how these goals are directly connected to GEPA's work and our partners.

Resellers can order the brochure here: www.gepa.de/WUG-SDGflyer



GEPA – Politically and publicly



#fairfacts



Climate Change: Effects – that’s what our partners say

Flhor de Maria Zelaya Contreras, who has a chemistry degree, participated in the panel

discussion representing for the women’s cooperative APROLMA in Honduras, provided first-hand accounts of the problems that small-scale producers are facing: ‘Due to high temperatures and pests we only had half of the usual yield,’ she reports. Prior to ‘Climate First’ GEPA had gathered numerous video statements of its partners.

Stanley Maniragaba, head of operations of our partner ACPCU, stated which consequences climate change has for the coffee producers of ACPCU in Uganda: ‘They partially lose not only their harvests, but also their income and food, because food safety is also a problem.’ More statements of our trading partners are in this video:

www.gepa.de/video-auswirkungen-klimawandel



Fair working conditions for all!
Approx. 1.6 million peasant families and workers benefit from Fair Trade, but worldwide there are approx. 540 million small-scale farming family businesses.

‘Climate First!’ – Expert Panel on Climate Justice

‘How can we succeed with the eco-fair transition until 2030?’

This was the question that the guests of our expert panel ‘Climate First’ dealt with here in Wuppertal in June. Experts from politics, science and civil society as well as a representative of our trading partner APROLMA discussed the challenges of climate change and the possibilities to master them. The panel discussion was the kick-off for GEPA’s activities in the context of climate justice in the next years.

www.gepa.de/climatefirst



Climate Justice: Demands to politics

More than just an inventory: The panel discussion ‘Climate First’ also addressed concrete approaches to solutions: How can we achieve climate justice worldwide? GEPA managing director for brand and sales, Peter Schaumberger, says: ‘Of course, the polluters have to account for their climate sins. Fair Trade has shown for more than 40 years that trade according to fair and ecological criteria can economically be successful.’ Hence, GEPA technically supports its partners in the adaption to climate change or promotes climate-friendly ways of production.

On a political level, Flhor de Maria Zelaya Contreras addressed the German Federal government at the end with this demand: ‘Please, think of our planet’s future and learn to understand mother earth “la tierra madre”. This is the only way to contribute to eco-social transformation at a political level.’

Check-out the video for more demands of our GEPA partners worldwide to German politics:
www.gepa.de/video-politische-forderungen

‘Coffee for me is... livelihood and lifeblood at the same time.’



#echtfairekaffeeeliebe

Find the GEPA coffee team at:
www.gepa.de/kaffeekultur

Time for encounters



Fair Week 2017

Stanley Maniragaba, head of operations of our GEPA coffee partner ACPCU from Uganda, was our guest at the Fair Week in 2017. During his roundtrip through Germany he i.a. visited the World Shop Pankow in Berlin, where he participated in an espresso tasting together with the World Shop staff.

GEPA has purchased high-quality organic Robusta beans from ACPCU since 2017

for its coffee rarity 'Organic Espresso Kampala'. During the media and blogger event in the GEPA coffee laboratory, Stanley Maniragaba explained what it means for producers that GEPA offers pure Robusta as a rarity: 'Our producers are proud and happy about the fact that their quality gets its place in the market.'



Committed & curious:

pupils at the GEPA Experience Day

On GEPA's Experience Day in July roughly 150 young people came to us to learn about Fair Trade at GEPA. GEPA's chocolate ambassador and Europe's female footballer of the year 2015 Celia Šašić was also there. GEPA staff had prepared seven stations: From chocolate tasting with delicious GEPA chocolates to a discovery trip into the world of GEPA's coffee to the political work of Fair Trade. The young people could get active themselves and make a purse out of a GEPA's orange juice packaging or play Sudoku with fair GEPA products.



New GEPA coffee film: 'Really fair up until the cup'

The new coffee film shows our coffee's path – from the plant into the cup! We have visited our coffee partners – from Honduras to Uganda – and learnt how much passion and love our trading partners put into cultivation, processing and quality assurance of raw coffee, which you can enjoy as tasty Fair Trade coffee by GEPA! Watch the film 'Really fair up until it's in the cup' in our online special on truly fair GEPA coffee:

www.gepa.de/kaffee-echt-fair



GEPA says Thank you with the 'Day for Volunteers'

In April, more than 300 committed supporters celebrated with us in the Regional Fair Trade Center (RFZ) in Wuppertal: 'I experienced this day as a very familial and very lively get-together,' said Peter Schaumberger. World Shops and action groups were indispensable for GEPA, especially 'their content work to convey the thought of Fair Trade,' stated Schaumberger. The programme for the day was as diverse as the guests themselves: Besides a fashion show, chocolate tasting, coffee roasting and exciting talks, the committed supporters could get to know GEPA and its products much better in the personal exchange with staff.

#echtfairekaffeeliebe



'Coffee for me is... like a good friend.'

»Kaffee ist für mich... wie ein guter Freund.«
#echtfairekaffeeliebe

Franziska Bringel, Einkaufsmanagerin Kaffee, GEPA



»Ich schwöre auf die traditionelle Kaffe Zubereitung – und da geht nichts über echte Handarbeit.«

#echtfairerkaffee

Marita Kigata, Kaffeebäuerin ACPCU, Uganda

#echtfairerkaffee

'I absolutely prefer the traditional coffee preparation – and there is nothing better than real manual work.'

Fair and hand-made Collections 2017



Collection BLOOM



Collection POMP



Collection MOSS



Collection ROOI

The crafts and artisanry strategy that was started in 2016 was continued with the five collections AQUA, BLOOM, MOSS, POMP and ROOI.

The crafts and artisanal capacities of our partners continue to be the basis for each of our products and many wonderful designs resulted from it. Material-wise we concentrate on natural materials like grasses, cotton, silk, stone, wood and metal.

Our home fabrics product range has also been enlarged by blankets, cushion covers and napkins. Thus, fabrics were an important key business.

Crafts and artisanry online at www.gepa.de/produkte/handwerk



Collection AQUA



Together with our long-time partner CO-OPTEx we developed various home fabrics in 2017. Our fabric designer designed them especially for the weaving looms of CO-OPTEx and refined the design together with the weavers on site.



“Thanks to CO-OPTEx I have access to a health insurance and will receive a monthly pension. And I also get my electricity for free!”

M. Anbalagan,
Weaver at CO-OPTEx

Coffee moments of the GEPA community



Social Media campaign #echtfairekaffeeliebe

Selected screenshots of posts relating to #echtfairekaffeeliebe (trulyfairloveforcoffee)

Jessica Springer
9. September 2017

#echtfairekaffeeliebe mit den Organico Bohnen von GEPA! Würde dann gern noch mit einer Prise Kardamom nach

#echtfairekaffeeliebe with GEPA's Organico Beans! I then add a pinch of cardamom.

1216 - nachtag leben
von einer Stunde

Guten Morgen. Einen guten Start in die neue Woche wünsche ich Euch. Patrick und ich starten selbstverständlich mit einem leckeren Cappuccino in den Tag. #cappuccinolove

#coffee #coffeeover #coffeelove #coffeetime #butfirstcoffee #cappuccino #latteart #echtfairekaffeeliebe #11e

Good Morning! We wish you all a great start into the week. Patrick and I naturally start our day with a delicious cappuccino
#cappuccinolove
#coffee #coffeeover
#coffeetime
#butfirstcoffee
#cappuccino #latteart
#echtfairekaffeeliebe

caffé torino marktberdorf
Tirol, Austria

caffé torino marktberdorf Great adventures start with coffee! How do you enjoy your coffee today? #echtfairekaffeeliebe #echtfairekaffee #aeropress

... #coffeefirst #coffeeovers #Coffee #Coffeetime #Coffeeshop #Coffeeover #ButFirstCoffee #Coffeethtenius #Caffi #CoffeeShop #allgäu #ro #instacoffee #baristadaily #shilajitcoffee #Fridays

Gefällt 101 Mal
20. AUGUST 2017

#echtfairekaffeeliebe

awakesocialcoffee
Awake Mainz

awakesocialcoffee Gemeinsam mit dem Café Awake veranstaltet die GEPA eine Kaffeeverkostung in der fairen Woche. Im gemütlichen Mäurer Café kommt ihr an diesem Tag nicht nur echt fairen GEPA-Kaffee genießen, sondern auch verkosten! Dabei sind eure Geschmackssinne gefragt: Erkennt ihr den Unterschied zwischen Arabica- und Robusta Bohnen? Und wo kommt der Robukaffee der GEPA eigentlich her? Dana und weitere Fragen beantworten neben dem GEPA-Kaffee-Experten auch Stanley Maniragaba aus Uganda. Er ist Betriebsleiter beim GEPA-Kaffeepartner ACPCU und begleitet die GEPA zu verschiedenen Veranstaltungen in der fairen Woche. Passend dazu könnt ihr direkt im Café Awake bei der GEPA-Social Media-Aktion zur fairen Woche mitmachen und euren

Gefällt 32 Mal
14. SEPTEMBER 2017

#echtfairekaffee



‘I have learned a lot from ACPCU and am now able to produce coffee with a better quality.’

‘Fair trade is not only about buying, selling and money transfer – Fair Trade is a relationship.’





12/2017 German Sustainability Award
Café Orgánico is 'Germany's most sustainable product 2018' as the winner of the consumer voting of REWE Group 2017



12/2017 ÖKO-Test
Bio Chai:
 Top grade 'Very good'

Product Awards

*GEPA and its associates:
 Joint action
 for Fair Trade*



Awards

'Germany's Most sustainable brand 2014'
 German Sustainability Award



Gold Medal of the CONSUMER INITIATIVE
 'Sustainable Retail Company' 2015

CSR Award of the Federal Government 2017

Amongst the Top 5 nominated in the category 'Responsible supply chain management'



GEPA – The Fair Trade Company
 GEPA-Weg 1, 42327 Wuppertal
 info@gepa.de
 www.gepa.de

Photo credits: GEPA – The Fair Trade Company / A. Welsing, C. Nusch, A. Fischer, M. Kehren, C. Schreer, J. von der Heide; Forum Fairer Handel/ Rolf K. Wegst; TARA Projects | **Responsible according to the German Media Legislation:** Matthias Kroth and Dr. Peter Schaumberger, managing directors GEPA – The Fair Trade Company
Design: www.merzpunkt.de | **Information as of:** November 2018



Guarantee system of WFTO: What is it about?

We have chosen to be assessed according to the guarantee system of WFTO (World Fair Trade Organization), a distinction that only a few enterprises in Germany can present. The ten basic principles of Fair Trade of WFTO according to which we work do not only relate to the single products and raw materials, but the enterprise as a whole.

These basic principles comprise e.g. transparency, good working conditions, qualification of producers.

The WFTO system consists of various components: i.a. a thorough self-assessment and an external audit. The auditors check the work of members based on the ten WFTO principals for Fair Trade. The assessment considers the working standards of the whole organisation and determines concrete improvement and development steps.

