



# Business Report 2015

# As a pioneer into the next 40 years



*Dear Customers,  
dear supporters of Fair Trade,*



**Matthias Kroth**  
managing director GEPA –  
The Fair Trade Company

At the end of 2014 we received the distinction **“Germany’s most sustainable brand”** [page 3](#). That was a good sign for the beginning of our anniversary, which then continued with much positive feedback. Again we were able to live up to the trust you put into us:

With a very positive closing of the short financial year 2015 we have achieved attractive results for the fourth year in a row and put GEPA onto an economically sustainable basis.

Our brand strategy with **“fair plus”** [page 3](#) has substantially contributed to our economic success, since we have continued to position ourselves in a highly competitive market. The consumers’ wishes from our **anniversary year** [page 9](#) are our motor and motivation to continuously develop Fair Trade further in a joint effort with you.

We are confident that we will also master all the upcoming challenges in the future – both in the market as well as with regard to the support of our trading partners in the South. In the light of fluctuating raw material markets and the consequences of climate change, it is especially important to intensify our partnerships. By means of new concepts, we aim to make use of the manifold opportunities to promote Fair Trade. One example for our commitment is our new crafts and artisanry strategy that strives to also strengthen our brand and quality expectations in this product area. The current investment into a new enterprise resource planning system will contribute to optimizing processes in our company. Apart from that we will also continue our commitment regarding the consulting and support of world shops. We also aspire to promote GEPA’s **political work** [page 8](#) and further expand our presence in the public, e.g. in social media.

I would like to thank you for your great commitment also on behalf of our partners!

Yours,



Greetings from our trading partners on the occasion of our 40th anniversary. We say ‘Thank you!’





# 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 consumers
- to contribute to the change of unfair world trade structures



## Mit „fair plus“ in die Zukunft

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 organisation.
- We distinguish ourselves by high credibility and transparency.
- 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.

*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.*



**“Germany’s most sustainable brand 2014”**  
German Sustainability Award

For more information please visit [www.gepa.de](http://www.gepa.de) and [www.fair-plus.de](http://www.fair-plus.de)

# GEPA is THE brand and pioneer of Fair Trade



# Strong brand with character



## 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: 77 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 regrowing 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.



In 2015, the crafts and artisanry portfolio was revised and got ready for a new start.

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

For more information visit [www.gepa.de](http://www.gepa.de) and [www.gepa-shop.de](http://www.gepa-shop.de)

# Profit and loss statement 2015



	Business Year <b>2013/2014</b> in k €	Business Year <b>2014/2015</b> in k €	Short Business Year April-December <b>2015</b> in k €	<b>Change</b> in %
Turnover	63.658	67.938	51.541	- 24,14
Cost of Goods	- 43.358	- 47.158	- 35.468	- 24,79
Gross Margin	31,89%	30,59%	31,18%	1,96
Gross Revenue	20.300	20.780	16.073	- 22,65
Other Revenues	424	751	396	- 47,27
Revenue deduction	- 2.703	- 2.434	- 1.909	- 21,58
<b>Revenue</b>	<b>18.021</b>	<b>19.097</b>	<b>14.560</b>	<b>- 23,76</b>
Personnel Costs	- 6.728	- 7.529	- 5.543	- 26,38
Facility expenses	- 1.110	- 1.071	- 761	- 28,94
Administration costs	- 1.483	- 1.596	- 1.240	- 22,31
Distribution costs	- 5.131	- 5.671	- 4.440	- 21,71
Depreciation	- 376	- 459	- 397	- 13,51
Other costs	- 582	- 390	- 226	- 42,05
Interest results	- 432	- 343	- 307	- 10,50
<b>Total expenditures</b>	<b>- 15.842</b>	<b>- 17.059</b>	<b>- 12.914</b>	<b>- 24,30</b>
<b>Earnings before Taxes and Valuation</b>	<b>2.179</b>	<b>2.038</b>	<b>1.646</b>	<b>- 19,23</b>
Revenue Tax	- 308	- 443	- 447	
Stock Asset Valuation	98	62	- 94	
<b>Result after Taxes and Valuation</b>	<b>1.969</b>	<b>1.657</b>	<b>1.105</b>	
Transfer into Retained Earnings	- 1.969	- 1.657	- 1.105	
<b>Result after Appropriation of Earnings</b>	<b>0</b>	<b>0</b>	<b>0</b>	

Until 31 March 2015 GEPA's business year went from April to March of the following year. In spring 2015 the shareholder's meeting agreed upon the change from the business year to the calendar year. Thus, the reporting year 2015 is a short business year from April to December 2015.

The accounting date was changed from 31 March to the calendar year. The seasonal sales and profit fluctuations that occurred in the past depending on the time of Easter will not influence the results anymore in the future. For better comparability, we have not only listed the business year 2013/14, but also 2014/15. For the fourth time in a row, GEPA could achieve a positive result. The short business year 2015 of only nine months, was completed with a pleasingly good result before income taxes and stock asset valuation of k € 1.646.

Despite the short reporting time frame of only nine months, the result before income taxes and stock asset valuation is only 19 percent lower than the result of the last business year. In relation to the previous year of twelve months, the yearly result has insofar again improved.

The reason for this improvement is essentially the gross margin. In addition, the sales of the short business year could be increased in comparison to the same reference period of the previous year by almost 2 percent.

# Turnover development 2015



Increase  
of Turnover  
by 3%

## Turnover Development 2015 by sales areas

**37 %**

Groceries, organic and natural food retail

**32 %**

World Shops and Action Groups

**11 %**

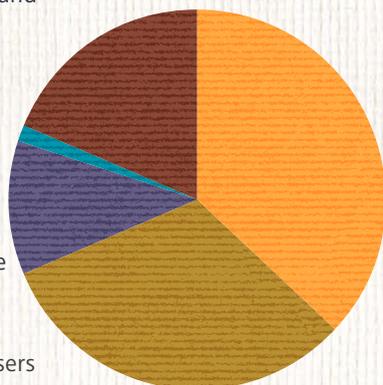
Out-of-home service

**1 %**

Online Shop end users

**19 %**

Other countries/processors



	2015 in k €	2014 in k €	Change in %
Groceries, organic and natural food retail	25.464	23.452	8,58
World Shops and Action Groups	21.910	21.622	1,33
Out-of-home Service	7.742	7.666	0,99
Online Shop End users	899	696	29,08
Other countries / processors	12.797	13.448	- 4,84

## Turnover Development 2015 by product groups

**43 %**

Coffee

**21 %**

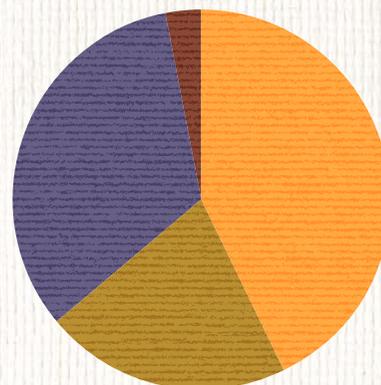
Chocolate

**33 %**

Other groceries

**3 %**

Crafts and artisanry



	2015 in k €	2014 in k €	Change in %
Coffee	29.493	29.822	- 1,10
Chocolate *	14.674	12.537	17,04
Other groceries	22.871	22.680	0,84
Crafts	1.772	1.845	- 3,96
<b>Total</b>	<b>68.811</b>	<b>66.884</b>	<b>2,88</b>

\* exclusive of loose cocoa

The wholesale turnover of GEPA increased in the calendar year 2015 by roughly 3 percent to approximately 69 million euros in comparison to 2014. Consumers bought products for approximately 110 million euros (sales on the basis of retail prices), e.g. coffee, chocolate, tea and honey) and crafts and artisanry articles.

### Groceries

In the anniversary year the groceries portfolio continued to develop well. Front-runner in this portfolio group are the chocolate products with a development above average for all sales areas. Fast sellers are the varieties "Fleur de Sel" with a sales plus of 71.2 percent, the "Café Blanc" chocolate with a plus of 67.2 percent and the variety "Cardamom" with 41.5 percent more sales. Sales of loose cocoa also increased by 16.8 percent to 7.6 million euros.

There is a slight decrease in coffee sales, which is mainly caused by reduced raw materials sales to other fair trade stakeholders in European countries. The trend towards coffee rarities continues: We newly introduced the organic coffee Machu Picchu from Peru. Tea sales increased by 6.2 percent to 3.9 million euros. The newly introduced wellness teas were well received.

### Crafts and Artisanry

The craft products registered in total a decrease due to an increasing amount of competitors. Starting in autumn 2016 in the context of a new crafts and artisanry strategy, an optimized and attractive portfolio on the one hand aims to take up the trends in sustainability, materials and living worlds, on the other hand, it will put emphasis on product areas with the greatest potential. It will also promote the crafts and artisanry competences of GEPA's trading partners.

# Development in the South – fair world-wide

Import volume financial year 2015

**46 %**

Coffee cooperatives

**13 %**

Tea trading partners and groceries partners from Asia

**33 %**

Honey partners and groceries partners for Latin America

**3 %**

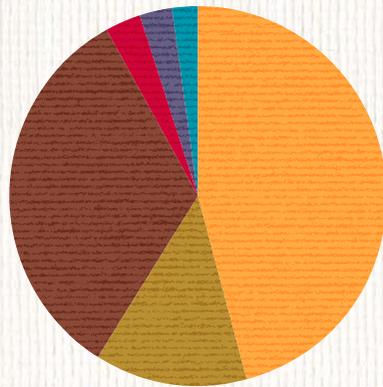
Sugar trading partners

**3 %**

Dairy cooperatives

**2 %**

Crafts partners



In total, GEPA acquired goods amounting to 27 million US dollars (24.2 million euros) from its trading partners in the calendar year 2015.

The largest part, roughly 18.9 million US dollars (17 million euros) were spent with trading partners in Latin America, then 3.7 million US dollars (3.3 million euros) with trading partners in Asia, 3.2 million US dollars (2.9 million euros) with trading partners in Africa and 0.8 million US dollars (0.7 million euros) with trading partners in Europe. Ingredients for GEPA products amounting to 0.4 million US dollars (0.3 million euros) were acquired via the European Fair Trade organisations.

With which trading partners do we cooperate?

**Africa**  
32 partners  
in 16 countries

**America**  
74 partners  
in 15 countries

**Asia**  
45 partners  
in 13 countries

**Europe**  
3 partners  
in 3 countries

**Total**  
154 partners

For example ... India

25 years of TPI and GEPA – together with TPI, Naturland and GEPA established the first organic tea plantation in Darjeeling. Now, there is a High School in Samabeong that was created on the people's own initiative. In the meantime, the first graduates have achieved their university degree and are able to support their families in the mountains.



For example ... Indonesia

With fair salaries and comprehensive social insurance, the GEPA partner Wax Industri in Indonesia shows how fair candle production can work out in Asia: "It is comforting to know that there is a health insurance for me and my family in case of an emergency," says Sumiati, one out of 140 employees at Wax Industri.

# GEPA – nationally and internationally



## The new guarantee system of the World Fair Trade Organization – WFTO confirms GEPA as internationally acknowledged Fair Trade organisation.

In 2014/2015 GEPA went through the new system and passed it successfully! The ten WFTO principals of Fair Trade apply both within the organisation and for the cooperation with trading partners. One part of the guarantee system is an internal self-assessment in form of a questionnaire. 25 percent of the GEPA staff participated in this self-assessment. Trading partner organisations are also visited in the context of the external audits. The special thing about the WFTO guarantee system: In comparison to the pure product certifications, it certifies its members that the whole organisation and its actions are fair!

## Fix part in GEPA's annual plan: a workshop with trading partners on current topics

Every year, on the occasion of the BIOFACH fair, GEPA invites the present trading partners to a workshop on current topics. In February 2015, we met to discuss the topic "Climate change and the consequences for producer organisations in Fair Trade". Representatives of producer groups and other invited guests outlined their experiences.

The most important conclusions were:

- Climate change affects us all and everyone is daily required to contribute to climate protection.
- Especially young people should be motivated to protect the climate by means of social networks.
- "There is no right life in the wrong one", that is, only a general rethinking and acting regarding our life and consumption patterns and our economic system can bring change.

## Fair Trade is again more into politics

Sales figures in Fair Trade are still booming, in 2015 more than one billion euros were spent on fairly-traded goods in Germany!! But this represents not even one percent of the total expenditures for groceries. Thus, it is increasingly clear that we, as a Fair Trade movement, can only achieve real structural changes in world trade in interaction with political frameworks. In order to promote that interaction, the Forum Fair Trade and World Shop Federation started the campaign "MENSCH.MACHT.HANDEL.FAIR." (MAN MAKES TRADE FAIR)

In 2015, the emphasis was the claim for the federal government to stipulate the binding compliance with labour and human rights in the supply chains of German entrepreneurs. In the future, GEPA will also get involved with staff in political work and integrate a political position in the company.



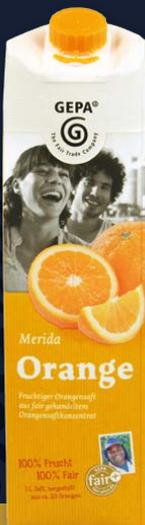
## From the orange to juice: fair & distinctive

### Transparent supply chain for the GEPA orange juice

Since the summer 2015 we can produce GEPA orange juice without mass balance: The oranges are not mixed during processing. We specifically seek processors that can process fair raw materials separately from other materials. Thus, in our GEPA orange juice there are only oranges that were harvested by members of GEPA's Brazilian partner cooperative COOPEALNOR. This implies great logistical efforts:

The plant that is used to process the oranges in order to produce concentrate, for example, is used exclusively for these fair oranges for one day. See for yourself, where our orange juice comes from:

[www.gepa.de/orangefilm](http://www.gepa.de/orangefilm)



# 40 Years of GEPA: FAIR+... starts with a



## Birthday greetings from the whole world for our 40th anniversary

For our 40th birthday, many trading partners, processors, service providers, customers and fellow campaigners congratulated us in Fair Trade networks by means of photo or video messages! On the photo above there is Ma's Tropical Foods – our partner for coconut milk. The anniversary campaign "40 years – Good Wishes" started with the wishes of Elizabeth C. Mondejar, export manager of GEPA's partner ATC, and Adriana Salvador Perez from the coffee cooperative FIECH at the BIOFACH fair. "Congratulations! I wish you more products and more years in Fair Trade," Elizabeth Mondejar wrote onto her wish flag for GEPA.



### Start of the anniversary year at BIOFACH in Nuremberg

The kick-off for the anniversary year 2015 was the press conference at the international BIOFACH fair in Nuremberg. From the left: Robin Roth, former managing director partner of GEPA, Products, Marketing; Adriana Salvador Perez, Export manager of the Mexican coffee cooperative FIECH; Matthias Kroth, commercial managing director of GEPA; Elizabeth C. Mondejar, export manager of the Philippine sugar cultivation organisation Alter Trade Corporation (ATC) as well as Thomas Speck, until March 2015 GEPA managing director Sales.



### Celebration World Shops: A movement celebrates

More than 350 volunteers from world shops and action groups from North Rhine-Westphalia attended the festivity in the Regional Fair Trade Centre of GEPA on the occasion of the joint anniversary of GEPA and the World Shop's Federation. It was a great opportunity to look back and simultaneously into the future.



## GEPA anniversary festivity

Colourful flags on the occasion of the festivities: People interested in GEPA, fans and consumers could send their wishes to GEPA on the internet during the anniversary year 2015. On digital flags on the internet and real flags in GEPA's garden they inspire us for the future. This is how we demonstrate that customer feedback is important to us. Click through the digital flags under:

[www.gepa.de/40-Jahre-Gute-Wuensche](http://www.gepa.de/40-Jahre-Gute-Wuensche)



### Congratulators

from all over the world  
We thank you from the heart for the many good wishes, motivating words and inspiring ideas for GEPA's 40th anniversary. Under [www.gepa.de/40-jahre](http://www.gepa.de/40-jahre) you can see, who wrote to us.

# 40 Years of GEPA: FAIR+... starts with a



## Ceremonial unveiling of GEPA sculpture

Ceremonial unveiling: The sculpture makes the anniversary's motto "FAIR+ starts with a G!" tangible and experienceable. The sculpture that is almost three metres high with i.a. photos of trading partners was an attraction and awoke the guests' curiosity.



### Open Day at GEPA

The former German international and "Europe's footballer of the year 2015" Celia Šašić is a GEPA ambassador and gladly supports Fair Trade: "The chocolate immediately tastes much, much better, if you know that the producers, who worked for it, have received fair remuneration." Her favourite GEPA chocolate is the White Mascobado.



### Panel discussion with Vandana Shiva and Sven Giegold

At the anniversary event of the World Shops Federation and GEPA in Berlin, the participants discussed the topic "Make trade fairer – how far does Fair Trade and the consumers' power reach?" Vandana Shiva, awardee of the Alternative Nobel Prize and founder of the Navdanya Foundation, from which GEPA acquires its organic basmati rice, was present on the stage. "Fair Trade holds up a mirror to unfair trade, because it proves that things do work out differently."



## Long-standing cooperation: GEPA, TPI and Naturland at BIOFACH

In the evening, we celebrated with our long-standing partner Naturland and TPI: With Binod Mohan (2nd from left) and his socially-committed company we have been trading for more than 25 years. We were awarded with a "Certificate of honour for the 40th anniversary" by Naturland and for "28 years of cooperation". Here with the former GEPA managing director Robin Roth (left), Naturland managing director Steffen Reese (2nd from right) and Thomas Speck (right), until march 2015 GEPA managing director.

# GEPA: Fair Trade and climate change



## Improved CO<sub>2</sub> balance

In 2015 we had our CO<sub>2</sub> footprint measured for the second time: According to the measurement GEPA caused 1,872 tonnes of CO<sub>2</sub> in the business year 2013/2014 – approximately three percent less compared to the first measurement. Since the last measurement we have optimized our processes, e.g. we send our parcels with DHL-GoGreen and offer staff a Job bicycle programme. For domestic trips, GEPA prefers railway as a means of transport and a JobTicket for GEPA staff is an incentive to use regional public transport. Beyond that we are already using eco-friendly methods i.a. container shipping by sea, green energy and combined heat and power plant.

The transport of goods continues to be the largest emission source of GEPA with 73 percent. This is not surprising for a wholesale company: Distribution and shipping are our main activities.



Get your bikes: GEPA promotes cycling with the job bicycle programme..

### Coffee Plants and trees to provide shade in Mexico

*Additionally, we support our coffee partner Yeni Navan in Mexico with 42,000 US dollars extra benefits for the renewal of coffee plants and trees that provide shade – a contribution to climate protection, too.*



*“We are already looking forward to harvesting for the first time! Our children will then be able to have fruit every day, but we don’t have to buy it at expensive prices.”*



Berdandino Ferrer

## Climate protection as equals: Reforestation project with sugar partner ATC

Together with our trading partner Alter Trade Corporation (ATC) on the Philippines we are, thus, implementing a reforestation project. Fruit trees will also be planted on that occasion. That does not only protect the environment, but soon the sugar farmers will also benefit from those trees. Until the end of 2015, we already planted 19,996 trees. The next 4 years have already been confirmed. 46,660 trees are planned!

More information:  
[www.gepa.de/klimaschutz](http://www.gepa.de/klimaschutz)

# More figures ...

**101.954**

Shipping orders from the GEPA central warehouse, that is 11.5% more than in 2014

**274.000**

Visits at [gepa.de](http://gepa.de), an increase by 12% compared to the previous year

More than **1000** guest at the festivities of the World Shops' Federation and GEPA:

The joint "anniversary tour" comprised events in **6** towns in **6** weeks

**165**

GEPA staff members, thereof: 117 full-time, 38 part-time

**30.847**

Facebook Followers

**19.996**

trees were planted thanks to the joint reforestation project at our partner ATC on the Philippines

**30** trade fairs

More than **30.000** Euros of donations for our trading partners in Nepal on the occasion of the earthquake

**10** apprentices

**2.300**

Consumer and school inquiries, 10 % more than in 2014

**1.300**

"Good wishes" for our anniversary



## For example ... Africa

Fair Trade is more than just buying raw material, but living partnership. We support KONAFSCOOP in Cameroon together with Naturland and Brot für die Welt in their objective to change to organic farming.



**1**

corporate objective:  
*Fair Trade*



## The anniversary campaign "40 years – good wishes"

1,300 wishes of great scope: "To the next 100 years! With even more cool fair GEPA products!" or "may the world develop such that fair trade is normal."

Concrete product wishes: "Please combine more often fair trade with regional organic ingredients like milk, flour and butter in your products in future."

"I would like even more high-quality tasty vegan products – especially chocolate!"

Most of the wishes were future-oriented, global and political:

"I wish GEPA the political weight to help shape global free trade ecologically and fairly!"

"Fair trade stands for life quality!"

"I wish for more people to buy your products and deal with the topic Fair Trade!"



### Product Awards

#### 09/2015 ÖKO-TEST

Organic Cocoba hazelnut spread: Upgraded with "very good"

#### 09/2015 ÖKO-TEST

Organic black tea Assam: "very good"

#### 10/2015 Stiftung Warentest

Green Tea Ceylon: "good"

#### PAR Weinpreis

South Africa 2015 "Silver" and "Gold"

### 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



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