



Global Farmers Market

GEBANA SUPPLIERS' SUSTAINABILITY REPORT

2023

GEBANA GROUP

WE WANT TO DOUBLE OUR IMPACT.

gebana's promise for 2023, our anniversary year

Watch our video to find out
how gebana makes a difference.
www.gebana.com/impact



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Illustration: Jules Guérin, julesguer.in.tv

TIME TO DESIGN THE FUTURE

After being hit by a major storm in the 2022 financial year, 2023 was the year we assessed and repaired the damage. It has been an exhausting job. However, it has also enabled us to create a more stable base for the future. .

From inflation and frustration to unbridled motivation

We started with the sale of our majority stake in gebana Brazil (we still hold 30 per cent) at the beginning of 2023. It resulted in a positive balance sheet stabilisation for the group. Moreover, this sale allowed us to prove once again that building up supply chains and making them independent is a strategy that works. Like gebana, *Anders Invest*, the new majority shareholder of gebana Brazil, is taking an alternative approach to investing: for the long term and the benefit of family farmers and the environment.

Nevertheless, there was still work to be done. Due to the organic market crisis in mid-2022 and high inflation, consumers were increasingly turning away from organic products. However, not supporting the family farmers in Burkina Faso was not an option. That's why we decided to buy the agreed quantities anyway, and successfully sold them in 2023. Moreover, the impact of inflation on our operations resulted in a massive increase in expenditures on transport, logistics and packaging.

Despite this fact, gebana Trade achieved a record result with a jump in revenue of 30.8 per cent to €19.2 million, thanks to a combination of high stock levels from the previous year and an aggressive sales strategy in a persistently difficult environment.

The combination of falling inventories and rising sales contracts at the end of the year indicates an upward trend for 2024.

Greater impact despite loss

In 2023, the gebana group reported a slight loss. Of course, we could have cancelled the distribution of premiums from the gebana model, where 10 per cent of the sales price from our online shop goes back to the family farmers. But it was out of the question. Making a positive impact in the countries of origin of our products and transforming the way we trade for the benefit of family farmers, the local economy and the environment is at the heart of our vision.

Despite the crisis, we have once again significantly increased our measurable impact in the past year, with more family farmers, and the highest amount of premiums in our history. Another milestone in our development is the new factory in Burkina Faso, in which we are still investing: it will more than double our capacity for dried mango and cashew. The construction is progressing apace and the first buildings are already taking shape. We expect to process the first cashews in November 2024.

So, what about the future of gebana? Last year, we celebrated our 25th anniversary as a company and the 50th anniversary of the *Banana Women*. On this occasion, we announced our intention to double our impact! This means an additional 11'000 family farmers being able to sell their produce, 850 new jobs, the conversion of 43'600 hectares of land to organic farming and an additional €1.6 million in premiums per year. Our expertise, the expansion of our business model and the support of our partners and customers will enable us to achieve this goal.

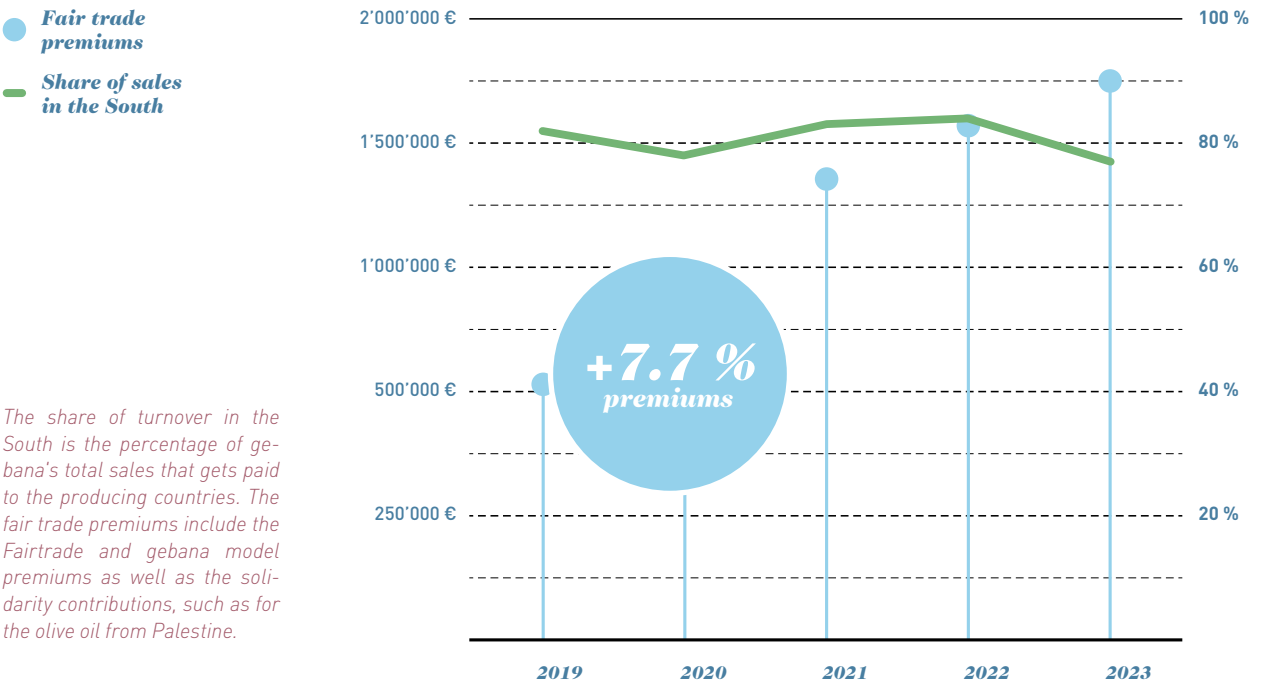
For a more comprehensive insight, take a look at our annual report. You can find it www.gebana.com/annualreport2023.

gebana Group KPIs

Revenue sharing and premiums

gebana is not just a trader: it is a committed company with its own integrated supply chains. We have subsidiaries in Burkina Faso and Togo - and until recently, in Brazil. The financial figures are consolidated for gebana AG, the holding company in Switzerland, gebana Trade, the wholesale company in the Netherlands, gebana Togo as well as gebana Burkina Faso.

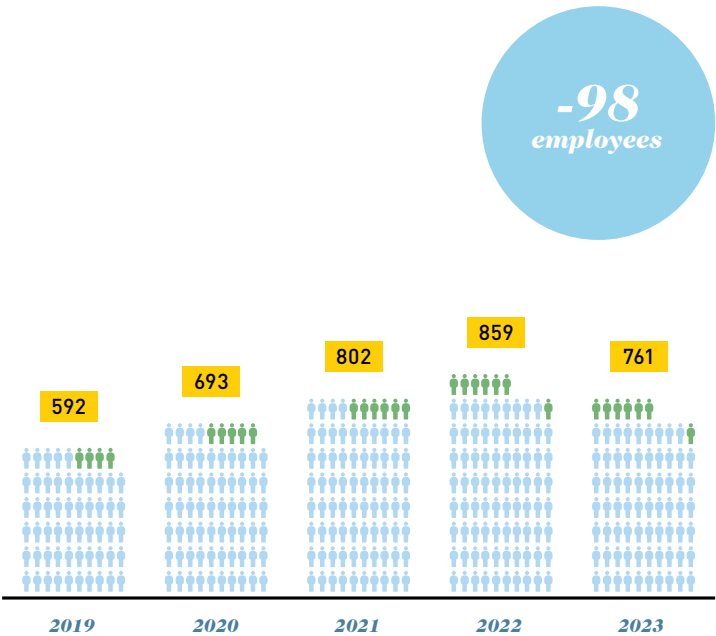
One of our key performance indicators monitors the proportion of sales generated by our companies in the South. Our share of sales in the South decreased slightly to 77 % due to the sale of gebana Brazil. The premiums paid to farmers, including our gebana model payments, fair trade premiums and solidarity premiums increased again by 7.7 % and totalled €1,764,455.



In 2023, we collaborated with Fairtrade International and Max Havelaar to calculate a Living Income Reference Price, LIRP for short, for cocoa and cashews for the first time. This price means that family farmers can make a good living from selling their produce and have a secure future. Our aim is to establish this price in the market and motivate our wholesale customers to pay it as well.

Jobs gebana Group

Worldwide, almost 800 gebana employees work every day to make global trade fairer and more sustainable. They make a significant contribution to the success of the gebana system.



Jobs in the South
Jobs in the North

Due to lower production in Burkina Faso, we hired fewer seasonal workers than in the previous year. In addition, the 69 employees of gebana Brazil have been removed for 2023.

Investments and risks in the South

Due to the sale of gebana Brazil, only 39 % of our assets are in the South. But with the progress of our new factory in Burkina Faso, this share will increase again.

In 2023, we made great progress on the construction of “Belle Usine”, our factory in Burkina Faso. The budget for this project is €11.3 million, making it the largest investment we have ever made. A considerable portion of this sum was already channelled into purchasing land in 2022. In 2023, we invested €2.1 million in construction and ordered machines.

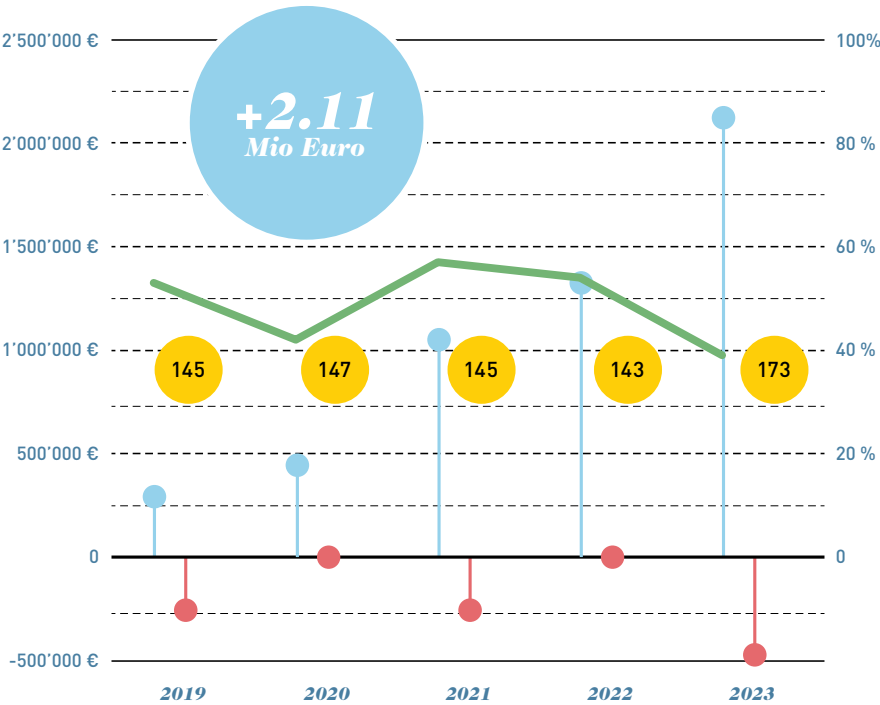
These 2.1 million illustrate our consistent commitment, even in difficult times. In addition to the factory, we have invested primarily in our new web shop. Elsewhere, we have deliberately kept our investment activity to a minimum.

We invested a total of €3.0 million last year, 68 per cent of which was invested in the South. 39 per cent of our total assets are located in Burkina Faso and Togo.

- New investments in the South in €
- Absorbed losses in the South in €
- Share of investments in the South as % of the balance sheet
- Average ranking of countries in GDP per capita*

*Countries where gebana has invested ranked by GDP per capita (according to IMF)

The investments referred to here are the fixed assets invested in the South. They are calculated as a percentage of the total assets. Absorbed losses are calculated as restructuring, write-offs and gifts to companies in the South.



SUPPLIERS

GEBANA SUPPLIERS FOCUS ON IMPROVING WORKERS' WAGES AND FARMERS' YIELDS.



Goal

22'000

FAMILY FARMERS



2023

13'388

FAMILY FARMERS



We currently work directly with 13'388 family farmers. Our target is 22'000 family farmers, which is double the number at the beginning of the anniversary year.

In 2023, gebana Trade has worked with around 35 suppliers. The most important however being our integrated supply chains. 52 % of the annual sales turnover of gebana Trade was done with 5 suppliers only, namely with the products from our daughter companies or from our strategic partners that sell almost all their annual production via gebana BV.

The environment and organic production are at the heart of our focus: 96 % of the sales turnover of gebana BV was done with organically certified products.

gebana Trade tries to treat all its suppliers in a fair way and strives for long term commitments and support. In 2023, 32 % of our sales volume was certified Fairtrade by Flocert.

We would like to take this opportunity to inform you on the latest achievements of our most important partners.

gebana Burkina Faso accompanied approx. 263 additional organic farmers on their journeys to organic certification and now works with over 4,600 organic certified mango and cashew smallholders.

South Organic has been supplying us with fruits since 2003, when we helped start the company up. At the time, it was one of the pioneers of organic farming in Tunisia. For our main supplier for dates, 2022 was challenging due to mite attacks in the palm groves, caused by climate change and drought. And so, the crisis became an opportunity to reinforce sustainable farming. South Organic has overcome this tough phase and turned it into an opportunity despite financial

difficulties. In 2023, the company raised environmental awareness and introduced conventional date growers to sustainable farming methods.

The cooperative Coopavam have been supplying us with Brazil nuts from the rainforest since 2020. Based in Juruena, in the Brazilian state of Mato Grosso, the company is the latest to join the gebana model (2022). Their Brazil nuts are collected in protected forest reserves in the Amazon, mostly by indigenous people and help keep forests intact.

Research and consulting expenses

As in previous years, we invested more in training our farmers and promoting better farming techniques. Especially in Togo, where our investments increased by a third.



● Family farmers
— Average farm size

The lower average farm size is due to the discontinuation of gebana Brazil. Each of the few producers in Brazil cultivates a very large area of land compared to those in Burkina Faso, Togo and Greece.

Project South

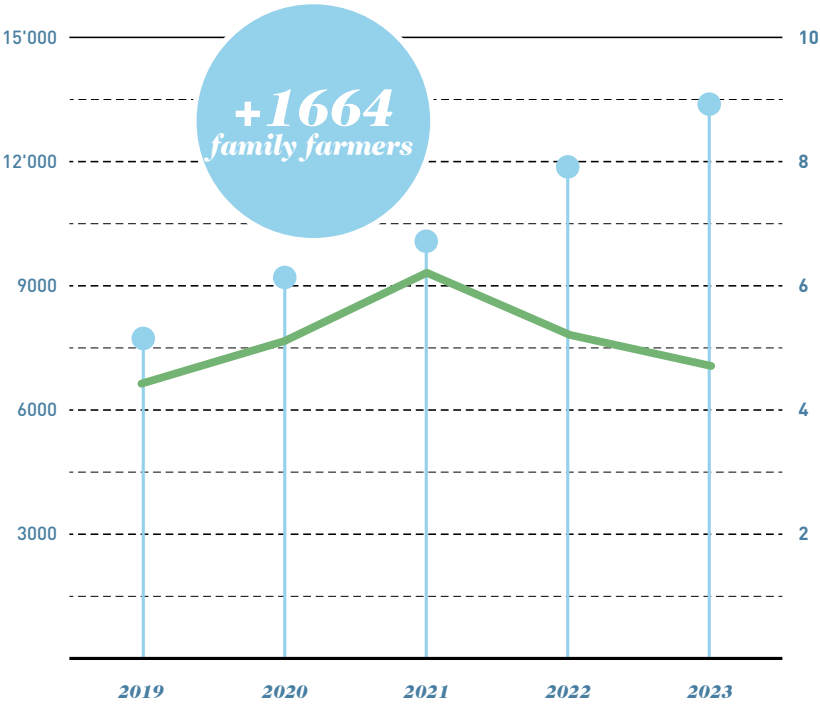
In 2023, a major and ongoing focus of our projects in the South was in the expansion of the dynamic agroforestry approach. We converted a total of 228 cashew and cocoa plots in Togo and Burkina Faso to dynamic agroforestry and planted 180'000 seedlings with the family farmers. We also organized 533 training courses on organic farming, which were attended by 10'095 farmers in total.

In Togo, we distributed 18'000 plants to increase biodiversity and to improve soil quality, plant health as well as resilience of the growers. Distributed species included maize, beans, citrus, banana, and many more. Besides the ongoing training of farmers in good agricultural practices, we continued to develop our digital farmer database tool.

One of our projects focused on studying good and environmentally sound technologies for the cashew factory in Burkina Faso. We are grateful that we can count on third-party co-funding for some of these projects, namely from some of our valued B2B partners, and in other cases from development organizations.

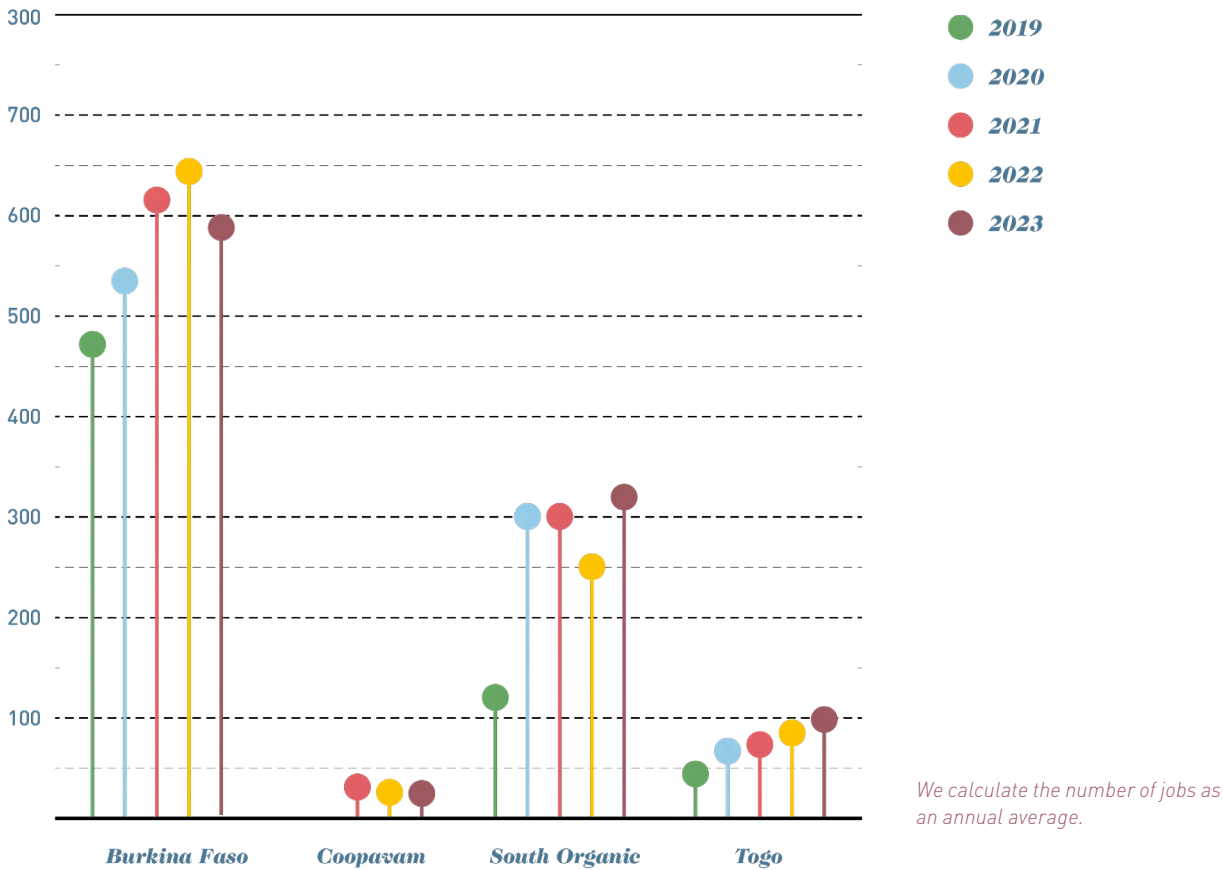
Family farmers and farm size

Working towards our goal of doubling the number of farmers we work with directly, we had 1,664 more farmers in 2023, mostly in Togo.



Jobs per supplier

In 2023, gebana Togo and South Organic employed more people, while Coopavam kept its staff stable. In Burkina Faso, fewer seasonal workers were hired due to a lower production volume.



Premiums per supplier

The 2023 Fairtrade premiums paid by our most important suppliers totalled €267,525, which is slightly less than last year due to not counting gebana Brazil anymore.

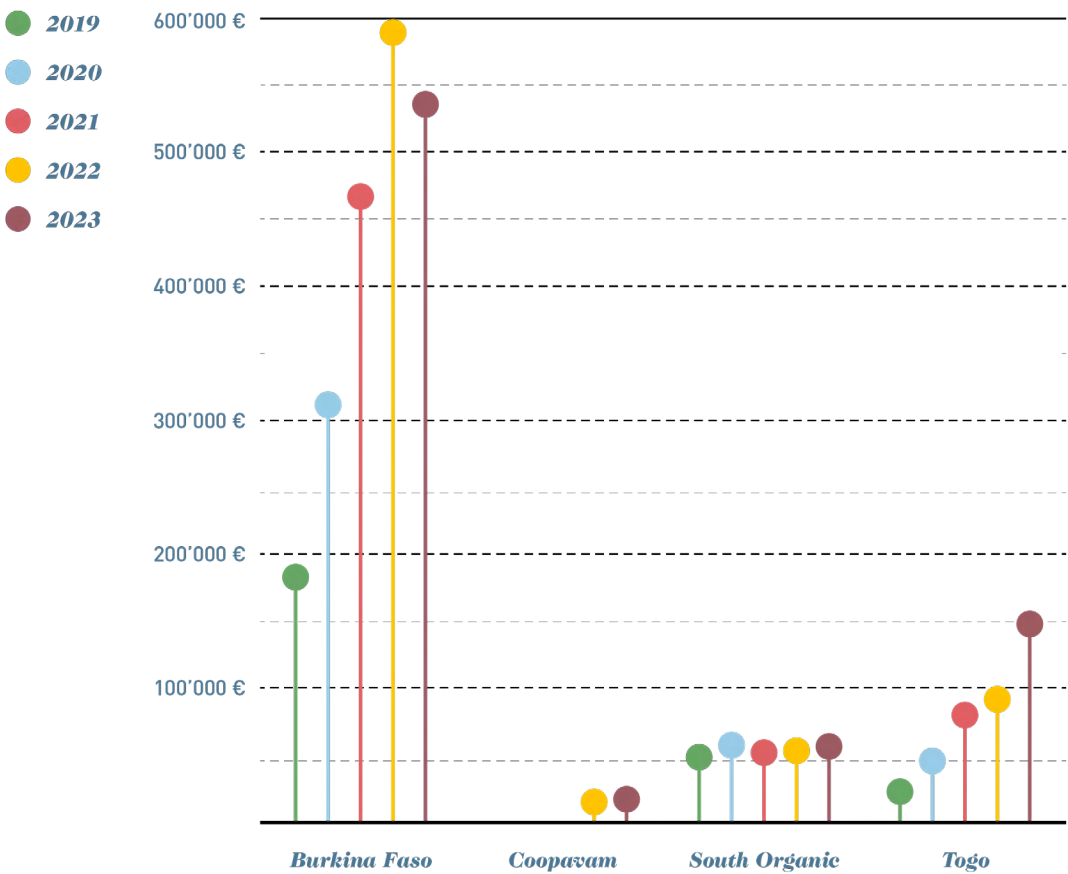
In Burkina Faso, FLO premiums reached €189,124 and financed construction of multiple warehouses, electronical equipment for the co-operatives administration, and maintenance costs. Additionally, 3,647 family farmers received €346,500 as part of the gebana model which was 10 % more than in 2022.

In Togo, FLO premiums with a total of €22,368 went towards buying small equipment, growing nurseries and covered some of the administrative costs of the cooperatives. Additionally, 1,610 cocoa pro

ducers received total of €126,392 as part of the gebana model. This is double the 2022 gebana model premium amount.

The FLO premiums in Tunisia totalled €56,033. Part of Coopavam’s collectors are newly certified FLO and will receive their first premiums this year. In 2023, 183 collectors received €17,579 as gebana model premiums.

Total premiums (FLO & gebana model) per supplier



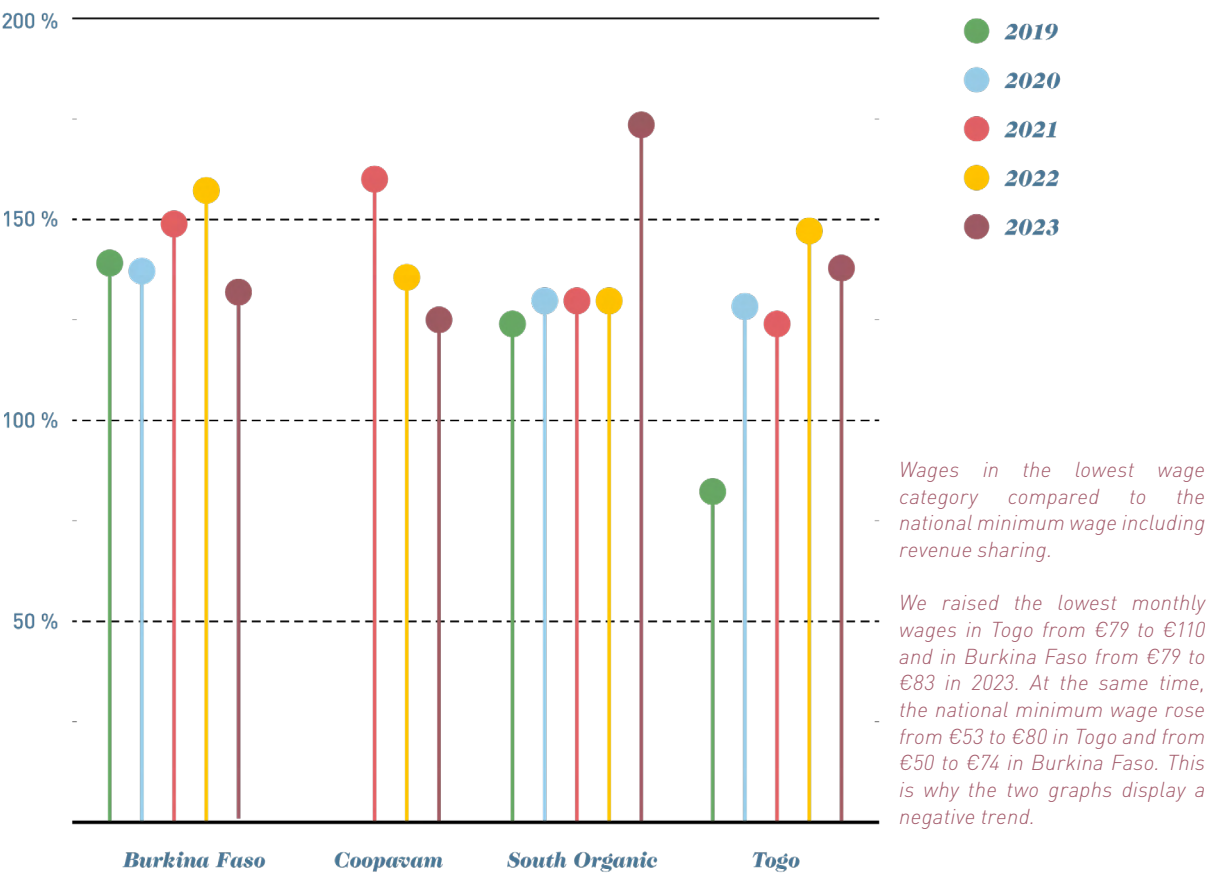
Living income

Igebana is committed to paying family farmers a fair wage. By sharing our revenue with the family farmers – 10 per cent of the sales price paid back as part of the gebana model – we can provide them with a higher income. For our key products, cashews and cocoa, we asked Fairtrade International to calculate a Living Income Reference Price (LIRP) in 2023. Mango is to follow in 2024. We are now working on closing the remaining gap between the prices actually paid and a LIRP. We allocate additional premiums as part of the gebana model and provide farming support and training

to increase yields. Furthermore, we are partnering with our B2B customers to pay a Living Income price or to enable a living income through additional premiums.

Wages and working conditions

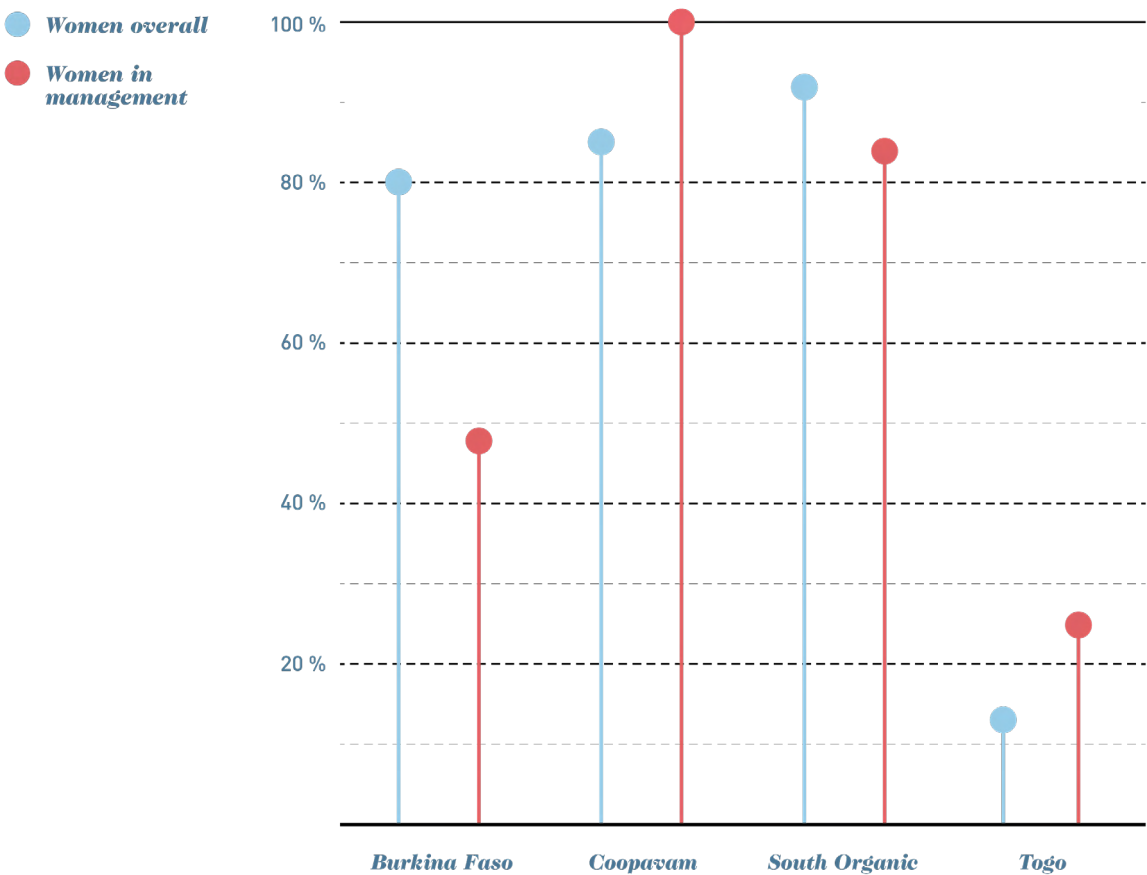
gebana always pays its employees in the Global South at least 15 per cent more than the locally applicable minimum wage. In 2023, the national minimum wages in Burkina Faso and Togo increased by 47 % and 50 % respectively. The wages of the lowest wage category at gebana Togo and gebana Burkina Faso increased again in 2023. But due to the steep increase in the minimum wage, gebana paid slightly less above the minimum wage in 2023 (38 % above minimum wage in Togo and 32 % in Burkina Faso) than the previous year.



Occupational safety at our subsidiaries is a priority for us. We make ongoing efforts to improve the working environment.

Jobs by gender

The share of female employees in gebana subsidiaries is above 50 % in all countries except Togo. Additionally, we aim at equal representation of women in management and achieved that in Burkina Faso in 2023. Coopavam and South Organic have very high involvement of women at all levels.



OUTLOOK

BOLSTERED BY OUR EVENTFUL HISTORY, WE MOVE FORWARD WITH COURAGE.



We expect the market crisis to subside in 2024 and our growth to develop in a positive direction. The most visible component of our growth strategy is La Belle Usine in Bobo-Dioulasso. With the anticipated opening of the factory, we will be in a position to increase our impact and purchase bigger volumes from even more family farmers.

We continuously strive to become more efficient – in the Netherlands, gebana Trade will introduce a new ERP system in 2024. At the same time, we are preparing for the major regulatory changes that the EU will introduce on 1 January 2025 with the Deforestation Regulation and the amended organic certification guidelines. The latter in particular will significantly increase the administrative burden for producers in the Global South.

We will assist smallholder farmers with these complicated, bureaucratic processes to ensure that they do not lose access to the European market.

Regarding the Deforestation Regulation, gebana Togo is integrating an additional layer of information into our gebana-wide digital farmer registration tool. This will enable us to identify any deforestation risks and provide the required proof for the EU authorities.

As promised in 2023, we want to double our impact. The factory in Burkina Faso, the growth in hopefully all gebanas, our various projects and the further expansion of the gebana model to include even more suppliers will bring us a lot closer to this goal.