



CONITENII

SUSTAINABILITY REPORT 2018

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'WE DO FRUIT. ACTUALLY WEDOA LOT MORE THAN FRUIT. WE TRY TO DO GOOD THROUGH FRUIT '



TO AGROFAIR'S VALUED CUSTOMERS AND PARTNERS,

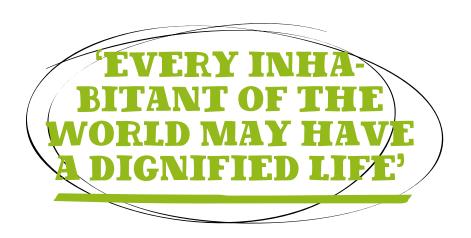
We are very pleased to present this fourth edition of our Annual Sustainability Report. We hope that a little pride is justified because we are so convinced that this type of sustainable information is vital. It is vital because the fruit and vegetable sector has a major impact on sustainability and as we are also in a position to make a real difference.

lowly but surely, things are moving in the right direction: more and more large fruit and vegetable companies are beginning to understand the importance of sustainability. Many of them have now signed up to the Sustainability Initiative Fresh Fruit and Vegetables (SIFAV) Sustainability Covenant, pledging to buy nothing but sustainable fruit and vegetables by the year 2020. In early 2018, the average score in the sector was around the 70% mark. (By the way, AgroFair already achieved a score of more than 99% in 2016!)

Although this is good news, there is also criticism. In these global agreements the definition of the term sustainability is often narrow, it is said to favour certain types of producers and to be aimed at gaining market share instead of true social and environmental change for the better.¹

We at AgroFair have worked the fields for a long time. As Fairtrade pioneers we don't need to argue the importance of certification, but are also aware that there are serious opportunities to increase sustainability beyond the marketing of certified products. Real sustainable trade does not stop at the signing of a covenant!

'SUSTAINABLE TRADE DOES NOT STOP AT THE SIGNING OF A COVENANT!'



Recent Swedish research found that, contrary to what we banana people had hoped and expected, Rainforest Alliance certified banana plantations in Costa Rica scored no better on diversity of birds and insects than non-certified plantations.² Luckily, there was some good news too: voluntary certification of small producers of tropical products is proving to be beneficial in other respects, such as increased income and environmental protection.³ However, studies like these go to show that we should never rest on our hands once the ink on the international covenants is dry: without careful monitoring and calibration of results we may not achieve what we set out for.

'CARING FOR OUR PLANET IS A JOINT INTEREST, SHARING OF INFORMATION IS INDISPENSABLE'

Since caring for our planet is a joint interest, sharing of information is indispensable. We may all mean well, but no one is going to manage this job on their own and a helicopter view of the field is sorely needed. Information is key. As pioneers of the trade, we believe that we owe it to our position to take this issue very seriously indeed. We want to lead the troops in going beyond mere certification. If we are going to do this together, all of our stakeholders need to have access to the same, systematic information. We are taking an active step towards that goal: the report that you are holding represents the start of this effort. The information in this report runs from January till December 2017, some of the project information may be of more recent date. For the sake of uniformity, from now on we are shaping our sustainability reporting on the basis of the Global Reporting Initiative (GRI) quidelines, representing the sustainability performance of our entire supply chain.

As a business we may be small, but why would that stop us from being ambitious? You can never be too small to have an influence - as anyone who has ever had a mosquito in their bedroom may testify. Why not aim for the highest and cast an unabashed eye onto the Sustainable Development Goals adopted by the United Nations in 2015. The UN has formulated seventeen specific goals to be achieved by the world community in 2030. These goals are far from modest; they dare us to accomplish that every inhabitant of the world may have a dignified life, that no one be left behind and that the environment and natural resources may be preserved for future generations. An explicit call goes out to businesses, with their capacity to create jobs and offer creative products and services, to play an active role in creating shared value for shareholders and society at large. We want to believe it could be done. It could be done if value is shared fairly and costs are not passed on unilaterally to vulnerable small producers and farm workers. It could be done if the natural environment and our climate are not weighed down with the unpaid bills of those that look away.

We hope to inform, inspire and encourage you: join us in making your contribution to the sustainability of the world. Fruit&Veg are as good a place to start as any!

Hans-Willem van der Waal Managing director AgroFair

^{*} references related to this article can be found on page 66.

INTRODUCTION



This report means to fill you in on what we do, and why we do it the way we do.

e do fruit. Actually we do a lot more than fruit: we try to do good through fruit. And we do this together with a number of associated companies. Essentially, we work at chains, because to produce wonderful fruit and just let it sit there is not a very satisfying business model. If we are going to make a change, we need healthy proceeds. If we need proceeds, we need to get the fruit to where it makes money. So we need chains. By necessity, that is our primary point of interest: the development and management of sustainable trade chains of tropical fruits. Main links in this chain are the import of the fruit from the producing countries and the marketing and sales of these products to the retailers at our end of the world.

FRUIT FOR THOUGHT

We once started out as pioneers in the fair-trade industry. Today we are proud market leaders in fair and sustainable tropical fruit and fruit-related products. What sets us apart is our dedication do this in an inclusive way: we put special emphasis on small producers and plantation workers. We join these businesses in a contract: they are introduced to fair, responsible, social, environmental and economic standards, allowing them to boost labour and living conditions locally and to participate in a global effort to protect our planet. In return they participate in the governance and share capital of our company. If that sounds ambitious, how about this: we are looking to bring balance & harmony. Balancing production with the surrounding ecosystems, leading to better livelihoods for producers and their employees, bringing harmony all around. We dare to dream. Why wouldn't we?

If you'll excuse the pun: our chains bear fruit! We provide the consumer with wonderful tropical fruits that are produced fairly and in an ecological and sustainable manner. A focus on the healthiest of fruits, combined with a healthy sense of business. Being green does not mean being boring! We are always looking to combine innovations in logistics and sustainable and inclusive production processes with fresh marketing concepts, bringing our personal shot of vitamins to inspire the entire industry.

THE FRUIT OF OUR LABOUR: OUR BRANDS

Our Oké and Organic Oké brands are more than okay, they represent our strong commitment to the planet and its people and to fair trade prices. As a proof of that, both brands have been crowned with the Max Havelaar Quality Label, certifying that the production of these fruits complies with the highest social and environmental standards. On top of that, our EkoOké line of produce is also certified organic.

Let us provide you with some more detailed information of our company's structure. The apple's core, so to speak...

WE ARE VERY PROUD OF OUR TWO BRANDS OF FRUIT:



SHARE, SHARE, SHARE

AgroFair is a private company with limited responsibility according to Dutch Law. Our producers are participants in the company. We believe that joint ownership contributes to our goal of empowering producers and creating cooperation throughout the fruit chain. Our shareholders join us in this vision. Our shares are divided between the Cooperative of Producers of AgroFair (CPAF) and a number of ethical investors.

Producers not only partake in the benefits of the company, they also have a say in the company's policy at the General Assembly of Shareholders. Regular meetings between AgroFair and the producers, bringing numerous operational and strategic issues to the table, are a matter of course.

MEET OUR SHAREHOLDERS:

• COOPERATIVE OF PRODUCERS OF AGROFAIR: CPAF

After one year of supplying products to AgroFair, or after one complete season of supply, all Fairtrade certified producer organisations may apply for membership of the CPAF. The Cooperative works at sharing knowledge and expertise among its members and represents them at the Assembly of Shareholders of AgroFair. Dividend distribution within the Cooperative is based on the value of the fruit delivered to AgroFair. Voting power in the cooperative has a dual base. It is calculated by the average fruit value per producer plus a vote according to the 'one man one vote' principle. This approach aims to ensure democracy and to protect producers who supply smaller volumes.

• EL GUABO

Our direct shareholder El Guabo is an Ecuadorian association of small banana producers. El Guabo bananas are produced in an environmentally, socially and economically sustainable manner under Fairtrade conditions. In 2017, over 130 banana producers were members of the association, providing fulltime employment to 350 families and part-time jobs to another 700 families.

• INVERSIONES VIVA

Inversiones Viva is an investment company that promotes a more sustainable development model in Latin America.

• BENTA, GMNG WORLDWIDE, PHOBOS AND PEOPLE PLANET PROFIT

Four Dutch investment companies with a pioneering vision. With their investments they aim to support long-term objectives that benefit society as a whole.

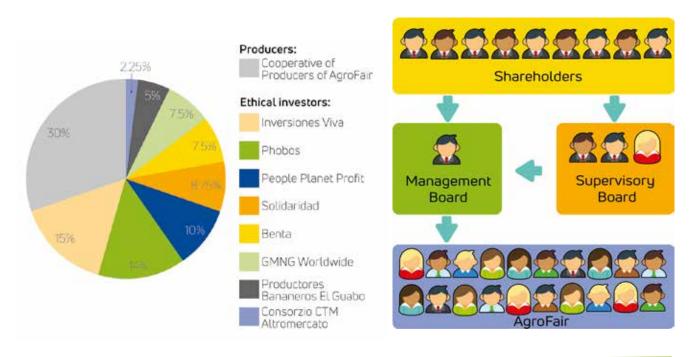
SOLIDARIDAD

The Solidaridad Foundation, a founder of AgroFair, aims to support organisations in developing countries that work to combat poverty.

• CONSORZIO CTM ALTROMERCATO

Cooperazione Terzo Mondo (CTM) is a consortium of World Shops in Italy. It functions as a selling point for its partner, a democratical organisation of small producers, offering the growers an equal business relationship, support and cooperation and steady incomes.

THE CURRENT DISTRIBUTION OF SHARES



'OUR PRODUCERS ARE
PARTICIPANTS
IN THE COMPANY.
WE BELIEVE THAT
JOINT OWNERSHIP
CONTRIBUTES TO OUR
GOAL OF EMPOWERING
PRODUCERS'





















The banana farmer delivers the produce to the nearest packing station – in some cases via an intermediate collection point. After harvesting is complete, the fruit is washed, labelled and packaged at the packing station. During the packaging process, most production sites use box code labelling for tracking purposes.



During maritime transport, bananas are stored in large refrigerated containers.



Upon arrival in harbour, trucks take the bananas to our warehouse where the yellow gold (that is actually still green at this point) is unloaded and inspected by our quality control team to make sure they are top bananas that meet with our quality and health & safety requirements.



Next step: ripening. Using climate control and natural gasses, this can be done to the retailers' exact specifications in the countries of their final destination.



The final step of the supply chain is the logistics to retailers and finally to our end-user: the banana afficionado. A long trip, but the glorious fruit is definitely worth it!



DISCOVER MORE ABOUT OUR SUPPLY CHAIN AT: WWW.AGROFAIR.NL/SUPPLY-CHAIN/

BLACK SPOTS...

We are part of the agricultural chain, so the specific challenges of this sector obviously have our special interest. Intensive farming is a great concern: in pace with the rapidly growing world population, agriculture has been scaled up and intensified – this has led to larger yields per hectare but also to depletion of natural resources and an increase of pests. And scaled up or not: agriculture still depends for a large part on human hands. Sadly, since time immemorial and in every corner of the world, agricultural labour has been famously undervalued and underpaid. In that spirit, nowadays it is often done by migrant (seasonal) workers from countries in the region. Social issues like these remain high on our agenda.

While acutely aware that we cannot close our eyes to the problems the world faces, we also realise that we cannot make the difference by operating on our own. We believe in the power of the collective! It is essential for all parties in the chain to pull together. To be part of the solution, businesses must take responsibility. Not just for themselves, but also by encouraging or even obliging their partners in the chain to do the same.

The same goes for sustainability. It is not enough to put words on paper. When push comes to shove, we believe our sustainability policy can only be really effective when it is part of our daily routine. We aim for a mindset that is deeply embedded in our corporate DNA.

To a certain extent, the issues above are addressed in global certification standards like Fairtrade International (FLO) and EU Organic Certification. To AgroFair, these certifications are a starting point; a baseline to which all of our suppliers and partners must adhere. In this respect we also refer to the International Labour standards. But we like to do more. When reality demands it, we encourage and sometimes compel our partners to go the extra mile. We call this 'active sustainability'.

DO ONTO OTHERS... OUR BUSINESS PRINCIPLES

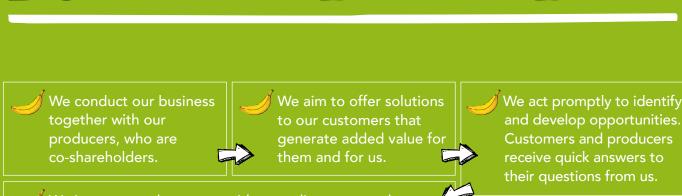
As a company it is important to define what behaviour and culture we want to promote: these are the core values of AgroFair. We do this by defining our business principles and offering practical guidance on how to conduct our business. These principles are not exhaustive but indicative: pointing our noses in the same direction.

'WE BELIEVE IN
THE POWER OF
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IT IS ESSENTIAL
FOR ALL PARTIES IN
THE CHAIN TO PULL
TOGETHER'





BUSINESS PRINCIPLES



We innovate and come up with appealing new products and services for our customers in order to satisfy consumer needs. We do not fear trying something new and are willing to take calculated risks.

We strive to keep our operational performance at a high level and



Honesty and reliability are our top priority.

We do not give or receive gifts (money, presents, entertainment) with the purpose or apparent purpose to oblige the recipient to provide something in return.

We are accountable towards our suppliers regarding the financial results from the sale of their products.

We treat the property and interests of AgroFair responsibly.



Our sustainable business philosophy revolves around "the 3P's": **People & Society, Planet & Ecology**, and **Profit & Economy.** These three aspects should be in balance with one another to guarantee a sound and sustainable business for the long term.



PEOPLE & SOCIETY

From the very beginning, AgroFair has been very serious about bringing a sustainable product to the market. As a pioneer in Fairtrade bananas – followed by other fruits - living and working conditions of the people who produce these fruits have been on top of our mind right from the start. In the producing countries, in respect to all goods we trade, we have objectively determined that the rights and interests of producers and employees are conclusively guaranteed. The relevant provisions of the ILO (International Labour Organization) conventions have to be conclusively guaranteed by adopting the international standards. The three P's also apply to our own company: our employees are the company and together we will determine the success of AgroFair. There is no place for discrimination and harassment within AgroFair. We strive for diversity in our work force. We promote the personal development of our employees, including training and coaching. We monitor the balance between work and private life. Achievements are properly rewarded.



PLANET & ECOLOGY

Care for people goes hand in hand with care for our planet: the sole source of everything we need in daily life. In the producing countries we strive to ensure that our products are manufactured under the highest possible standards of ecological responsibility. It is important for us to reduce pesticide and fertilizer use and minimise water and energy waste. Our goal is to be a leader in ecologically sound production. At home we strive to minimise the carbon footprint of our company.



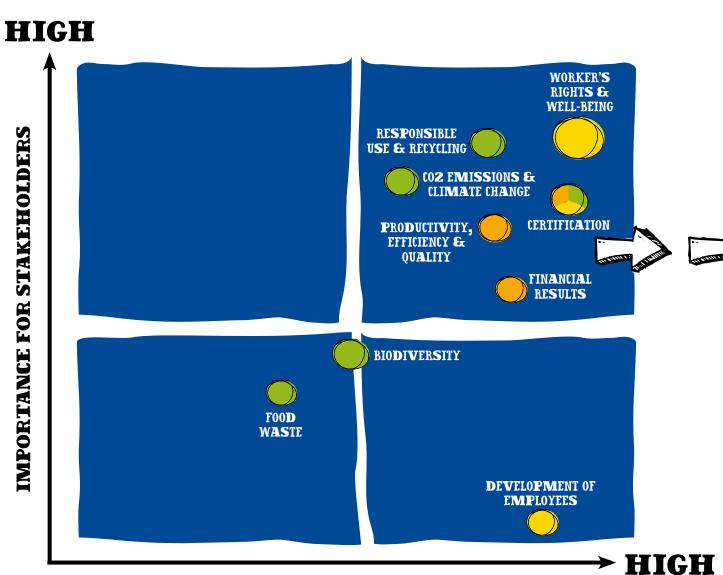
PROFIT & ECONOMY

To stay in business and continue our good work for the long term we need a sound financial result, making sure that we guarantee continuous efficiency and quality. Towards that goal we aim to achieve sustainable profitability.



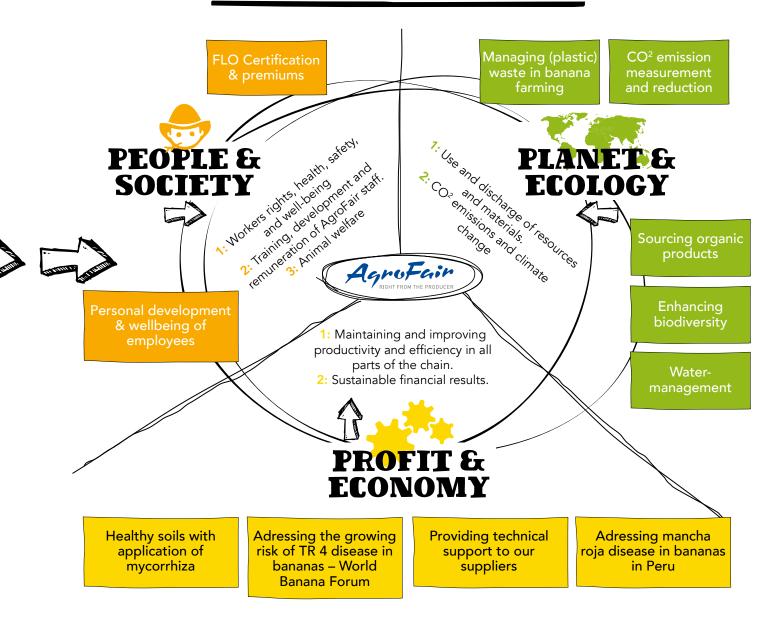
The overall structure of our sustainability policy is shown in the sustainability circle on the next page. For each of the areas People, Planet, Profit our focus themes are identified, along with specific working projects and goals. These principles will be discussed further in our report.

MATERIALITY MATRIX



LOW IMPORTANCE FOR AGROFAIR'S MANAGEMENT

PRINCIPLES & GOALS



THIS IS US. THESE ARE OUR GOALS, AND THIS IS THE PICTURE OF WHAT WE WILL CONTINUE TO BUILD. AND THAT IS NOT BANANA OIL.



At AgroFair, we have always been driven by a strong social and ecological commitment.

To us, that's the most natural thing in the world. And although most of the people and companies we work with hold similar views, we cannot automatically assume that our priorities are equal as well. In fact, because of the simple fact that we run different businesses and services, our priorities are bound to differ!

business partner whose main line of business is shipping, faces a different set of daily challenges than a banana farmer. Communication and cooperation will be much smoother – and therefore more effective!

- when we are aware of these differences in priorities. And that's where the materiality matrix comes in. The materiality matrix is a useful tool to show which topics are important to stakeholders and which topics are important to us. The horizontal axis of the matrix depicts the importance that AgroFair attributes to a certain aspect of business, the vertical axis depicts the measure of importance of that aspect to stakeholders. Themes that end up in the upper right corner are themes that both AgroFair and her stakeholders consider the most important (material). The further a topic ends up in the lower left corner, the less important we both consider the topic. For topics which are plotted top-left or bottom-right, we differ in opinion on their priority. In this report we focus on the topics in the top-right corner: mutual high priorities.

'WE ARE PART OF A CHAIN; ONE LINK AMONG MANY. FOR THE CHAIN TO WORK, IT IS ESSENTIAL TO BE AWARE OF WHERE THE OTHER LINKS IN THE CHAIN - OUR STAKEHOLDERS - STAND.' Stakeholders are asked to give their input on relevant themes and attribute a measure of importance to these themes, and AgroFair does the same on her part. The input for the materiality matrix is established in various ways:



DESK RESEARCH:

Websites and publicly available sustainability reports.



AN ONLINE QUESTIONNAIRE:

The questionnaire we conducted this year was a modest one, involving la limited number of respondents for each stakeholder group. However, we obtained useful insights into the opinions and priorities of these stakeholders – next year, therefore, we will reach out to a larger group of respondents so we will have more quantitative results.



FACE TO FACE CONVERSATIONS:

We make it a point to meet and exchange ideas with both our producers and our customers several times a year. Sustainability is usually part of the agenda.



SHAREHOLDERS MEETINGS:

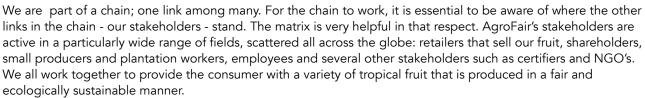
Shareholders express their view on sustainability themes during these meetings.





ANNUAL CONFERENCE:

A sustainability meeting is held every year in Latin or South America. The conference is attended by each member of staff that is occupied with sustainability projects on both sides of the ocean. These meetings are crucial to AgroFair's sustainability strategy and to our choice of themes and projects.



We prefer to do this in an inclusive way, by taking a real interest in the quirks and challenges of each other's business, tying many ties across the continents and learning a lot from each other in the process. Owing to the specific character of what we do, we put a special emphasis on small fruit producers and plantation workers who apply fair and responsible social, environmental and economic standards, while participating in the governance and shared capital of our company.

With all these parties involved, it is important – but not easy! – to keep track of what is driving our business partners. We value an open conversation with them. Among other things, it provides us with an opportunity to explain why we make certain choices ourselves.

In such a diverse field of business, there are many different lines of communication.

To give you an idea, here is a list of the main players – the stakeholders - within our banana supply chain:

RETAILERS

Retailers: the people that sell our bananas. They are a vital link in the banana supply chain. We work closely with them and assist wherever we can. It is important to us that they - our direct customers!- see us as a trusted partner. If necessary we provide each other with constructive criticism. We want to retain our position at the forefront of the market with a clever combination of sound marketing concepts and innovations that can be put to use in our specific corner of the business: sustainable and inclusive production and logistic processes. We aim to be an inspiration to the industry and we reflect on our contribution to our network and our performance. We make it a point to visit all our retailers at least once a year.

SHAREHOLDERS

Sound financial results are of course vital to our survival in this business. Without them, our vision can never be achieved. Commercial success combined with a solid financial performance helps us to inspire the industry to follow our example. Shareholders that join us in our focus on profitability and responsibility enable us to achieve our goals and vision. Our annual Shareholders' Meeting is a great moment to kindle their involvement, offering feedback on planned strategies, discussing innovative philosophies and providing insight into day-to-day projects, strengthening our mutual financial and personal connection over the years.

EMPLOYEES

Central to us and crucial in achieving our mission is of course the quality of our home team. At AgroFair, we boast an exceedingly low employee turnover. The continuity of our employee base is important to our customers. Pleasant and prolonged business relationships validate us as a dependable partner and help us in realising our mission. Regular across-the-board staff consultations are instrumental to the building of a solid team. We believe that by bringing the best people together we can build the organization of our dreams.

SMALL PRODUCERS AND PLANTATION WORKERS

Our banana farmers and plantation workers are very important to us. We have built direct and long-term relationships with the farming co-operations. This helps to establish a stable vending point for the farmers. Thanks to email, telephone, Skype and Whatsapp, we are able to communicate directly and almost daily. We make regular trips to our sourcing countries and speak directly to the cooperations' management. They inform us of their priorities and let us know on what issues improvements can be made. A high point of the year is the annual CPAF (Cooperativa de Productores de AgroFair) meeting where all the farmers come together and which of course we attend in person.

OTHER STAKEHOLDERS (CERTIFIERS, NGO'S)

Many other groups such as fruit companies, political and governmental bodies, scientists, certifiers such as Fairtrade organizations, and industry organizations play a role in the intricate knitwork of our business, influencing AgroFair either directly or indirectly. Increasingly, we are engaging in active conversations with these groups, as we are interested to hear their opinions and involve them in our mission.

RESULTS OF THE MATERIALITY MATRIX

Having put a face on the colourful mix that are our stakeholders, you may appreciate the importance of sounding out the degree to which we see eye to eye on different topics of the trade. Fortunately - and amazingly, if you think about it! - this year's results show that on most issues we are all on the same page. Of course, there are also subjects on which we beg to differ. Themes that show a notable difference are:

- Development of employees
- Food waste

To us, this is not bad news at all, on the contrary! On both these subjects, a difference in priorities is exactly what we would expect to find. It can be easily explained by the fact that, whereas the training and development of our own employees is of course vital to us, it is not something that keeps our stakeholders awake at night, whereas food waste is something that at AgroFair Headquarters is relatively easy to control, when compared to the efforts that, for instance, a supermarket has to put into this topic.

All in all, we consider the Materiality Matrix a valuable addition to our business palette, yielding useful and practical information that we will gladly make use of in the years to come. Having said that, of course even a useful tool like the Matrix is not infallible nor is it all-encompassing, as it relies heavily on information provided by the parties themselves.

At AgroFair, we do not set our priorities lightly. It is, consequently, our expectation and our sincere hope that the results of this matrix are an accurate representation of reality, showing that we are on the right track and setting the right priorities. Of course that does not mean that we do not welcome your feedback or criticism. We do! Please feel free to submit any ideas or additions that you may have to: sustainability@agrofair.nl

ADRESSING MATERIAL TOPICS

The Martrix helps us set the right priorities. The next question, of course, must be how we follow up on these issues. From the Matrix, we can extract the following themes that are top priority:

- 1. Worker's rights and well-being.
- 2. Responsible use and recycling of resources
- 3. CO² emissions and climate change
- 4. Certification
- 5. Maintaining productivity, efficiency and quality
- 6. Sound financial results

A large part of the impact regarding these themes takes place early on in the supply chain. As explained above, for example, the amount of waste generated at our offices is small potatoes compared by that of our producers! For this reason our efforts on this subject must be focussed primarily in that particular section of the chain, with our direct suppliers of products and services.

As much as we would like to influence all our top priority issues throughout the entire chain, there are limitations to what we can do.

In our own camp, we are at liberty to take measures and make improvements. But we cannot tell other parties in the chain what to do. We can gather information to measure impact, we can influence, inform, persuade and sometimes urge – but we cannot force. Being a small company, the influence and resources that we have are limited – but we strive to use them in the best possible way.

UN SUSTAINABLE DEVELOPMENT GOALS

The materiality matrix helps us to prioritize, based on common points of interest with the other parties in our chain. This provides us with a set of Material Topics, as we showed above.

Outside the direct realm of our chain, on a world scale so to speak, other goals and targets connected to sustainability themes present themselves to us as well. If we want to contribute globally, we need to keep casting an eye outside of our banana bubble and measure our performance against these global targets. We do this by supporting, and calibrating our actions, against the targets set in de United Nations Sustainable Development Goals (or SDG's), adopted by the UN in 2015. In the words of the UN, this is 'a set of 17 goals with 169 targets aimed at ending poverty and hunger, protecting the planet and its natural resources and creating conditions for sustainable, inclusive and sustained economic growth, shared prosperity and decent work for all'.

The UN calls on businesses to help solve sustainable development challenges by applying their creativity and power of innovation, of both of which we happen to have plenty to offer!







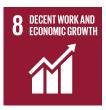


































When we look at the UN's Sustainable Development Goals and compare them with our Material Subjects, then the UN goals most coherent with our priorities are:

- 1. No poverty
- 2. Zero Hunger
- 3. Good health and well-being for people
- 4. Quality Education
- 8. Decent work and economic growth
- 12. Responsible consumption and production
- 13. Life below water

AGROFAIR INTEGRATES THE UN GOALS IN HER ACTIVITIES IN THE FOLLOWING WAYS:

We have developed a fair and inclusive business model that is supported by the Fairtrade system with guaranteed prices and the Fairtrade premium. This model is specifically aimed at reducing poverty among farmers and rural populations and at reducing hunger and malnutrition (1 and 2).

Good health and well-being (3) are looked after by our well-designed health projects, such as health clinics and by the accessible information that is distributed by our Fairtrade cooperatives. Likewise for education (4). Decent work and economic growth (8) lie at the very root of what Fairtrade and our own business principles are built on, with a strong emphasis on labour conditions. The UN goal of responsible consumption and production (12) is met with the emphasis we put on organic foods and sustainable production. From the minimal use of plastic, and of the collection of waste plastic we hope to have a positive influence on life below water in general and the quality of the oceans as a result (13), preventing plastics from ending up in the oceans, where they cause unspeakable damage.

On the subject of water life, we also concern ourselves with pesticide us and with fresh water toxicity, which is an obvious problem connected to fresh fruit production.

For next year, we intend to work on a method of making our contribution to the Sustainable Development Goals more tangible by comparing our performance with relevant targets and indicators. For a start, in this year's report, we have matched the GRI content index with the relevant Sustainable Development Goals. (For more on GRI reporting standards please see the foreword of this report).

Goals and targets, hopefully keeping us on route to do some good for the planet and its people.



'WE WANT TO CONTRIBUTE GLOBALLY, WE NEED TO KEEP CASTING AN EYE OUTSIDE OF OUR BANANA BUBBLE AND MEASURE OUR PERFORMANCE AGAINST THESE GLOBAL TARGETS.



FOCUS POINTS:

- Workers rights, health and well-being
 - The right for everyone to a safe and healthy work environment, with no suppression or discrimination.
 - The right for all personnel to earn a decent living wage within the span of a normal working week which enables them to provide for their family the basic needs including food, water, housing, education, healthcare, transport, clothing and participation in local social and cultural life.
 - Workers on small farms
 - An active policy towards vulnerable and minority groups; e.g. women, handicapped people and ethnic minorities.
 - Living conditions
 - Animal wellfare
- Training, development and remuneration of AgroFair staff

'PEOPLE HAVE BEEN THE DRIVING FORCE BEHIND AGROFAIR FROM THE START.'

eople have been the driving force behind AgroFair from the start. Importing world's first Fair Trade banana was the aim when our company was first founded, and sourcing Fair Trade (or similarly certified) bananas is still our core business.

But from that starting point, we have felt the need to take things further. Beyond the mere providing of a sales chain for our growers, they, or the cooperations that they participate in, are voting shareholders in our company. When we are addressing people issues, the greatest challenges by far lie at the beginning the supply chain, on and around the plantations, the villages and the regions where our fruit is grown. This is why we focus most of our efforts on our producers and service providers. We are very concerned about the rights, health and well-being of the people who work hard every day to grow and pack our fruit.

In order to see how our partners in the supply chain are doing with regard to People and Society, we chose the following indicators:

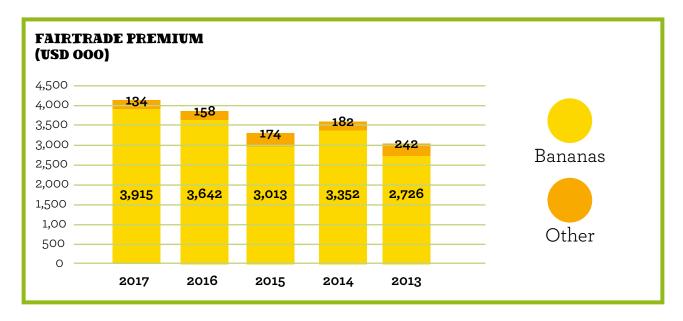
SUSTAINABILITY CERTIFICATIONS AND INITIATIVES

Workers' rights and their well-being are issues that are embedded in certain certification schemes such as Fairtrade and Rain Forest Alliance. To make sure that these issues are addressed to our satisfaction, we buy only from companies that hold one of these certifications. Over 70% of our fruit is sourced from suppliers that are Fairtrade certified. Another 25% has a Rain Forest Alliance certification. If you have done the math you can see that that leaves a little under 5% unaccounted for: these are transactions that can be linked to new products, new suppliers and test shipments.

Certifications give us the guarantee, confirmed by independent audits, that social standards are upheld and that the workers in our supply chain are in a position to earn a decent living.

Apart from certification, several other AgroFair initiatives contribute on the People & Society count. Like the Fairtrade Premium, which is mentioned in several Project Testimonies in this report. This is how it works: for each box of Fairtrade bananas sold, \$1 of premium is donated by AgroFair. With this money, a number of wonderfully effective small-scale projects are started. Some of these bring about dramatic changes for the better – as the testimonies confirm!- but all of them improve the living conditions of farmers and workers each year.

The amount of Fairtrade Premium paid over the past 4 years is shown in figure below.



In 2014 we became Covenant Members of the Dutch IDH Platform for Sustainable Trade in Fresh Produce. The ambitious Covenant Members are on a mission to be ringleaders: all have pledged to buy nothing less than 100% sustainable products by the year 2020. Oh and talking about ringleaders... by the standard of IDH, we already had this goal in the pocket as early as 2016!

A lot of fruit does not end up in one piece on your fruit bowl. Massive amounts of fruit are used as ingredients for juices, smoothies, purees and countless other foods and beverages. That is why, ever moving forward, in 2017 we joined the new IDH Covenant for Sustainable Ingredients. We hope to impress you with the results of our performance in next year's report!



EQUAL OPPORTUNITIES

AgroFair is an untiring promotor of equal opportunities for all people in the community.

We work hard at creating equal chances for women, for ethnical minorities and people with a disability.

WOMEN

Ladies first: in the workforce of our producers, women are heavily outnumbered: 4 out of 5 employees are men. Most of the women that do work at the fruit plantations are employed in the packing warehouses or in administrative jobs. There are of course many good reasons why this could be a conscious choice for women; work in the field is usually tough – for instance, harvest workers carry 25kg banana bunches across the plantation. Also, women may make a choice not to work when they are raising children. This is of course fine as long as this is the result of the women's free choice. From the perspective of equal opportunities, we are very interested to find out if there may be other reasons or obstacles that keep women from joining banana companies.



One way we are addressing the position of women is through our membership of the World Banana Forum. In 2017, a Multi-Stakeholder Meeting on Gender Equity in the Banana Industry was held by the Gender Equity Task Force of the World Banana Forum (WBF). Our sustainability specialists Linett del Carmen Duque (Panama) and Cornelie den Otter (Netherlands) attended the meeting as participant and observer.

Five core themes affecting women workers in the banana industry were discussed:

- women's employment opportunities
- female empowerment
- the gender pay gap
- health and safety
- sexual harassment and gender-based violence.

The outcomes, conclusions and proposals from the meeting were presented by UN representatives and can be found on www.bananalink.org.uk/gender-meeting-2017. We hope that the results will be advantageous to the Gender Equity Meetings of the World Banana Forum will inspire the advancement of women throughout the industry. As far as AgroFair is concerned: we are certainly inspired! We have made gender equity at home and in the workplace a priority area for action. Working to overcome stale role-models and to counteract unhealthy machismo, our producer APPBOSA in Peru has organized awareness training for workers, wives of partners and cooperation members. One participant testified (see page ..) that the classes have changed her perceptions about domestic violence and childcare, which will certainly benefit her life and that of her children.



DISABLED WORKERS

If life is generally tough for plantation workers, in some of our supplying countries life for people with a disability can be especially difficult. While there is lot of room for improvement on this subject, 65% of our producer base employs one or more persons with a disability in their staff. We actively encourage our producers to let this number grow.

WE HAVE MADE GENDER EQUITY AT HOME AND IN THE WORKPLACE A PRIORITY AREA FOR ACTION.



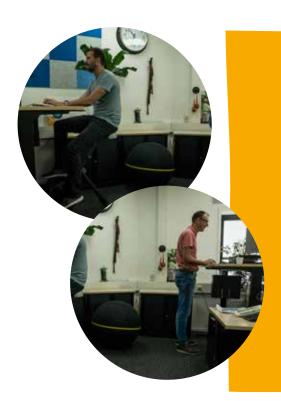
ANIMAL WELFARE

The topic of animal welfare is new to our annual report. Although we focus heavily on the people that form our production chain, there are many animals that contribute to the fruit growing operations, and our involvement with fair treatment extends to them, too.

Donkeys are a common working animal in the countries we source from. Since no rules are laid down for the treatment of animals in the different certification initiatives, we are currently drafting our own policy towards animal welfare. We expect our producers that use animals in production to treat them well; to provide them with sufficient food and shelter, give them enough rest and medical attention when needed.

One of the testimonials in this reports sheds light on A Donkey's Life in Panama, where the Coobana cooperative serves as a good example for responsible animal treatment. Their story, together with many others, will shape our future animal welfare policy. We won't stand for donkey business!

ALTHOUGH WE FOCUS HEAVILY ON THE PEOPLE THAT FORM OUR PRODUCTION CHAIN, THERE ARE MANY ANIMALS THAT CONTRIBUTE TO THE FRUIT GROWING OPERATIONS, AND OUR INVOLVEMENT WITH FAIR TREATMENT EXTENDS TO THEM, TOO.



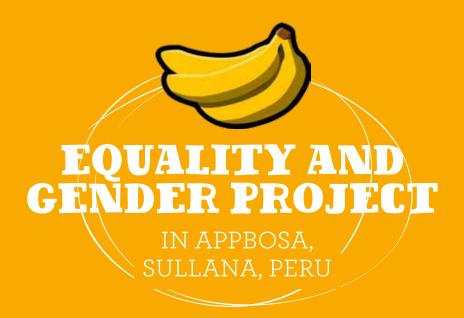
AGROFAIR EMPLOYEES

Let's not kid ourselves: none of the issues mentioned above are exclusive to faraway countries. Although there is a lot of good work to be done further up in our supply chain, we must also keep our own house clean. In this respect, the employees at AgroFair's headquarters are not forgotten, as we consider them the most valuable resource in our daily operations.

We want our team members to be as well-equipped for their tasks as they can possibly be, in the whizz of an ever-changing world. A training program is made for each employee each year.

And we want to keep them running, don't we? Employee health means a lot to us. Regular health check-ups are offered to all. To prevent ourselves from becoming desk potatoes, adjustable desks and chairs facilitate the right posture – or even allow us to work standing up. All this to keep us straight-backed and healthy, ready to face the many challenges of the banana business and what's more: strong enough to help the planet. Even if it is a tiny little bit.

FAIRTRADE PREMIUM STORIES



OBJECTIVES OF THE PROJECT

This project has a dual purpose. The primary goal is to increase the economic participation and awareness of women and their families of the APPBOSA Cooperative. This is done through awareness training and workshops on gender equity and domestic violence. The secondary educational institutions of the Saman City Center set up group sessions where these items are discussed. A second objective, closely related to the first, is to promote leadership in micro entrepreneurship and economic development.

PROJECT DESCRIPTION

Talks, workshops, information sheets, videos and more are used to increase awareness in the women, adolescents and professionals of Sullana. The meetings are centered around gender equity issues and the prevention of family violence. The courses are run by approximately 20 trained and empowered women who actively participate in the workshops. The project is aimed at members, wives of partners and workers.

PURPOSE

The project aims to empower the local women in an area where *machismo* still rules. The prevailing inequality of the sexes leaves a lot of opportunities unused and leaves a lot of women on the side-line, or worse. Both men and women have a lot to gain by strengthening the women's capacities for economic positioning and leadership. By striving towards a growing gender equality both the women's well-being and their social and economic positioning are served. It may take a little getting used to, but in the end everyone will profit...



BENEFICIARIES

Women and their families of the APPBOSA Cooperative Problem: inequality of the sexes.



PROBLEM

Inequality of the sexes



PURPOSE

Empower the local women in an area where machismo still rules.



BOTH MEN AND WOMEN HAVE A LOT TO GAIN BY STRENGTHENING THE WOMEN'S CAPACITIES FOR ECONOMIC POSITIONING AND LEADERSHIP.



TESTIMONIAL

Martina Farias Ancajima



(Member of APPBOSA)

"This project has taught me to have more communication with my husband and my children, to treat them all equal according to the needs of each one, and to not sow machismo.

I have learned to value ourselves as men and women, just the way we are. Also to stand back sometimes and to listen in order to look for a solution for problems, and to let go of some stereotypes.

My way of thinking has changed. Before, I would not let my son touch his little sister's dolls or play with her. Now I understand that there is nothing wrong with playing together and sharing toys.

I know now that domestic violence is not normal, that keeping silent about this is not good. We now know what to do and where to turn to when this happens."

The project aims to empower the women with love while training them to assert their rights without violence, leading to higher self-esteem and a better position in society.





SCHOOL DIRECTOR LILIANA CARRILLO MURILLO DESCRIBES THE PROJECT:

These lessons have been an important innovation for our primary school pupils. We have started to familiarize the children with this language, which is new to them, and already we can see that they want to learn more! Speaking and understanding English is going to make such a major difference for them when they switch from primary to secondary education. It will boost their chances to play a role in a globalizing world. A good command of English opens opportunities for them in competitive professional fields.

The Director ends with a plea to the APPBOSA/Ricardo Palma de Saman alliance to continue the project: It is so important for the children not to stay behind in the English language; they have had a first taste of English and they are hungry for more!



BENEFICIARIES

263 children in the educational institution 'Ricardo Palma de Saman'



PROBLEM

No English language education



PURPOSE

It will boost the children chances to play a role in a globalizing world



EXPANSION OF DRINKING WATER SERVICE INSTALLATIONS IN FAMILY HOUSEHOLDS OF SAMAN, APPBOSA, PERU



"WATER GIVES US LIFE, AWARENESS WILL GIVE US WATER"



TESTIMONIAL

Katherine Socola Farias



Katherine Socola Farias talks about the changes that this project have brought about in her daily life: "This project brought many benefits! A very important one is the economic aspect (savings). Before, we had to buy drinking water in cylinders – each one cost 3.50 soles. We could not afford more than 3 per week so we had to ration our water. This led to a cost of 42 soles per month. Today the picture is different, we have drinking water 24 hours a day. Before, we washed our clothes in the drainage channels to avoid costs, because we could not buy water for washing. Now we wash with clean water! We are thankful to APPBOSA for doing impact projects, such as these basic provisions."

An official of the Noria Alta sector texted: "The water project is a great help for our lives and that of our animals."



The Educational Institution offers its students courses in various areas but some very important subjects were missing. The institute was unable to develop complementary workshops such as English and Computing because it had a limited number of computers that were very outdated. They were not used because they were not compatible with current, technologically more advanced learning programs.



DONATION

13 latest-generation computers plus a multifunctional printer



BENEFICIARIES 341 students!

PURPOSE







TESTIMONIAL

Maite libertad Socola Macalupu



(11 years old, 6th grade elementary school)

"For so long we have lived with the dream to have a computer room! We had a few computers, but these were not nearly enough for all of us. They were very old and hardly ever used. They were just left on the tables, because we did not have the right products to use them. And we were forced to sit with 4 or 5 kids crowded around one computer. This was really uncomfortable: some couldn't even see the screen! With this project, our institution can now organise computer workshops. That will allow students to develop and strengthen their knowledge. I am thankful for the Fairtrade Premium that was given through the Valle del Chira association. They have made our dreams reality".



BUILD A PROPER HOUSE FOR HERSELF AND HER CHILDREN AT COQUIMBA, NICARAGUA





TESTIMONIAL



Ana Martina Hernández Moreno

(working in the packing plant of COQUIMBA)

THANKS TO A FAIRTRADE PREMIUM ANA WAS ABLE TO BUILD A PROPER HOUSE FOR HERSELF AND HER CHILDREN

My name is Ana Martina Hernández Moreno. I am 35 years old and I have worked in the packing plant of COQUIMBA for 11 years, in the selection area. I am a single mother of three children and I have always worked hard to offer a bright future to my three children. "Do you see the signs we are carrying? Gracias Commercio Justo! They are the ones who give me the strength to get up every day with the will to go to work. With have put a lot of effort into the building of my new house. Thanks to the Fairtrade Premium my dream has come true: I have improved my living conditions. My children are no longer covered with dirt when they play because now the floor is concrete, there are no leaks in the roof and my house is very beautiful, I am very happy!"

Ana Martina has received a FairTrade Premium, enabling her to leave the hovel made of corrugated iron that was her former house and to build a proper home for herself and her children.



DONATION COOKING STÓVE COQUIMBA, NICARAGUA





PREMIO COQUIMBA



MARTHA MARTINEZ

(working at COQUIMBA)

I am Martha Lorena Martínez, single mother of 5 children. I have now worked at COQUIMBA for 3 years and I confess that when I heard about the Fairtrade premium, and that workers would have access to grants to improve conditions and quality of life, I honestly did not believe it.

For years I cooked on an open stone woodburning hearth, in the open-air patio, because we never had the money to buy a stove, much less to put a roof over the stove. When I went to work, it was my children's turn to cook and whenever it rained we could not cook at all.

Today I give thanks to God because with the Fairtrade Premium they bought me the stove that I needed so much. For others it will be something "simple", for me it is a very valuable gift because it was not within my reach. Now my children are no longer exposed to all that smoke or to danger from the open fire. Being able to cook on my own stove, inside the house, today is a dream come true.



RÉPLACEMENT OF ACCÈSS BRIDGE EL GUABO, ECUADOR





EL GUABO COOPERATION



Jorge Coraisaca

(owner family farm)

Meet Jorge Coraisaca! He took over the family farm after his father passed away in 2011. The old man had been a member of the El Guabo Cooperation since 2012 and Jorge has continued his work. His plot is relatively small, only 3 hectares of agroforestry, where he grows banana and cocoa. Over the last 15 years, Jorge has worked very hard to improve his infrastructure, especially the packing station and irrigation system. Even from his compact piece of land this has led him to produce an impressive 60 boxes a week. He works mainly with his family, only hiring a few additional hands for packing. Through the sale of Fairtrade bananas Jorge and his family have received important benefits, like support in school supplies, healthcare and income security. Jorge's testimony is illustrative of the difference that the Fairtrade Premium can make for a dynamic but vulnerable trade: during last year's rainy season, the bridge giving access to the farm was completely destroyed by heavy rainfall, virtually cutting off Jorge's only ... to get his merchandise to market. Thanks to the Fairtrade Premium, El Guabo was able to give him a whole new (and much safer) bridge, saving the day for Jorge and his family. The 'before and after' photos speak for themselves...



ISSUE

Life in Haiti is hard. Lack of food, the bad economy, many diseases and the high cost of living are hitting the population. Many decide to come to the Dominican Republic to work in banana farming so they can make a living and send money home to Haiti. In the Dominican Republic, life is better than in their home country. They have access to important basic provisions like health services, and living conditions are better through the various FairTrade programs focussed on improving their well-being. When a survey was conducted on the most important needs of these workers, it turned out that the majority was sleeping on the ground on carton sheets or old and deteriorated matrasses. It was decided to distribute matrasses of good quality so that the workers can get some proper rest after their working day.



BENEFICIARIES

200 workers of Fruecedom



PROBLEM

Sleeping on the ground, no proper beds for workers



PURPOSE

Better living







(worker of Fruecedom)

I came to the Dominican Republic with nothing. I went to work on the banana farm to send money to my mother. Working in the field in the farm of Juan Carlos Filpo. I keep saying they have always treated me well since the first day. I did not know what Fairtrade was and I found out here.

I like working in this farm because they give extras to me and my family. When I arrived in the Dominican Republic, I had nothing but the desire to work to send money to my mother. I slept on the ground, and after that in a children's bed where I was very uncomfortable because it was so small. Thanks to Fairtrade I now have a proper bed and I feel very happy.



'THE WORLD BANANA FORUM ROUNDED OFF AN IMPORTANT PROJECT ON HEALTH AND SAFETY.

t is not all palm trees and sunsets in the Tropics. As you can imagine, banana plantations can be a very unsafe place to work (and we are not talking about slipping on the occasional banana peel here). Accidents with sharp or heavy tools or the use of agrochemicals – which are, lamentably, still widespread - can carry serious health risks. Proper precautions for the prevention of occupational injuries are sorely needed.

This past year, a very promising step has been taken towards this end. The World Banana Forum rounded off an important project on the subject of occupational health and safety. ASOGUABO in Ecuador – a co-owner and supplier of AgroFair – took an active role in the project by mapping all possible risks in the banana plantation and packing stations. This resulted in the establishment of a series of 'Best Practices' for risk reduction. Banana companies, cooperatives and associations are advised to form special committees to promote occupational health and safety.

It is very good news that the Ecuadorian Ministry of Labor has since officially adopted the manual as a guideline to promote occupational health and safety in the entire banana sector of Ecuador.

Manuals and training materials are now freely available, and AgroFair will distribute these among the cooperatives, associations and plantations that are its suppliers. The formation of health and safety commissions will be promoted, which should systematically improve the working conditions of producers and their workers. A very positive development all in all, because injured growers are a price we are just not prepared to pay for a well-filled fruit basket!



FOCUS POINTS:

- Use and discharge of resources and materials
 - Keeping the impact of operations on the environment due to inputs, waste and discharge as low as possible, and actively seek ways to reduce this impact further.
 - A responsible and efficient use of water needed throughout the supply chain.
 - Using renewable sources of energy where-ever possible, and making efficient use of traditional sources when needed.
- Soil and biodiversity
- CO² emissions and climate change

f we cut out all the details there's no two ways about it: our lovely blue planet is the only resource we have, and a resource on which we rely completely for our existence. We have an obligation to use its offerings wisely and to take care not to deplete them for future generations. For us at AgroFair, care for our planet is just as self-evident as is care for the people who grow its fruit. Sadly, that is in somewhat of a contrast to the conventional commercial banana trade, which takes quite a heavy toll on the environment.

As AgroFair is mainly an import-and-sales company, most of the problems concerning the environment lie early on in the supply chain; at the end of our growers and service providers. That is why our greatest efforts in sustainability are aimed at the supply chain.

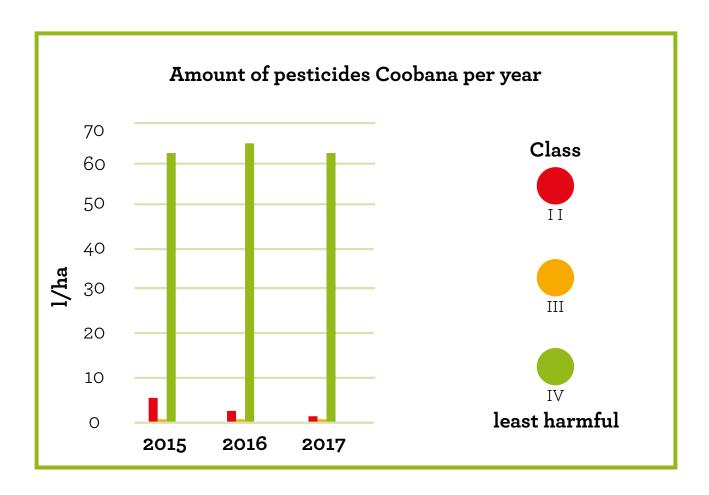
To paint you a picture of the environmental efforts of our producers, we chose a top 3 of indicators with a large impact on the environment: pesticide use, water management and plastic use and recycling.

PESTICIDES

It's sad but true: banana growth in many regions is impossible without the help of chemicals. Approximately half of our bananas are certified organic, with guaranteed minimization of chemical use. But organic banana farming is only possible in dry regions – for our company this is mainly Peru, the Dominican Republic and Ecuador. The other half of our bendy golden friends, our non-organic bananas, are still produced under sustainable labels such as RFA or FLO, that are much stricter on the use of chemicals than conventional growth. Mother Nature, however, has thrown a number of nasty hazards in the banana's way, that need to be met with some serious resistance if we want to keep on bringing bananas to your table.

One of the biggest threats banana growers are facing right now is Sigatoka disease. It is caused by a fungus and if left untreated it causes the leaves of the plant to turn black and fall off.

Fighting Black Sigatoka disease with chemicals is very heavy on the environment – up to 50 treatments a year may be necessary. As you would expect of a disease with such a pirate's name, the fungus is horribly persistent, especially in regions with a wet climate. Organic measures against Sigatoka are available but are not very effective so far. Since they do not offer enough protection, at this point in time bananas cannot be produced on organic plantations in high-precipitation climates.



A study of pesticide application data of our non-organic suppliers in Nicaragua, Panama and Costa Rica over the period 2015-2017 shows that regular applications are indispensable to keep Sigatoka under control. The impact on the environment can be curbed somewhat by using the least harmful of the available pesticides. Our producers try to stick to the least harmful class IV pesticides whenever they can (classification by EPA, US Environmental Protection Agency). If they absolutely must, small quantities of class II and III are used, but these quantities decrease every year – see graph for our producer Coobana in Panama.

COOBANA

The graph shows a positive decrease in the use of harmful class II and class III pesticides.

The level of class IV chemicals, however, remains roughly the same.

These are serious choices that we at AgroFair have to face: if we are to continue sourcing bananas - and aiding farmers - in these 'wet' countries, then there is no short-term alternative to pesticides of some kind. And that is a reality. To fight Sigatoka, but also other threats.

In the coming years, we will monitor the use of all chemicals by our non-organic suppliers closely. With the Pesticide Footprint Calculator we developed recently (please see last year's report) we will measure the impact on the environment and help make the least harmful choices for the application of chemicals.

WATER

This is a big topic for us, as banana farming requires a LOT of water. It has been estimated that 11m³ of water is required for each box of bananas (a box, or carton of bananas typically weighs 18.14kg). To put it differently, this means an amazing 156 containers of water to every single container of bananas! The picture below shows you what that looks like... (If you want to learn more on the subject of water footprint please see www.waterfootprint. org).

This whopping need for water can of course be in conflict with the limited availability of water that is a reality in many places in the world.

A lot can be done by using an efficient irrigation system – irrigation by sprinkler or drip, instead of the traditional irrigation method of flooding the plantation (with additional benefits for the plans, as flooding also causes stress in banana plants and washes out fertilizers).

In many of our sourcing countries, drip and sprinkler irrigation are now regular procedure, making water use much more efficient. Ironically, producers in the countries with the lowest annual precipitation (Peru with a mere 72mm of rain and the Dominican Republic with 800mm) still mainly use the inefficient but low-tech method of flooding for irrigation.

Now this is not something that can be changed overnight: replacing the irrigation system of a banana plantation can only be done properly during a complete farm renovation, which generally takes place approximately once every 30 years.

Especially in Peru, replacing the irrigation systems is an enormous challenge, involving no less than 7000 small farmers that are organized in 35 cooperatives scattered throughout the Piura valley. Add dealings with local government that can sometimes be a complicating factor, and you can see that there are a lot of factors involved in this complex theme. As much as AgroFair feels the urgency to tackle this situation, as a trade company there is only so much we can do. We are in dire need of partners (NGO's, local governments) that can raise funds to make improvement possible – we have been looking far and wide, with limited success so far but we are not willing to give up.

Ideally, we would love to upturn the entire system in the valley, but this does not look like a realistic option for the short term. So instead, steps are being made to improve the current system with small alterations. Producer cooperatives APPBOSA and Valle de Chira for instance, renovate a section of the irrigation canals each year, applying concrete lining to the basins to improve water flow.

Recently we have welcomed several larger farms to our supplier base in Peru; sprinkler irrigation on these larger farms has been integrated from the start of the plantation, bringing modern times to the local trade and hopefully setting an example for local government and the smaller plantations to follow.



IN OUR FAIRTRADE STORIES WE SHARE WITH YOU THE EFFORTS WE ARE MAKING IN PERU, WHERE PLASTIC WASTE POLLUTING THE ENVIRONMENT IS STILL SADLY VISIBLE.

PLASTIC

Wouldn't it be great if we could just ban the use of plastic in our chain? At present, plastic is used during all stages of the process. Unfortunately, no good alternative has yet been found. As this is not something that we are very happy with, we make a big effort to contribute to responsible re-use where we can.

In the course of the growing process, about 40 kilos of plastic waste is generated per container of exported bananas. The so-called 'bunch bags' that are placed around the fruit to prevent insect damage make up for the largest part of this plastic waste volume. When gathered and delivered to a recycling facility, this plastic waste can be put to good use. Over the years, gathering plastic has become second nature with our producers. In all of the countries where we source our fruit, plastic waste is collected and taken to a reworking facility. In our Fairtrade Stories we share with you the efforts we are making in Peru, where plastic waste polluting the environment is still sadly visible.

SUSTAINABLE INITIATIVES

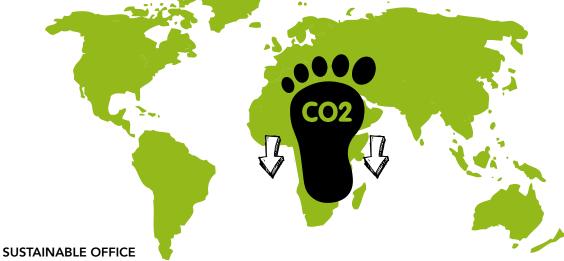
As discussed in the article on People & Society elsewhere in this report, certification is not a universal medicine to put all wrongs right. The same goes for the subjects of Planet & Ecology: there remains plenty to be done outside the realm of certification. AgroFair is involved in several initiatives towards the protection of our planet and its many bounties:

- We are active members of the World Banana Forum (WBF). One of our activities for the Forum is our involvement in a committee that works on measuring and reducing CO²-emission.
- We have been a covenant member of the Dutch IDH Platform for Sustainable Trade in Fresh Produce since 2014. Covenant members have pledged to nothing but sustainable products by 2020 (yes, one hundred percent!). By the standard of IDH, we had already achieved this goal in 2016!
- To regulate standards in the considerable segment of the fruit market that deals with processed fruit products and half-products like juices and purees, we joined the IDH Covenant for Sustainable Ingredients in 2017. In next year's report we hope to have some exiting results to share with you from this initiative.

CO² EMISSION

The entire global food system, from fertilizer manufacture to production and packaging, is estimated by scientists to be responsible for roughly one-third of greenhouse gas emissions. Although bananas are not nearly among the most polluting food products when calculated per kilogram, everybody loves their bananas, so their contribution to global emissions cannot be ignored because of the large volumes grown and traded all across the world. Last year, a very useful tool was developed on behalf of AgroFair by CE Delft consultancy in the Netherlands. This tool is designed to calculate the carbon footprint of each batch of our bananas, taking into account country of origin and port of destination. According to this tool, the carbon emissions per kg of bananas, measured from farm to port of destination, varies between 537-631g/ kg.

These figures now allow us to offer our clients the option of buying a real climate neutral banana!



Since that is where the most effect is to be gotten, most of our efforts are focused on our supply chain. Of course we want to lead by example and so we cannot stay behind at HQ; we are keen to keep improving on the sustainability of our own office operations:

- We compensate all CO²-emissions caused by staff travel (both by road and air) and by truck transport in the EU, via Climate Neutral Group's Gold Standard Projects.
- In our modest offices, the amount of waste is negligible but however little there is: we recycle!
- Our cleaners use environment-friendly products.
- For our daily team lunches, we buy organic and Fairtrade products where ever possible. Of course, our coffee and tea is Fairtrade too! We encourage our staff to make healthy choices and make it easier by providing healthy alternatives on the lunch table. Such as bananas!
- Staff is encouraged to take exercise and leave the car at home.

So there you are. We want to be as good as we can for our planet. We'd be bananas not to...



EVERYBODY LOVES THEIR BANANAS, SO THEIR CONTRIBUTION TO GLOBAL **EMISSIONS** CANNOT BE IGNORED BECAUSE OF THE LARGE VOLUMES GROWN AND TRADED ALL ACROSS THE WORLD.



In the Paris Climate Agreement, the participating countries agreed to make an effort to allow the global average temperature to rise by less than 2°C (compared to pre-industrial levels) in order to reduce the risks and impacts of climate change. This is where the banana sector should take a stand. The entire global food system, from fertilizer manufacturing to production and packaging, is estimated by scientists to be responsible for roughly one third of the greenhouse gas emissions. Producing over 130 million tons of banana on about 2 million hectares, the banana and plantain sector plays an important role in this system. Each year, over 20 million tons of bananas are exported, 80% of which come from Latin America and the Caribbean.

The consequences of climate change are a reality in the banana sector, and also among producers who supply bananas to AgroFair. Extreme climate events such as flooding, hurricanes and drought are recurrent phenomena.

But there are two sides on this coin: the cultivation and trade of banana also contribute to climate change. Banana is the most traded fruit in the world, with an annual volume of 20 million MT approximately. The use of synthetic fertilizers, pesticides and carton boxes, of fossil fuels for road and maritime transport, and non-renewable energy for cooling and ripening, all contribute to the emission of greenhouse gases.

"Climate smart banana cultivation and trade" implies taking measures to make plantations more resilient against variability of the weather and climate events; and it also implies reduction of the carbon footprint, where possible. Mapping of this carbon footprint, identification of "hot spots" of greenhouse gas emissions and possible measures to reduce these emissions, is a first step. In collaboration with several other banana companies, all members of the World Banana Forum, the Government of Costa Rica and other stakeholders, a special guide for the measurement of the carbon footprint and water footprint in the banana sector was developed and published on the website of the World Banana Forum in Autumn 2017. (www.fao.org/world-banana-forum/projects/reducing-carbon-and-water-footprints-in-banana-plantations/en). A next step is the development of a user friendly tool for the application of this guide for the calculation of greenhouse gas emissions on the farm. A lot can be done to reduce these emissions and store carbon from the atmosphere: reforestation, better soil management, application of organic fertilizer. Measures can also be taken to mitigate the effects of extreme climate events.

There is still a way to go towards a climate smart and low-carbon or even carbon neutral banana. In the meantime, emissions can be compensated, buying fairtrade certified carbon credits. From 2019 onwards, AgroFair will offer the possibility to its clients supermarkets to buy carbon-neutral bananas. However, the best way is not compensation but reduction of these emissions, which should become the normal practice in the banana sector.



Last year we informed about our partnership with the Dutch company Plastic Fantastic. This year we continued working towards the implementation of small handy size recycling plant in Northern Peru. The advantage of this plant is that not only the plastic of banana production can be processed, also other plastics can be recycled. In this way we aim realise an impact the general plastic waste problem in the villages where bananas are produced. The basis of this business plan is that waste plastic will have a small value, as to stimulate people to separate and gather plastic. However we go by (small) steps.

The first step was to develop a business plan for the implementation of the small recycling plant. This plan is finished and it shows that the investment in recycling can also be profitable. This is a good basis to continue. The next step is to assess the possibilities to implement this plan during a field visit. This visit will be realised with a consultant of Plastic Fantastic at the same time this report will be printed.

In the meanwhile, plastic waste generated by banana production is still being gathered and delivered to a local processing plant. Table 1 shows the collected quantities of plastic per supplier in Peru.

This is a very good improvement compared to several years ago when AgroFair together with the suplliers started to look for alternatives for the plastic waste. However, not all plastic from banana production is recycled so for the coming years we want to increase the percentage of plastic collected.





As mentioned briefly in our Planet & Ecology chapter, some bites are a bit larger than we can chew. There are projects that we would love to tackle but that are just too extensive and complicated for us to take on. At the end of the day, we are a fairly small trading company and even if we do like to stretch our expertise as far and wide as we can, there are limits to what we can take on. That doesn't mean we let things lie. This is just the point where we need to look elsewhere to find expertise, manpower and funds. This is where joint projects come into play. And this particular play requires patience, and a couple of lucky breaks here and there.

SOMETIMES A WHOLE LOT OF PATIENCE IS NEEDED, AS OUR WATER MANAGEMENT VENTURE IN PERU SHOWS...

Two years ago, as mentioned in previous Sustainability Reports, we started a new joint project to better the water situation around the Piura Valley in Peru. This valley is spread out over 57.000 hectares, more than 7.000 of which are covered with banana plantations. For this project AgroFair was to team up with Solidaridad, the Nature Conservancy, the Regional Government of Piura, Peru and the ethical bank OIKOCREDIT. We got off to a flying start: the project was shortlisted in the first round of the Sustainable Water Fund (FDW) in 2017, but was not selected. This happens a lot, so we kept our eyes on the prize and presented an improved version of the bid in 2018. This version was shortlisted again. Unfortunately Latin America was not in the spotlights that year. We were in competition with many projects from Africa and Asia and not a single project from the South American region was approved.

Projects get rejected, that's nothing new. After all, there's many of us fishing in the same pond for funding. And we all feel our projects are the most worthy, of course. All it means is that we have to re-think our plans. Doing nothing is not an option: in this region water scarcity, climate change, El Niño events and deterioration of the capacity of the Poechos water reservoir are all growing risk factors for life in general and banana production in particular. Risk factors that require us to respond, preferably together with other actors. We have gone back to the drawing table where we are currently studying options to implement pilot investments on selected banana farms, and to build up a new program from there. To be continued!



URGENT NEEDS

These are all things that we feel need urgent attention:

- Installation of an early warning system against flooding (in collaboration with the Technical University of Delft, the Netherlands);
- Measures for better management and reforestation of the river basins, to prevent further sedimentation of the Poechos reservoir, which is the main source for irrigation of the agricultural sector in the Piura Valley;
- Better dispense of irrigation water by the water authorities (the farmers need water at shorter intervals than they can currently get), combined with a big push in training and awareness in water management among thousands of banana farmers.
 - The most important component: investment in improved gravity irrigation systems, with finance from OIKOCREDIT. In the current irrigation systems, the plots are flooded by gravity force; the water source (the Poechosdam) is higher than the banana plantations, and through a system of main and side canals the plantations (which are bordered by small dikes, as in wet rice cultivation) are flooded every three weeks. A lot of water simply evaporates and the presence of a water layer for several days suffocates the roots, that die due to a lack of oxygen. When the water sinks, the plant first puts energy and nutrients in rebuilding the root system and not in the banana bunch. In improved gravitation irrigation, the water would be delivered more often, and not directly into the field, but into large flexible tubes over the entire width of the plot. Small shutters are I mounted in the tube, and from there the water would run in trenches in the longitudinal direction of the plot, in a controlled way. Still gravity irrigation, without the use of motors and pumps, with less water needed and without risk of "drowning" the root system. This would result in 20-30% higher yields.



FOCUS POINTS:

- Maintaining and improving productivity and efficiency in all parts of the chain.
 - Sensible use of resources to ensure their availability in the long term
 - · Identify and fight threats for the continuity of the business
 - Keep processes 'lean' and time efficient sustainable financial results
- Sustainable financial results

WE INTEND TO BE AROUND FOR THE LONG TERM AND TO INSPIRE OTHER COMPANIES ALONG THE WAY.

ur work is not just aimed at today, but also at the future. We intend to be around for the long term and to inspire other companies along the way. That being the case, commercial success and a sound financial result are essential for the long-term existence of our company. As lofty as our goals may be, we are well aware that we must keep our feet in the clay and our focus on the economic aspect of our business because without generating value for shareholders and stakeholders, an enterprise has no business, really!

Generating a measure of economic success is a prerequisite for a viable and long-term oriented business, even (and most importantly) on the green side of the business field. Let's call this Economic Sustainability. More than generating a profit and increased company value for the benefit of the shareholders, economic sustainability also involves the economic values generated for company stakeholders, such as suppliers and providers of goods, services, credit and labour. If all goes well, even society at large profits through the taxes we pay.

The following table represents the economic values that we generated over the year 2017. The data are taken from our financial annual report, which is prepared according to Dutch GAAP standards and audited by BDO. Our financial reports are available for the public through the Dutch Chamber of Commerce.

DIRECT ECONOMIC VALUE GENERATED

The direct economic value that we generated in 2017 springs forth primarily from the sales of sustainable tropical fruit, of which bananas form the largest bunch.

REVENUES	
	€1.000
NET SALES	88,521
OTHER INTEREST	6
INCOME PROPERTY RENTAL	176
REVENUES	88,702

OPERATING COSTS	
	€1,000
PURCHASE OF PRODUCTS	58,205
FAIRTRADE PREMIUM	3,600
SEA FREIGHT	13,877
FAIRTRADE LICENCES	412
OTHER SERVICES SUCH AS LOGISTICS, HANDLING, DOCUMENTS, INSURANCE	3,291
OTHER OPERATING EXPENSES	768
FINANCIAL EXPENSES	37
TOTAL	80,190

ECONOMIC VALUE DISTRIBUTED

The economic value generated was distributed to operating costs, employee wages and benefits, capital investors and governments.

PURCHASE OF PRODUCTS

In our operating costs, the costs of goods sold form an important part. Fairtrade certified products make up the larger part of our sales. Fairtrade certification guarantees that the suppliers receive a guaranteed minimum price that covers the cost of sustainable production and includes decent wages. Fairtrade International is currently running a project to calculate Living Wages for all countries where Fairtrade operates. So far, for the countries that we do business with, this has only been done for the Dominican Republic. The minimum price is set every year by Fairtrade International.

FAIRTRADE PREMIUM

Above and beyond purchase prices, we pay our suppliers a Fairtrade premium, which is to be spent on social development. Suppliers must make an annual plan on how best to spend this premium. This plan, containing a response to the social needs of the community they operate in, must then be submitted for approval by the General Assembly (of cooperatives) or in case of Hired Labour suppliers, by the Fairtrade Premium Committee. AgroFair does not have a say in the objectives that the funds are spent on. Since the recipients are external to our organization, the Fairtrade premium is to be considered a community investment. We do, however, ask recipients to report on how the funds are spent in order to inform our customers. You may find several FairTrade Premium testimonies in this report.

SEA FREIGHT

A fair percentage of our operating costs is spent on maritime transport. We have no direct influence on the living conditions on board the ships that carry our goods. However, we have consulted the maritime trade union Nautilus (member of the International Transport Federation of Seafarers) about fair shipping initiatives. In our shipping contracts, the social conditions on board of ships are a point that is definitely taken into consideration. The majority of shipping lines that we contract either have collective agreements based on national rules or have signed agreements with a maritime trade union.

FAIRTRADE LICENSES

The Fairtrade licence fees are contributions to the national Fairtrade organizations for the right to use the Fairtrade certification logo.

EMPLOYEE WAGES AND BENEFITS		
	€1,000	
TOTAL PAYROLL	1,515	
SOCIAL SECURITY CONTRIBUTIONS	244	
REGULAR CONTRIBUTIONS SUCH AS PENSION, INSURANCE, COMPANY CAR	370	
OTHER EMPLOYEE SUPPORT SUCH AS TRANSPORT, OTHER CONTRIBUTIONS	41	
TOTAL	2,170	

WAGES & BENEFITS

PAYMENTS TO

TOTAL

Employee wages and benefits comply with the collective labour agreement for the fresh fruit and vegetable sector, which is compulsory. All employees participate in a voluntary pension scheme.

1,179

PROVIDERS OF CAPITAL	
	€1,000
INTEREST OF DEBT	35
DIVIDEND	1,144

PAYMENTS TO GOVERNMENT BY COUNTRY

	€1,000
IMPORT DUTIES NETHERLANDS	2,784
IMPORT DUTIES GERMANY	1,849
IMPORT DUTIES BELGIUM	60
IMPORT DUTIES UNITED KINGDOM	66
DIVIDEND TAX NETHERLANDS	56
CORPORATION TAX NETHERLANDS	337
TOTAL	1,179



Import duties are duties levied by the customs administrations of European Union countries where we import. Bananas imported from Latin-American countries are the main contributor to this item. Corporation tax is the tax levied on the gross profit of the company. AgroFair does not use any off-shore tax constructions.

COMMUNITY INVESTMENTS

See section 2 on the Fairtrade premium.

ECONOMIC VALUE RETAINED		
	€1,000	
REVENUES	88,702	
OPERATING COSTS	(80,190)	
EMPLOYEE WAGES AND BENEFITS	(2,170)	
PAYMENTS TO PROVIDERS OF CAPITAL	(1,179)	
PAYMENTS TO GOVERNMENT	(5,152)	
RETAINED	11	

In short, this is what we aim for: Sustainable Economics; Economic Sustainability... big words to describe the colourful mix of our sincere wishes and objectives: healthy fruit, healthy workers, a healthy business, a healthy globe. Seems like a fair story to us!

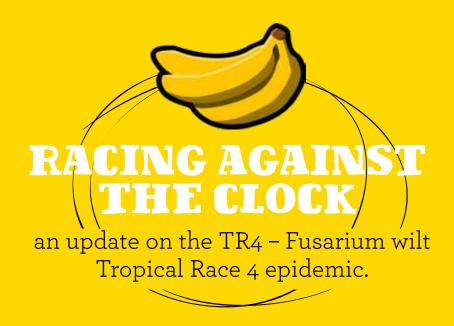
WE ARE A PART OF SEVERAL INITIATIVES:

• THE FONTAGRO PROJECT:

A joint 4-year program in conjunction with Wageningen University, Bioversity International and several governmental research institutions in South-America, aimed at improving soil quality and developing biological methods to control the Red Rust Banana Thrips, a tiny insect that causes red spots on the banana peel. Nothing serious, because the fruit is not affected, and who eats banana peels? But the clients don't want it, it affects the so-called cosmetic quality of the banana. Please see further on in this report for further detail.;

• THE WORLD BANANA FORUM.

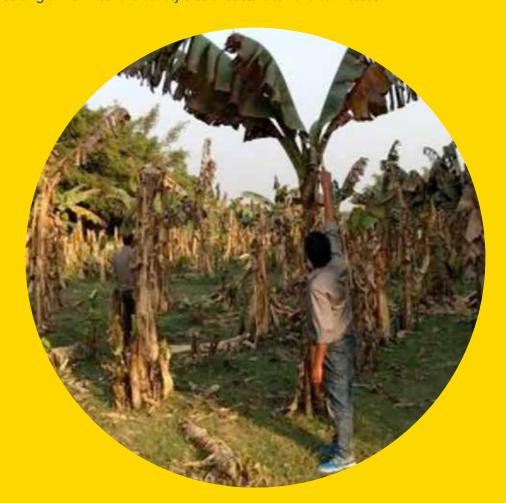
We are active members, taking a central part in the Task Force aimed at prevention and fighting Panama disease, and in Working Group 1, to promote a more environmental friendly banana.



If you have an interest in the banana trade, you must certainly have heard of Fusarium wilt Tropical Race 4 (still also known as the Panama Disease). To recap, here are the details:

The worldwide banana sector is under severe threat from a fungal soil-borne disease, called Fusarium wilt, also known as "Panama disease". Cause of the disease is a new strain of the fungus *Fusarium oxysporum* f. sp. *cubense* (*Foc*), more commonly referred to as Tropical Race 4 (TR4). The fungus penetrates the banana plant through the roots, multiplies and blocks the vascular system, causing the plant to die. In the past century, other strains, collectively named Tropical Race 1 (TR1) wiped out the widely cultivated Gros Michel variety, causing losses of up to USD 2.3 billion. The salvation for the banana industry was the massive shift to the Cavendish banana. This variety is resistant to the TR1 strains, but not to the new TR4 strain.

There is not a single known banana variety that is resistant to Panama Disease.



The situation is unwaveringly bleak. Last year, the countries already affected by the disease were Taiwan, China, the Philippines, Malaysia, Indonesia, Pakistan, Oman, Jordan, Mozambique and Australia. In the past year the disease was confirmed in five more countries: Laos, Vietnam, Myanmar, Israel and three states in India, the biggest banana producer in the world. It is only a matter of time for more countries to be added to this sombre list.

Practically the only country with effective quarantine measures and preventive biosecurity measures at farm level is Australia, with good quarantine legislation in place and sufficient support and investment from the side of the government. Other countries lack prevention and mitigation plans and levels of awareness among farmers and government officials are low. The epidemic seems unstoppable and sooner or later the fungus will arrive in Latin America and the Caribbean. The fungus does not only affect the Cavendish banana, nor is it restricted to the export sector: many other cultivated banana varieties are under threat, and so are countries with a banana sector that produces for the domestic market or where bananas or plantains are a staple food for household consumption.

TR4 IS A THREAT TO FOOD SECURITY AND THE LIVELIHOOD OF MILLIONS OF FAMILIES

Several research institutions are using genetic processing technology to speed up the search for a TR4-resistant banana. However, the European market is very reluctant to allow genetically modified organisms (GMO's). This past July the European Court of Justice passed a verdict stating that so-called gene-editing (manipulation of genes within the same organism) would be considered a GMO as well, and is consequently bound by the same severe regulations that govern GMO's. Countries outside the European Union tend to follow this policy as well.

In Australia, a resistant Cavendish variety created with gen-technology is currently being tested in the field, but even if this variety proves successful, in view of this recent jurisprudence the European market will not be open to these TR4-resistant bananas in the short run.

The Taiwan Banana Research Institute has developed several Cavendish variants via the traditional way of selection, so called GCTCV (Giant Cavendish Tissue Culture Variant). These cultivars have a certain level of tolerance but are not completely resistant against TR4. Although some commercial plantations exist in the Philippines, this variety has not yet been tested in Latin America and the Caribbean. Even then, it is difficult to imagine how a massive shift to a TR4-tolerant cultivar could take place.

The problem does not lie exclusively with the Cavendish banana. Many other varieties are susceptible to TR4. The eventual introduction of TR4-tolerant or resistant varieties would imply narrowing down the genetic base of banana production even further, while this narrow genetic base is precisely one of the causes of the rapid spread of TR4 in Cavendish plantations in the first place.

TR4 in Cavendish plantations in the first place.

In November of 2017, AgroFair, who is coordinator of the global TR4 Task Force, led a special panel on TR4 at the third conference of the World Banana Forum in Geneva, attended by stakeholders from different continents. Scientists, producers and development organisations participated in this panel. The panel concluded that under the present circumstances exclusion and prevention is the best and most affordable strategy. Apart from this strategy, more research is needed on the potential beneficial effects of healthy soil management, the biology and epidemiology of TR4 and on the effectiveness of biosecurity measures on the farm. Non-exporting countries and small banana and plantain farmers should be involved in prevention strategies and



supermarkets must be made part of a growing alliance to face this challenge. A more integrated approach at territorial level is needed, linking sustainable soil and water management and promotion of biodiversity to biosecurity measures. The World Banana Forum is the designated platform to spread practical knowledge and to play a role in awareness-raising. Part of this could be the development of a TR4-App for smartphones as information carriers, bringing with it a potential to reach and inform a vast public.

Towards the end of 2017, AgroFair participated in a conference of the network of Latin American and Caribbean Banana Researchers MUSALAC in Colima, Mexico. During this conference the regional plant protection organisation OIRSA presented its regional prevention plan. It became clear that whereas some governments in these regions have begun to take steps, a lot remains to be done. Lack of finance is a main bottleneck, and this is also true for the FAO's Global Programme on Fusarium Wilt Disease.

So this is where we stand today: no resistant variety has been secured, and even if it were, it would probably not be tradable on the European market. The true tolerance of the Taiwan CGTCV variant is still to be tested. Many governments are not nearly sufficiently prepared to prevent or counter contamination (with the sole exception of Australia) and finance to fund prevention and awareness-raising campaigns and research at regional and global level is lacking. The stark truth of the matter is that banana producers must primarily rely on their own efforts, taking biosecurity measures on the farm to keep this devastating disease at bay.

Acting upon this situation, AgroFair set up a meeting and workshop on TR4 with its Latin-American team in the auditorium of COOBANA (in Changuinola, Panama) last August. It was decided to start a campaign to raise awareness among suppliers of AgroFair. The GlobalGAP TR4 add-on (a tool developed with the help of AgroFair) was selected as the instrument of choice to evaluate and strengthen biosecurity measures at the farmgate. Among these preventive measures are strict control of visitors, use of clean planting material, footbaths to disinfect boots, and (living) fences to protect the farm as much as possible.

Making the most of a non-official visit of Panama's Minister of Agriculture to the meeting, we inquired what the Government of Panama has lined up to prevent entrance of TR4. We took the liberty to suggest a practical measure: preventive disinfection of all vehicles on the two access roads to the province and the installation of disinfecting footbaths on the two local airports: Bocas del Toro and Changuinola.

As the global threat of TR-4 is rising, so is awareness of the gravity of the situation. We are fighting the fungus as hard as we can. For the sake of millions, let's just hope that time is on our side.







WE ARE FIGHTING
THE FUNGUS AS
HARD AS WE CAN.
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THAT TIME IS
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In last year's report we introduced you to our microscopic superhero Mycorrhiza. Being tiny and hidden in the earth, he just may have slipped your attention, but he hasn't sat still for a minute!

It is a fascinating hidden universe: right beneath us, thousands of microorganism species such as bacteria and fungi (of which we can hardly identify 1%!) form an incredibly complex food chain. Unseen by us they are hard at work, contributing to a rapid decomposition of organic matter and making nutrients and minerals available for the root systems of plants and trees. In the course of food production, mankind has treated this hidden universe - the result of an evolution of millions of years - rather badly, destroying soil life through the large-scale application of synthetic fertilizers and agrochemicals. This has created havoc in the delicate and mutually beneficial relations between root systems and these microorganisms, disturbing the delicate balance between disease-carrying (pathogenic) microorganisms and their natural enemies.

Meet one of the beneficial soil microorganisms: the Mycorrhiza fungus. The feats that this tiny organism can perform are quite impressive! With its small threads, this fungus can penetrate plant roots and deliver nutrients to the plant. This benevolent little fungus is an efficient eliminator of soil pathogens and besides all that it finds the time to improve the soil structure as well. Looking for ways to put this micro-miracle worker to use, AgroFair started a research project among small banana farmers (four in Ecuador and four in Peru) to restore the density of this beneficial fungus in the soil with fresh injections of mycorrhiza. The hypothesis is that plants treated with mycorrhiza will be stronger and, in the case of banana plants, that they will produce larger bunches of bananas.

Over the past year, our Mycorrhiza research project at the trial fields in Peru and Ecuador has moved along nicely. New plots with existing banana plants were treated with mycorrhiza. Plantations in Peru and Nicaragua were added to the trial. The fungus performs its good works by penetrating the root of the plant, so we looked at different ways of getting the colonies of fungus to their starting blocks. The more of these little helpers we can get to invade the root of the plant, the better. This process is called 'root colonization'. We started out with soil injections on existing plantations but we have since found out that to immerse young plantlets in a solution with mycorrhiza might work better. This method also proves to have important research advantages: when we start out with plantlets, all plants -treated and non-treated alike- have the same age and are planted in the same period. Harvest will then also take place in the same period. This makes for an easier and more accurate comparison between treated and non-treated plants.

So what are the results of all this crawling about? Last August AgroFair and the Latin American team met in Panama to analyse the results of the trials in Peru and Ecuador. We did not see much difference in length, circumference of the plant or number of leaves. There were, however, differences in weight of the bunch and in the number of hands and bananas on the bunches, and these are the variables we are interested in. We are still waiting for sound data on the intervals between harvests. There is literature on trials on the Canary Islands (Spain) where the application of Mycorrhiza led to shorter intervals between harvests, implying more boxes of bananas per year. It is not rocket science that to us this could be a most interesting result!

The coming years, the trials will continue. The colonization of the roots by Mycorrhiza improves the capacity of the banana plant to absorb nutrients and water, so - in theory – less fertilizers and water would be needed to produce the same results, reducing production costs.

PROMOTION OF HEALTHY SOILS WILL BECOME AN IMPORTANT TOPIC FOR AGROFAIR AND MORE RESEARCH INTO DIFFERENT ASPECTS OF SOIL MANAGEMENT IS BEING DONE.

The use of other beneficial microorganisms is being explored in Ecuador and Peru, and although it sounds very basic, there is promising work done on better drainage just by digging trenches.

Interesting results were found at the FONTAGRO trial project on biological control of the plant disease Red Rust: placement of organic residues at the foot of the sucker (such as leaves and stems of old banana plants) and cover crops resulted in more bunch weight and shorter intervals between harvests.

So we are learning every day; by paying attention to the micro-universe under our feet we may have found an inexhaustible number of tiny soldiers. A boundless army that is ready to help us to nurse the planet's soil back to good health. If only we are willing to look closer.





The FONTAGRO research project on biological control of Red Rust Banana Thrips and healthy soil management in organic banana sectors of Peru, Ecuador and the Dominican Republic.

AgroFair is a partner in the FONTAGRO research and technical assistance project. A few years ago, our small organic banana producers from Ecuador and Peru knocked on our door. They were hit by a massive outbreak of a pest that made a large part of their bananas unmarketable and that was leading to losses of more than 40%, caused by Red Rust (red spots) on de bananas.

The culprit was a small insect called thrips that scratches and damages the banana peel. These tiny creatures feed on the peel of young bananas, causing oxidation of the natural latex that stays behind on the peel and as a result disfiguring the grown banana with red spots. As any teenager can testify, these spots do not affect the quality of the fruit in the least, just its cosmetic appearance. To demonstrate this, our research project compared the banana pulp of affected and not affected bananas ... guess what, no difference at all. An who eats banana peels? In fact, the red spots are "a kiss from nature", the best label to prove that no pesticides were used! Sadly, the supermarkets (and their customers!) turn a deaf ear to this and maintain a zero tolerance policy towards red spots.

In conventional production, red rust thrips are fought by placing insecticide-infused plastic bags over the banana bunch. In organic banana plantations this is not permitted, leaving the farmers without an adequate defense against the pest that was well on its way to destroy their livelihood.

Responding to the farmers' predicament, AgroFair played an important role in the formation of a research project four years ago, teaming up with government research institutions in Ecuador, Peru and the Dominican Republic with Biodiversity International, Wageningen University & Research (WUR) to find methods for biological control of the aggressor.

The project team set to work. For effective pest control, more information on the behavior of the insects was needed. It was quickly discovered that the common use of traps with different colors and impregnated with attractants did not have much effect to capture the insects. Red rust banana thrips hardly fly at all and prefer instead to stay firmly put on the stem of the banana plant, hiding between the sheaths of the plant until it is time for the banana's flower bud (or bell) to open. Once the flower opens, the tiny thrips take the chance to enter and lay their eggs on the infant bananas.

Field trials made it clear that early bagging, when the flower bell of the banana bunch is still closed, is the best preventive practice. This gave the farmers a much-needed effective practical approach to save their harvest.

Research was not only conducted in the field, but also in the scientific lab. Many trials were performed to investigate the effectiveness of the Red Rust thrips' natural predators like mites, bugs, small wasps and so-called entomopathogenic fungi and bacteria that could cripple or kill the thrips.

Having yielded enough firepower for the farmers to effectively respond to the minute Red Rovers that were threatening their existence, the FONTAGRO project has now been successfully concluded. A happy ending. Except maybe for the thrips.



IN FACT, THE RED SPOTS ARE "AKISS FROM NATURE"



When it comes to creating and implementing projects, AgroFair has a pretty solid track record. We like to spread our experience as far and wide as we can: here are some short notes on projects in Senegal and Nigeria. Not all projects are directly tied to AgroFair's chains of business, but what they all have in common is an interest in inclusive and sustainable development, participation of small producers and of course: bananas!

APROVAG SENEGAL

In Senegal, AgroFair has supported the association of small banana producers APROVAG for six years now. And a lot has been accomplished in that time! With the aid of two grants from the Rabobank Foundation, we started out by to supplying technical assistance from AgroFair experts. By the end of 2015, we managed to get approval for two corresponding projects.

The first of these projects was all about technical assistance and training. It was co-financed by the Sustainable Initiative Fruit and Vegetables (SIFAV), this is one of the sector programmes of the Dutch Initiative for Sustainable Trade (IDH) With this funding, a full-time agronomist/banana expert was contracted. An exchange visit was set up with fellow banana farmers in Peru, and APROVAG was assisted in building up a more profitable business model and an improved organisation.

Added expertise is wonderful, of course. But no farm runs on theory alone. There was also a need for tangibles! So the second project was focussed on much-needed investments in farming equipment, initially for irrigation and composting purposes. These investments were made possible with a grant from the Africa Enterprise Challenge Fund (AECF). This grant, together with a soft loan from the Rabobank Foundation, made it possible for APROVAG to acquire some new farming equipment for several of their producer groups. Among these items were new motorpumps for the irrigation systems, a whole new cableway, a tractor and trailer, and also a compost turner, to boost the production of compost in three of its producer groups. On top of that it enabled the association to construct and repair sprinkler irrigation systems, to replace the traditional manual irrigation with hoses.

Next year, investments will focus on logistics: there is a need for several cold stores, a couple of small trucks to bring packed bananas to Tambacounda and a refrigerated truck to transport bananas to the capital of Dakar.

The project set out with the hope to assist APROVAG to supply Fairtrade and organic bananas to the Belgian supermarket chain COLRUYT. The supply route was to run via AgroFair, with a transit time of just one week. Two test shipments in 2014 and end 2016 made it clear that APROVAG needs a bit more time and experience to be able to produce bananas of consistent quality and volume. In the meantime, the high-end urban markets in Dakar and other cities have proven a good alternative, yielding decent prices for the farmers. If APROVAG succeeds in producing consistent volumes and quality, with a little help from AgroFair, there is a bright future ahead for this producer organization.

IN SENEGAL, AGROFAIR HAS SUPPORTED THE ASSOCIATION OF SMALL BANANA PRODUCERS APROVAG FOR SIX YEARS NOW. AND A LOT HAS BEEN ACCOMPLISHED IN THAT TIME!





here is no looking ahead without learning from past experiences: this report marks the end of the first year that we have based our sustainability report on GRI standards and what a great learning cycle it has been! GRI has helped us to structure both our knowledge on sustainability themes and our reporting on them. While this has proven a great help as it sketches the current lie of the land in sustainability issues, sometimes we cannot help feeling slightly overwhelmed at the vast mountain of challenges still looming on the horizon.

Of course, just as Rome was not built in a day, we cannot hope to change the world overnight. To bring about change for the better we must narrow down our energy and attention into effective – and palatable! - doses. So, driven by our choice of material topics, for the coming year AgroFair has decided to focus on the following challenges:

- We will continue to promote equal opportunities for men and women, disabled people and minority groups. Existing obstacles for labour participation in banana companies will be researched further.
- For non-organic bananas; we will work on the monitoring of pesticide use and on measuring the environmental impact through the use of the Pesticide Footprint Model. Possibilities to reduce this impact will be explored.
- Together with our producer base, we will record the steps that have so far been taken in prevention of the dreaded TR4. Plans will be drafted to implement full measures in the coming years.
- We will continue our efforts to improve water management in Peru and explore the possibility of installing improved gravity irrigation systems in selected farms.
- We mean to get the tiny plastic recycling plant in Peru up and running!
- Promotion of healthy soils will be carried on we will engage in further testing with Mycorrhiza in Peru, Ecuador and Nicaragua.
- Our own policy on animal welfare will be drafted.

GREAT CHANGES CAN BE BROUGHT ABOUT A STEP AT A TIME. WE HOPE THAT WE CAN COUNT ON YOUR CONTINUED SUPPORT AT EVERY STEP OF THE WAY! IT MEANS THE WORLD TO US.



GRI INDEX

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GRI STANDARD	INFORMATION	DESCRIPTION	PAGE
GRI 102 GRI 102	102-14 102-1	Statement from senior decision-maker Name of the organization	4-5 6
GRI 102	102-2	Activities, brands, products, and services	6-7
GRI 102	102-3	Location of headquarters	6-8
GRI 102 GRI 102	102-4	Location of operations Ownership and legal form	12-13 7-8
GRI 102	102-5 102-6	Markets served	7-6 12-13
GRI 102	102-7	Scale of the organization	12 15
GM 102	102 /	Total numbers of employees: 27 persons	
		Total numbers of operations: 1 (AgroFair Benelux, Barendrecht, Netherlands)	
		Net Sales: 88,7 million	
		Quantity of products: 96.754 in total , 91.165 bananas	
GRI 102	102-8	Information on employees and other workers	
		Total number of employees by gender: 18 persons men, 9 persons women.	
		Total number of employees by employment contract (permanent and temporary): 1 person with a temporary contract, 26 persons with a permanent contract.	
		Total number of employees by employment contract (permanent and temporary), by region: 26 persons with a permanent contract in the Netherlands, 1 person with a temporary contract in the Netherlands.	
		Total number of employees by employment type (full-time and part-time), by gender: 22 people work full-time (23% women, 77% men), 5 people work part-time (80 % women, 20% men)	
		Whether a significant portion of the organization's activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees: We don't have workers who are not employees.	
		Any significant variations in these numbers reported (such as seasonal variations) No fluctuations, yet significant growth.	
		An explanation of how the data have been compiled, including any assumptions made. Numbers are collated based on our own personnel files and exclude interns. Full-time is defined as Full Time Equivalent (FTE).	
GRI 102	102-9	Supply chain	10
GRI 102	102-10	Significant changes to the organization and its supply chain	Not applicable
GRI 102	102-11	Precautionary Principle or approach	4-5
GRI 102	102-12	External initiatives	26, 42,51
GRI 102 GRI 102	102-13 102-16	Membership of associations Values, principles, standards, and norms of behavior	26,42,51 14
GRI 102	102-18	Governance structure	7-8
GRI 102	102-40	List of stakeholder groups	20
GRI 102	102-41	Collective bargaining agreements All employees are covered by the CAO Wholesale in Fruit and Vegetables – 100%.	
GRI 102	102-42	Identifying and selecting stakeholders	20
GRI 102	102-43	Approach to stakeholder engagement	19
GRI 102	102-44	Key topics and concerns raised	18-19

GENERAL DISCLOSE	JRES		
GRI STANDARD	INFORMATION	DESCRIPTION	PAGE
GRI 102	102-45	Entities included in the consolidated financial statements	
		Group Structure as at 31 December 2017 Company - Registered office - Proportion of issued share capital Consolidated subsidiaries: AgroFair Benelux B.V Barendrecht, The Netherlands - 100% Hoge Snelheid 1 B.V Barendrecht, The Netherlands - 100% STAK Hoge Snelheid 2 B.V Barendrecht, The Netherlands Hoge Snelheid 2 B.V Barendrecht, The Netherlands - 66% Hoge Snelheid 3 B.V Barendrecht, The Netherlands - 100% Non-consolidated companies: Grupo Hualtaco S.A.C Lima, Peru - 50% CTM AgroFair Italia S.R.L Verona, Italy - 50% Participation in producers/exporters: Oke Guabo Cia Ltda El Guabo, Peru - 50%	
GRI 102	102-46	Defining report content and topic Boundaries	25,39,49
GRI 102	102-47	List of material topics	16-17
GRI 102	102-48	Restatements of information	Not applicable
GRI 102	102-49	Changes in reporting	Not applicable
GRI 102	102-50	Reporting period	5
GRI 102	102-51	Date of most recent report	Not applicable
GRI 102	102-52	Reporting cycle	4
GRI 102	102-53	Contact point for questions regarding the report	21
GRI 102	102-54	Claims of reporting in accordance with the GRI Standards 'This report has been prepared in accordance with the GRI Standards: Core option'	
GRI 102	102-55	GRI content index	64
GRI 102	102-56	External assurance	Not applicable

MATERIAL TOPICS			
GRI STANDARD	INFORMATION	DESCRIPTION	PAGE
Economic Topics			
GRI 103	103-1	Explanation of the material topic and its Boundary	48
GRI 103	103-2	The management approach and its components	49
GRI 103	103-3	Evaluation of the management approach	49
GRI201	201-1	Direct economic value generated and distributed	50-51
Environmental Topics			
GRI 103	103-1	Explanation of the material topic and its Boundary	38-42
GRI 103	103-3	Evaluation of the management approach	38-42
GRI308	308-2	Negative environmental impacts in the supply chain and actions taken	4-48
Social Topics			
GRI 103	103-1	Explanation of the material topic and its Boundary	24-27
GRI 103	103-3	Evaluation of the management approach	24-27
GRI 414	414-2	Negative social impacts in the supply chain and actions taken	24-27

REFERENCES

- ¹ Bush, S. R., Oosterveer, P., Bailey, M., & Mol, A. P. (2015). Sustainability governance of chains and networks: A review and future outlook. Journal of Cleaner production, 107, 8-19.
- ² Bellamy, A. S., Svensson, O., van den Brink, P. J., & Tedengren, M. (2016), What is in a label? Rainforest-Alliance certified banana production versus non-certified conventional banana production. Global Ecology and Conservation, 7, 39-48.
- ³ DeFries, R. S., Fanzo, J., Mondal, P., Remans, R., & Wood, S. A. (2017). Is voluntary certification of tropical agricuttural commodities achieving sustainability goals for small-scale produ5gr)s? A review of the evidence. Environmental Research Letters, 12(3), 033001.

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CONCEPT

Orientation Travel Productions

DESIGN

Diewertje van Wering CVIII Ontwerpers

PHOTOGRAPHY

Employees of AgroFair







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