

PART A – NOTES ABOUT FAIR TRADE

What is “fair trade”?

The fair trade movement is popular in the UK but what is it? Fair trade is an institutional arrangement designed to help producers in developing countries achieve better trading conditions. Members of the fair trade movement advocate payment of higher prices to exporters, as well as improved social and environmental standards. Fair trade organisations, backed by consumers, are engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade. Sales of fair trade products are on the rise.

World Fair Trade Organisation (“WFTO”)

The WFTO was created in 1989. It is a global association of 401 organisations in 76 countries committed to improving the livelihoods of economically marginalised producers. Its members are primarily fair trade enterprises, whose business model is verified by independent audit and peer review. WFTO verification is at enterprise level, and it covers all aspects of the business and supply chain. (WFTO verification should not be confused with commodity certification systems, such as Fairtrade certification, where only a component of the product is covered.) The WFTO product label can only be used by verified fair trade enterprises which consist of producer cooperatives and associations, export marketing companies, importers, retailers, national and regional fair trade networks and Fair Trade Support Organisations. WFTO members use commercial activity to achieve a social mission and have been referred to as 'Fair Trade Social Enterprises'.

WFTO's stated mission is "to enable producers to improve their livelihoods and communities through fair trade". Its five goals are to:

1. be the leading network of the fair trade movement
2. provide an environment for sharing and learning
3. raise awareness of and promote the fair trade model, and advocate for change to conventional trade.
4. create market access opportunities for members
5. enhance WFTO's capability to deliver a broader range of services to its members.

**London Scottish House
Fair Trade Policy**

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1. How do we Engage in and Promote Fair Trade?

- 1.1. As a fair trade organisation, we have a commitment to fair trade as the principal core of our mission.
- 1.2. We make every effort to conduct business in accordance with our fair trade policy and to the highest ethical standards.
- 1.3. We aim to ensure that every product we supply is sourced, produced and obtained in accordance with our fair trade policy and those ethical standards, in an acceptable manner, in accordance with current best practices, and in particular lawfully, through fair and honest dealing, without exploiting the people who made the products, in decent working conditions, and with environmental impact during production and transportation being reduced.
- 1.4. We endeavour to ensure that all of our suppliers, producers and their sources adhere to our fair trade policy but recognise that it is not possible to provide absolute assurance that they the suppliers producers will do so. Where we identify transgressions by any supplier or producer, we try to work with them to develop an appropriate remediation programme. However we will stop using any supplier or producer who we find persistently contravenes our fair trade policy or fails to implement an agreed remediation programme.
- 1.5. Our fair trade policy, as follows, is based on the World Fair Trade Organisation's 10 principles.

2. Creating Opportunities

- 2.1. We aim to create opportunities for small wholly independent, but economically disadvantaged, producers in rural areas in Scotland, with traditional, artisan skills who would not normally be able to access markets in economically developed countries
- 2.2. Some of our producers and suppliers are family firms and co-operatives. Some of the products that we buy from our producers and suppliers are handmade or produced on a small scale either individually or as a cooperative.
- 2.3. We work with our producers and suppliers to develop and introduce new products.
- 2.4. We aim to ensure that the quality of each type of products that we source from Scotland or elsewhere
- 2.5. We work with our producers and suppliers to create a happy, trusting and long term relationship with them. We aim to ensure that our producers and suppliers]have a dependable and regular source of income which helps them create a secure and stable lifestyle.
- 2.6. We help market our producers and suppliers products by emphasising to our customers and prospective customers the craftsmanship, cultural influence, and skills involved which make their products special.

3. Transparency and Accountability

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3.1. Certain commercial information needs to remain confidential, but, subject to that, we aim to act with transparency and accountability in all our dealings with our producers and suppliers, and we have open discussions with them about our and their business plans and their aspirations.

4. Paying a Fair Price

4.1. We agree and pay our producers and suppliers for products a fair price which is acceptable to them and which ensures that they are adequately compensated for their work and skill.

5. Fair Trading Practices

5.1. We adopt fair trade practices in our dealings with our producers and suppliers.

5.2. We make payment to our producers and suppliers as soon they have delivered products or services to us.

6. Ensuring no Child Labour or Forced Labour is Employed

6.1. We ensure that no child labour is used in the making of products that we sell. For this purpose, we adopt the same age used by the International Labour Organisation Convention No. 138 to define “child”, namely the age of 15 years, or, where any such product is produced or worked on in any country where the minimum age for completion of compulsory schooling is greater than 15, then we apply that greater age instead.

6.2. We are aware that some of the artisan skills involved in producing some of our products have been traditionally passed down through generations. However, we ensure that where any children are involved in learning any such skills, it is only in the context of apprenticeships and education-related work which are legitimate and legally sanctioned in their country and that it will not adversely affect their well-being, security, education, or development.

6.3. Further, we make sure that where any person who is under 18 but 15 or over (or if greater, the minimum age for completion of compulsory schooling in their country) is involved in producing any of the products that we sell, neither the nature of their work nor the circumstances in which it is carried out is likely to jeopardise their health, safety or morals.

6.4. We ensure that forced labour, whether in the form of prison, bonded or uncompensated labour is not used.

7. Commitment to Non Discrimination

7.1. We believe in equality and fairness for all and do not discriminate or tolerate discrimination of any type on any basis against any of our employees, suppliers, or producers regardless of age, sex, race, religion or disability. We also expect our producers and suppliers, to do the same and to provide equal opportunities and pay for all.

8. Ensuring Good Working Conditions

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- 8.1. Our own employees enjoy good general working conditions, and in particular a safe and healthy environment.
- 8.2. We require our suppliers and producers to meet their local laws on working conditions, welfare health and safety, minimum wages, hours of work, overtime and deductions.
- 8.3. We require our suppliers and producers to make every effort to ensure that:
 - 8.3.1. accidents or injury in the workplace are prevented;
 - 8.3.2. health and safety procedures are implemented and employees are regularly trained and tested in what to do in certain situations;
 - 8.3.3. there is always adequate lighting and ventilation;
 - 8.3.4. clean drinking water is always available.
- 8.4. We do our best to both raise awareness of our [suppliers] [producers] of health and safety of employees, and to encourage them to improve their health and safety practices.
- 8.5.** We require our own employees to treat all of their colleagues with respect and dignity, and ensure that no employee is treated with threatening behaviour, physical punishment or any form of mental or verbal abuse. We also require our producers and suppliers to do the same.
- 8.6.** We require our [suppliers] [producers] to ensure that their employees have the right to associate or unionise with any organisation that is legal in their country.

9. Providing Capacity Building

- 9.1. We try to help our suppliers and producers grow their business by providing them with any advice, training or contacts that we can, and by working with them to build capacity through development (theirs and ours) and access to other markets.

10. Promoting Fair Trade

- 10.1. We want to spread the word that fair trade is the best way to trade, and we communicate this as much as possible.
- 10.2. We are a member of BAFTS (British Association of Fair Trade) network of independent shops and suppliers dedicated to promoting fair trade retail in the UK. We promote fair trade generally by playing an active part in BAFTS.

11. Respect for the Environment

- 11.1. We minimise our environmental impact and help our suppliers and producers to do the same by trying wherever possible to use recycled materials in some many of our products, trying to reuse packing materials, returning to the manufacturer toner cartridges from laser printers that we use, recycling cardboard waste, using recyclable plastic bags, reducing our use of paper, and collecting paper for recycling.
- 11.2. We are continuing to develop our environment practices in the delivery of the events we organise, services we provide, and in the production of the items that we sell.