

**FAIR TRADE PRACTICES POLICY**  
**OF**  
**INDEGO AFRICA PROJECT**

**June 22, 2007**

Indego Africa Project (“*IAP*”) is committed to the highest standards of integrity and ethics in all relations with its producers and the community organizations that support them. IAP will comply with strict economic, social and environmental criteria consistent with fair trade principles and practices, as certified by respected third parties, in order to create a more equitable and sustainable trade system for producers.

**SECTION 1. How IAP Practices Fair Trade.** IAP has bound itself to meet the highest standards for fair trade wholesalers and retailers with respect to its artisans and their communities. IAP complies with these standards by (a) adopting and following principles and practices set forth in Section 2 that have been established by third party organizations with significant experience and a considerable reputation in the fair trade community; and (b) elaborating more specifically in Section 3 the initiatives that IAP commits to undertake in order to conform to such principles and practices.

**SECTION 2. Fair Trade Principles and Practices.** IAP subscribes to the Principles and Practices developed by the Fair Trade Federation (“FTF”), as follows:

“FTF members are committed to the following principles and practices:

- (1) **Fair Wages in the Local Context:** Producers receive fair compensation for their products, which means that workers are paid at least that country's minimum wage. Since the minimum wage is often not enough for basic survival, whenever feasible, workers are paid a living wage, which enables them to cover basic needs, such as food, shelter, education and health care for their families. Paying fair wages does not necessarily mean that products will cost the consumer more. Since fair trade organizations bypass exploitative middlemen and work directly with producers, they are able to reduce costs and return a greater percentage of the retail price to the producers.
- (2) **Participatory Workplaces:** Fair trade organizations work primarily with small businesses, democratically-run associations, and/or cooperatives which bring significant benefits to workers and their communities. Cooperatives and producer associations provide a healthy alternative to large-scale manufacturing and sweatshops conditions, where unprotected workers earn below minimum wage and most of the profits flow to foreign investors and local elites who have little interest in ensuring the long term health of the communities in which they work. By banding together, workers are able to access credit, reduce raw material costs and establish more just prices for their products. Workers earn a greater return on their labor, and profits are distributed more equitably. Profits are also often reinvested in community projects, such as health clinics, child care, education and training. Workers practice important leadership and organizing skills,

enabling self-reliant grassroots-driven development. Safe and healthy working conditions are maintained and producers gain greater control and decision making power over the use of their resources.

(3) **Environmental Sustainability:** Fair trade organizations engage in environmentally friendly practices which manage and use local resources sustainably. Many FTF members work directly with producers in regions of high biodiversity to develop products based on sustainable use of their natural resources, giving communities an incentive to preserve their natural environments for future generations.

(4) **Financial and Technical Support:** Small-scale farmers and artisans in the developing world lack access to affordable financing. FTF members that buy products directly from producers often provide financial assistance either through direct loans, prepayment or link producers with sources of financing. Unlike many commercial importers who often wait 60-90 days before paying producers, many FTF members supply prepayment so that producers have sufficient funds to cover raw materials and basic needs during production time. They also often provide other critical technical assistance and support such as market information, product feedback and training in financial management. Unlike commercial importers, FTOs establish long term relationships with their producers and help them adapt production for changing trends.

(5) **Consumer Education:** Fair trade organizations educate consumers about the importance of purchasing fairly traded products which support living wages and healthy working conditions. By defining fair trade and conducting business in a manner that respects workers' rights and the environment, the fair trade movement strives to educate consumers about the often hidden human costs of their "bargains." By providing information about producers' history, culture and living conditions, fair trade organizations enhance cross-cultural understanding and respect between consumers and communities in the developing world. They also educate consumers and policy makers about inequities in the global trading system.

(6) **Respect for Cultural Identity:** Fair trade organizations encourage the production and development of products based on producers' cultural traditions, as adapted for Western markets. They seek to promote producers' artistic talents in a way that preserves cultural identity.

(7) **Public Accountability:** FTF members' finances, management policies, and business practices are open to the public and monitoring by the Fair Trade Federation.”

The text of these Principles and Practices in its entirety was developed by the FTF and is available at [www.fairtradefederation.org](http://www.fairtradefederation.org).

SECTION 3. Fair Trade Implementing Initiatives. IAP adopts the following initiatives (“FT Initiatives”) in order to implement, and ensure compliance with, the FTF Principles and Practices and other supplemental fair trade practices (such as the Code of Practice) established by the International Federation for Alternative Trade (“*IFAT*”):

(1) **Fair Wage Initiatives:**

(a) IAP will work directly with its artisans and development partner organizations (“DPOs”) regarding production method, delivery, quantity, work environment, and quality requirements for products being made.

(b) IAP will keep administrative and marketing costs low, so that it can maximize profits. IAP will return 100% of profits from the sale of goods to artisans and DPOs.

(c) IAP will consult widely-accepted fair wage calculators and employers in countries and communities where IAP operates in order to determine a fair price for products that it purchases from artisans and DPOs, or when relevant, to set a fair wage. Payments from IAP will be targeted to meet an artisans basic needs.

(2) **Workplace Initiatives:**

(a) IAP will work only with DPOs that provide training and skills-building to their artisans and communities.

(b) IAP will deliver leadership and business skills to artisans and DPOs through partnerships that require each partner’s commitment to recordkeeping, quality control and client service. For most DPOs, keeping this commitment will mean working with IAP personnel to improve reporting obligations, budgeting, business planning and marketing. For artisans, keeping this commitment will mean learning how to run a successful small business.

(c) When possible, IAP will involve leaders of DPOs in its major management and commercial decisions.

(d) IAP will work exclusively with DPOs that maintain a safe and humane workplace that complies with local standards and regulations.

(e) IAP will oppose discrimination of any kind and insist on equal employment opportunities for men and women.

(3) **Environmental Initiatives:**

(a) IAP will not be involved in trading activities that have a significant environmental impact. When artisans source their raw materials, IAP will engage the artisans to find the most sustainable sourcing solution.

(4) **Financial and Technical Initiatives:**

(a) IAP will provide prepayment to artisans on a negotiated basis (up to 50% of the final price) well in advance of delivery of finished products.

(b) IAP will constantly inform its artisans and DPOs of trends in export markets regarding the delivery and price of their products such that all parties operate transparently and full comprehend how they are mutually benefiting from the relationship.

(5) **Education Initiatives:**

(a) IAP will maintain on its website accurate and extensive information about the fair trade movement, fair trade principles, any fair trade assessments of IAP by third parties and IAP's own policies and initiatives to ensure fair trade compliance.

(b) IAP will promote cultural understanding and educate consumers about African history and culture by providing compelling information on its website regarding IAP artisans and their products, communities, artistic process and personal histories.

(c) IAP will support whenever possible other campaigns aimed at improving the living conditions of the economically disadvantaged in developing countries.

(6) **Cultural Initiatives:**

(a) Whenever possible, IAP will encourage its artisans to produce traditional products with artistic and cultural significance to them and their community.

(b) IAP will not violate or affect indigenous peoples' claims on land or any resources of vital importance to their way of life.

(7) **Accountability Initiatives:**

(a) IAP will maintain all current and up-to-date copies of its operational and management policies, financial statements, IRS filings, state-level filings, major business plans and partnership forms on its website.

SECTION 4. Availability of Policy. IAP will make this policy available to its producers by providing it to DPOs and responding to any requests from artisans for a copy. IAP will make this policy publicly available for viewing and download on its website.

SECTION 5. Feedback and Questions. IAP works hard to ensure that artisans, DPOs, consumers, retailers and other stakeholders understand our fair trade policies and is committed to transparency regarding each of its FT Initiatives. If any member of the public has feedback or questions about this fair trade practices policy, please contact:

Fair Trade Initiatives  
Indego Africa Project  
507 Archwood Trail  
Houston, TX 77007  
fair.trade@indegoafrica.org  
Tel: 202.580.8470

SECTION 6. Changes to Policy. If at some point in the future there is a change to this policy or IAP's fair trade practices and FT initiatives ("FT Change") that affects artisans' or DPOs' responsibilities, a revised copy of this policy will be made available pursuant to Section 4 above and IAP representatives will be made available to respond to any inquiries from artisans or

DPOs. With respect to the general public, any FT Changes will be reflected in the fair trade practices policy date posted on this document and made available pursuant to Section 4 above.



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**IN WITNESS WHEREOF**, the undersigned, being the Secretary of Indego Africa Project does hereby certify that the foregoing is the fair trade practices policy of said corporation, as adopted by unanimous consent in lieu of a meeting of the Board of Directors on \_\_\_\_\_, 2007.

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Name: Mary E. Mitro  
Title: Secretary

