



**Home of Fair Trade
Enterprises**

WFTO Code of Practice

The World Fair Trade Organization (WFTO) aims to improve the livelihoods of disadvantaged people in developing countries by linking and strengthening organisations that offer just alternatives to unfair trade structures and practices. WFTO members come together in solidarity and mutual cooperation to create an alternative and fairer way of doing business. WFTO is a global network that promotes fair trade and provides forum for the exchange of information to help members increase benefits to producers. WFTO members share the following practices:

1. **Commitment to Fair Trade** To trade with concern for the social, economic and environmental well-being of marginalised producers in developing countries. This means equitable commercial terms, fair wages and fair prices. Unfair trade structures, mechanisms, practices and attitudes will be identified and avoided. To cooperate and not compete. To promote fair trade and social justice in the interest of the producer, and not to maximise profit at the producer's expense.

2. Transparency

To openly share financial information, management policies, business practices, product sources, production, marketing and development programme plans on a regular basis. This enables both members and the public to assess WFTO's, and each organisation's social and financial effectiveness. This openness is tempered with respect to sensitive commercial or political information.

3. Ethical Issues

To reflect in their structures a commitment to justice, fair employment, public accountability and progressive work practices. To seek the greatest possible efficiency at the lowest cost while involving workers in decision-making and management as appropriate to each organisation. To aim for adequate income for workers to meet their basic needs, including health care, education and the capacity to save.

4. Working Conditions

To ensure a safe working environment that satisfied at a minimum all local statutory regulations. To provide the opportunity for all individuals to grow and reach their potential. To ensure that work is carried out under humane working conditions, using appropriate materials and technologies, while following good production and work practices.

5. Equal Employment Opportunities

To oppose discrimination and ensure equality of employment opportunities for both men and women who suffer from the exploitation of their labour and the effects of poverty and racial, cultural or gender bias.

6. Concern for People

To promote development which improves the quality of life and which is sustainable for and responsible to both people and the natural world. There will be no exploitation of child labour. Trading activities should not violate indigenous peoples' claims on land or any resources of vital importance to

their way of life.

7. Concern for the Environment

To encourage the trading of goods which are environmentally friendly. To manage resources sustainably and to protect the environment.

8. Respect for Producers' Cultural Identity

To encourage production and development of products based on producers' cultural traditions and natural resources. To promote producers' artistic, technological and organisational knowledge as a way of helping preserve and develop their cultural identity.

9. Education and Advocacy

To promote fair trade by encouraging people to change consumption patterns based on issues of social justice and concern for the environment. To support campaigns or campaign for national and international policies that will improve the living conditions of the poor in developing countries. To increase public and corporate consciousness of alternative trade as an effective means to change unfair international trade structures and attitudes. To increase awareness of cultural and traditional values of the South in order to promote intercultural understanding and respect.

WORKING RELATIONSHIPS

Organisations participating in Fair Trade shall establish their relationships within a framework of solidarity, trust and mutual respect, avoiding prejudice or harm to their colleagues' images and reputations. These relationships are based on reciprocal benefits and fair exchanges and should be of a nature that extends beyond trading itself. WFTO members and observers agree to negotiate our differences through open and direct dialogue.

1. Relationships between Fair Trade Organisations (FTOs) and consumers FTOs provide consumers with high-quality, fairly priced products and educate and inform. FTOs recognise that good customer care - including respect for the customer, honest marketing techniques and provision of information - is both an ethical issue and a means of benefiting all parties in the trading cycle. Through consumer feedback FTOs will receive market and product information.

2. Relationships between FTOs

As representatives of the producers, FTOs should make efforts to coordinate their activities and help each other achieve commercial efficiency at the least possible cost in order to open up markets to benefit the producers. Their cooperation and commercial transactions shall be based on a clear and efficient work division according to their different geographical locations and resources.

FTOs cooperate with each other by exchanging information about products and market needs and ways of meeting them, including joint supply and marketing. They seek to avoid both duplication and exclusivity in agreements for marketing and representation. They also aim to cooperate by obtaining funding for themselves and producer organisations through credits, loans and working capital and optimising existing resources.

3. Relationships between FTOs and Producer Organisations

The function of the FTO is to buy and sell and the function of the producer organisations is to produce and sell. Their commercial relationship should be complemented with other actions addressing the overall situation. Market information, product feedback, financial support and other relevant services are available according to members' and observers' capability. Taking into account the skills and resources of producers, FTOs and producer organisations seek to improve the quality, acceptability and range of their product offerings. Both FTOs and producer organisations agree to be responsible and professional in meeting their commitments in a timely manner.

4. Relationships between Producer Organisations

Cooperation between producer organisations should be frank, open and based on mutual respect to benefit their members. They avoid competition by not duplicating the designs or patterns of another group without permission. They exchange information, have joint workshops, take collective action and will, where possible, meet to discuss common issues.

Approved at the 1995 WFTO Conference held in New Windsor, Maryland, USA.
The WFTO Code of Practice is also available in Spanish and French.