



TRAIDCRAFT

Fighting poverty through trade

INFORMATION PACK



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Traidcraft staff taking part in the 'white band day' as part of the Make Poverty History campaign in 2005



Traidcraft's packing line

Introduction

Thank you for your interest in Traidcraft's trading company.

Whether you are conducting research, working on a school/university project or writing an essay, this pack provides you with lots of information to help answer your questions.

Please note that Traidcraft's website www.traidcraft.co.uk contains lots of other information, including a lot more detail on Traidcraft's aims and approach, current projects and its impact on producers in the developing world. It also hosts 'Social Accounts' from 2003 onwards where you can read how successfully Traidcraft has performed against a range of non-financial indicators.



Farm worker Michael Silver harvests the South African grapes that become Fairtrade, sun-dried raisins used in Traidcraft Christmas cakes.



Hilton with his new school bag

The grapes are grown by small-scale farmers who live and work on islands in the Orange River area, near the Kalahari Desert.

Traidcraft's relationship with the farmers, which began in 1996, is much more than buyer and grower. Our extra mile approach includes:

- sending advance payments when a hailstorm wiped out 70% of their vines
- helping to develop their association into the Eksteenskuil Agricultural Co-operative (EAC)
- working with them to gain Fairtrade certification
- providing an ongoing support programme – this year it is training farmers in cash flow, planning and budgeting to strengthen their co-operative.

The Fairtrade premium we pay has helped to provide many benefits including tractors, community water pumps, repairs to water canals and schoolbags for local children.

For farmer Pieter van Wyk, the community water pump means easier access to water for his home. "We pump the water from the canal. Before I had to fill the bucket and carry it home."

For pupils like Hilton at the local primary schools, fair trade means no more plastic carrier bags as each child now has a schoolbag to carry books to and from school – especially important during the rainy season.

As members of EAC presented bags to the pupils, Don van Wyk, principal at George Island Primary School, explained the importance of this support. "It is like manna from heaven. I tell you the parents will be overwhelmed. Our people are so poor in this area, these things are luxuries in their eyes. People will be talking about this for weeks and months."

The story so far

Traidcraft began life in 1979. A small group of Christians believed that the way trade often worked put those who were already very poor at even more of a disadvantage. They believed that trade could be a tool for development of some of the poorest communities in the world if people were paid a fair wage for the products they made. They chartered a plane to Bangladesh and brought back lots of products made of jute – a natural fibre that can be woven into baskets, rugs, Christmas decorations and other items. Hand drawn catalogues were distributed through church networks and people began to place orders. Traidcraft was born!

Originally based in a small building in the centre of Newcastle Upon Tyne with just 7 staff, Traidcraft now has two buildings on the Team Valley trading estate in Gateshead and employs nearly 180 staff in five countries.

Foundation Principles

Traidcraft's believes that businesses should work in the interests of all stakeholders and in particular should be held accountable for their impact on the poor.

We are guided in all this by our Foundation Principles:

1. Traidcraft is a Christian response to poverty

- We express Christian principles in our policies and activities, especially the principles of love, justice and service which were lived and taught by Jesus.
- We work in partnership with the poor, disadvantaged and marginalised, whatever their creed.
- We work together with all those who share our commitment to fighting poverty, whatever their faith commitments.
- We recognise that poverty has spiritual and moral as well as material dimensions

2. Traidcraft's mission is fighting poverty through trade

- We focus on the reduction and prevention of poverty and gross inequality, especially in developing countries.
- We fight poverty by engaging directly in trade, by influencing others who engage in trade, and by developing the skills and market access of poor producers.
- We raise awareness of issues relating to poverty among consumers in the UK, and encourage them to make moral choices as they spend their money.

3. Traidcraft respects all people and the environment

- We support the development of people to achieve their God-given potential.
- We promote the fair and equal treatment of women and men and protect the interests of children.
- We promote relationships between rich people and poor people that enable the poor to use their skills to build better lives and the rich to learn from the poor.
- We promote responsible stewardship of the created environment, giving people access to resources, a share in decisions about them, and responsibility for their use.

4. Traidcraft abides by and promotes fair business practices

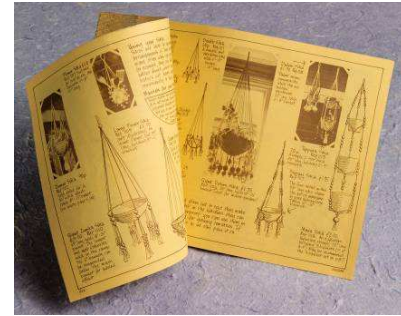
- We seek fairness for producers, customers, shareholders, employees and other stakeholders.
- We encourage the payment of fair prices that allow fair rewards to be paid to producers.
- We encourage best practices in conditions of employment.
- We recognise that organisations should work in the interests of all stakeholders, and not simply to maximise financial returns.

5. Traidcraft strives to be transparent and accountable

- We report on our activities openly and honestly to stakeholders in our financial and social accounts.
- We expect those with whom we work closely to be prepared to open their own practices to scrutiny.
- We listen to the views of our stakeholders, and especially to the voices of people living in poverty.

Traidcraft sees itself as a pioneer in the fair trade movement. Here are some of the pioneering developments we have been involved with:

Key milestones



1979	Traidcraft begins trading in Bangladeshi jute products
1980	Fair trade food and beverages introduced
1982	Traidcraft's sister charity formed (now called Traidcraft Exchange)
1983	Recycled tissue products introduced
1987	Traidcraft helps form EFTA – the European Fair Trade Association
1989	Traidcraft helps form IFAT, now called World Fair Trade Organisation
1990	Traidcraft helps start Shared Interest, a fair trade bank to finance fair trade initiatives
1992	Traidcraft helps start Cafédirect to expand the market for fair trade coffee
1992	Traidcraft helps start the Fairtrade Foundation to monitor UK Fairtrade standards
1993	Traidcraft becomes the first UK plc to publish audited 'social accounts'
1998	The Policy Unit is formed to lobby the UK government and influence world trade rules. It is the first such organisation to specialise in fair trade.
1999	Geobar was launched – the UK's first Fairtrade product with multiple fair trade ingredients
2003	There is a 'fair share' issue raising £3,250,000 for Traidcraft
2004	Traidcraft's 'webstore' is launched
2005	Traidcraft forms its first licensing deal with Gerber to sell Fruit Passion
2006	Fairtrade cotton is introduced following many years of work with Indian cotton farmers
2008	Launch of Indian coffee: grown, processed and packed in-country
2009	Fairtrade Marked pasta and fair trade rubber gloves are launched



The future of Traidcraft

Traidcraft is proud of its work over the last 30 years, enabling thousands of producers in the developing world to transform their lives with dignity and respect. But now we are looking forward to the next 30!

Our Vision

A world freed from the scandal of poverty where trade is just and people and communities can flourish.

Our mission

To fight poverty through trade, practising and promoting approaches to trade that help poor people in developing countries transform their lives.

We do this by:

- building lasting relationships with small-scale producers in developing countries
- supporting people to trade out of poverty
- working to bring about trade justice
- being open and transparent about our practices.

Traidcraft aims to achieve its mission in 3 main ways:

1. Increasing Traidcraft's impact on poverty
2. Providing leadership
3. Strengthening the Traidcraft community

1. Increasing Traidcraft's impact on poverty

Traidcraft aims to have trebled the value of our purchases from fair trade suppliers in the developing world between 2006 and 2011, and to have trebled the volume of our charitable project and advocacy work.

To achieve this, we are:

- Increasing our sales through extending our supporter base, developing new styles of commercial partnership, and using the potential of the internet to the full.
- Broadening our product ranges, in particular by sourcing new types of non-food product and introducing them into mainstream markets.
- Giving particular priority to developing new trading relationships in Africa, where the challenges of poverty are greatest.
- Focussing the activity of our charity in the strategic areas of cotton, tea and crafts.
- Building up the scale of our project work, attracting funding from individual supporters in the UK and from governments, international bodies and trusts around the world.
- Improving the quality of our impact through our trading and development activities.

- Increasing the scale of our producer support programme finding better ways of helping them build resilient businesses, and ensuring the benefits of fair trade flow through to transforming individual lives.
- Finding improved ways of measuring and demonstrating the quality and nature of our impact on the lives of individuals and communities, continually learning how to make our activities more effective.
- Increasing Traidcraft's campaigning and communications activity, to keep trade justice and fair trade issues on the public agenda, influence policy makers and attract wider public support.
- Developing stronger local networks of expertise, ensuring our activities take full account of local issues and strengthening the local resources available to support producers from poor communities.

2. Providing leadership

We are further strengthening our reputation as the UK's leading organisation dedicated to making trade work for the poor.

We are:

- Improving the fair trade and environmental standards within our own activities.
- Encouraging good practices among the wider fair trade movement and other development organisations as well as among commercial participants in fair trade.
- Continuing to be an innovator and pioneer in both trading and developmental activities.
- Bringing fair trade into new sectors and markets, and identify more effective approaches to trade and development.
- Promoting the example of Traidcraft plc as a successful trading operation that demonstrates the viability of ethical business.
- Continuing to pioneer the development and implementation of social accounting mechanisms as a way of improving the impact of business upon the developing world.

3. Strengthening the Traidcraft community

Traidcraft is an inclusive and international community of action that challenges injustice in trade.

We are:

- Building a community that is passionate, pioneering, practical and principled.
- Building partnership and strong relationships with, and between, our producers, staff, shareholders, supporters, customers and partner organisations, helping each group to understand more about the others and how, together, we can increase our impact on poverty.
- Extending Traidcraft's supporter base, recognising our particular role in mobilising the UK Christian community for the fight against poverty.
- Building awareness and enthusiasm for our work among younger people

Business Information

Each of the business departments within Traidcraft contribute to our mission in a particular way. The following pages aim to give you a picture of what the different departments do and how they fit together.

Operations

- Distribution
- Logistics (Quality, Production & Facilities)
- Customer Services

Sales and Marketing

- Fair Trader and Retail
- Mail Order
- Wholesale
- Licensing
- Business partnerships
- Product and Brand Marketing

Product Development

Supplier Support

Public Relations and Communications

Support Functions

- IT
- Human Resources



Traidcraft head offices, Team Valley, Gateshead

Operations

The operations departments are at the heart of Traidcraft's business, importing, packing and despatching fair trade products to thousands of customers every week. Operations consists of:

- **Distribution**, where products are picked from the shelves and packed into boxes
- **Logistics**, where incoming deliveries are received from the developing world, quality checked and product details are loaded onto the IT system.
- **Customer Services**, where orders are received and processed before being picked up by Distribution and where general queries and complaints are received.

Sales and Marketing

Traidcraft sells through a number of different 'sales channels'. Sales teams' activity in Traidcraft is unusual, in that it includes a lot of marketing and supporter relations activity too. This is because we are such an unusual business and many of our supporters and customers also promote fair trade on our behalf. We think it is important to support them in this and to provide them with leaflets, posters and a friendly member of staff to answer any queries they may have.

- Fair Trader

'Fair Traders' is the name we give to our 6,500 voluntary reps who buy products from us and sell them on in schools, churches and elsewhere in the community. This is a wonderful way of promoting fair trade, encouraging more people to buy it and having a huge impact on producers around the world. Sales through Fair Traders account for over one-third of all Traidcraft's sales and without them Traidcraft definitely wouldn't be where it is today. Fair Traders receive a small discount, credit terms and extra resources, as well as a monthly newsletter with special offers and producer news. There's a team of people to recruit and support Fair Traders which include 400 'Top Fair Traders' and 'Key Contacts' with added responsibility or annual sales over £5000.

- Retail

Many small-scale retail outlets stock Traidcraft products. Retailers receive a larger discount on the catalogue price and extra support and resources.

- Mail Order

Traidcraft has over 400,000 regular mail order customers who purchase fair trade goods for themselves through the Traidcraft catalogue.

- Wholesale

Traidcraft aims to make its products as widely available as possible. One of the ways we do this is to sell into regional and national wholesalers, which themselves supply other retailers, schools, universities, hotels and other institutions.

- Licensing

Licensing agreements with manufacturers of various products enable us to sell into supermarkets. Traidcraft has listings in most of the major UK supermarkets for products such as Geobar, cookies, muesli, FairBreak wafer bars and toilet tissue.

- Business partnerships

In order to increase the profile of fair trade and the volume of orders to producers, Traidcraft seeks partnerships with other retailers. Marks and Spencer stock ranges of Traidcraft's handmade cards and Monsoon are launching co-branded Christmas decorations for Christmas 2009.

- Product and Brand Marketing

This department is responsible for the development and packaging of Traidcraft's food range. In 2007 they undertook a major re-branding project and introduced Traidcraft's circulate logo across the food range. This replaced an inconsistent set of packaging and means that Traidcraft's brand is now much stronger and easily recognisable on supermarket shelves.

Product Development

Traidcraft's Product Development department is a team of six highly-skilled and creative individuals who develop Traidcraft's entire non-food range for the bi-annual catalogues. Working with producer groups thousands of miles away, communicating with them and developing new designs which will appeal to the UK market is an ongoing challenge but the ever-improving Traidcraft product range are testimony to their hard work and skill.

Supplier Support

Traidcraft has a team of 3 Supplier Support Co-ordinators who are responsible for maintaining Traidcraft's relationships with its producer groups around the world. The team visit the groups, carry out assessments of their fair trade standards and work with them on how to make improvements. The Supplier Support team then lets Traidcraft know if there are particular training or development needs in the group that Traidcraft could help with.

Public Relations and Communications

Traidcraft's PR and Comms team have a mammoth job. They manage Traidcraft's product marketing in the press and media as well as communications around Traidcraft's wider development work, Fairtrade as a whole and Traidcraft's sister charity, Traidcraft Exchange. They also oversee Traidcraft's website, visit producers around the world to collect stories and photographs, develop communications initiatives for Traidcraft supporters, build and maintain relationships with UK churches which are a key supporter base, and manage a network of over 500 volunteer speakers around the country.

IT

The department responsible for ensuring that Traidcraft staff are well-equipped with computers, software, hardware and telephone systems to enable them to do their jobs efficiently and well. They oversee and support Traidcraft's main customer and sales database and ecommerce systems and ensure that all our systems are safe and secure.

HR

Traidcraft sees its staff as one of its greatest resources and invests a lot in keeping them happy and motivated. There are five members of the HR team, who between them keep a wide variety of policies updated and in-line with legislation. They also support line managers in recruitment and selection, training and development, develop staff support initiatives, monitor pay and deal with any disciplinary issues that may arise.

Traidcraft aims to:

- Actively support the development of all staff to fulfil their God-given potential and to deliver Traidcraft's mission
- Positively promote the fair and equal treatment of staff to create an environment of trust and respect
- Encourage all staff to demonstrate our core attributes which underpin our values:
 - Stakeholder Focus
 - Personal Development
 - Striving for Improvement
 - Working Together
 - Influencing
 - Leadership
- Foster an environment where work life balance is paramount and staff benefits are attractive and impact positively on staff turnover.
- Manage attendance consistently and sensitively with a variety of support systems to enable the long term sick to return to work e.g. make phased returns to work.
- Proactively identify and secure external funding to augment the training budget and increase the skill base of our staff so that all staff have the opportunity to reach their individual potential and organisational resilience is strengthened.

The Staff Association

The Traidcraft Staff Association is an elected, representative body which supports staff and represents their views to senior management. It is also recognised by senior management as an appropriate body through which to consult and negotiate on any issues which affect staff. There are 10 members of the Staff Association Committee.

Management Structure

All these activities are overseen by Traidcraft's eight Executive Directors:

Chief Executive
Business Director
Sales and Marketing Director
Finance Director
Sourcing Director
Director of HR
Director of International Development Department
Director of Policy

Fascinating Facts

1. 50% of Traidcraft's sales are to our 'Fair Traders'; voluntary reps who sell in to friends and family and in schools, churches and elsewhere in their community.
2. Traidcraft sold almost 28 million Geobars last year
3. Traidcraft sells more than 700 different products
4. Traidcraft works with groups in over 30 different countries worldwide
5. Traidcraft purchased over £4 million worth of products from producers in the developing world last year.
6. Almost 50% of customers order online at www.traidcraftshop.co.uk
7. Traidcraft processed 26,035 orders Oct-Dec 2008
8. Traidcraft despatched 65,730 parcels Oct-Dec 2008
9. The busiest day for Customer Services taking orders in the Autumn season 2008 was 10th November.
10. 2008 ACCA UK Awards recognised Traidcraft's approach as among the best for small and medium-sized enterprises.