

TRANSFORMING TRADE

TO TRANSFORM LIVES

**Communication on Engagement
Report to the
Global Compact Network Australia**

September 2017 – September 2019



**FAIRTRADE
AUSTRALIA
NEW ZEALAND**



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A LETTER FROM OUR CEO



I am proud to reiterate Fairtrade Australia and New Zealand's commitment to the Ten Principles of the United Nations (UN) Global Compact, as we provide our Communication on Engagement with the initiative in the period from 2017 to 2019.

This communication focuses on our contribution to furthering the Sustainable Development Goals, with a specific focus on the UN Global Compact's Ten Principles across the areas of human rights, labour, the environment and anti-corruption.

Fairtrade exists to make trade fair.

We seek to transform trade and thereby transform lives, empowering small-scale farmers and producers in developing countries to take more control of their livelihoods, invest in their businesses and improve their communities.

To do this, we work closely with farmers and workers to increase their knowledge and production capacity through training, and facilitate better access to markets for the commodities they produce.

Our efforts encompass generating greater demand for Fairtrade certified products in market, which we achieve through partnering with brands and retailers, some of which are also members of the UN Global Compact, and encouraging consumers to exercise their purchasing power responsibly and ethically.

Additionally, we encourage awareness of, engagement with, and advocacy on behalf of Fairtrade's work in closely related thematic areas, including gender equality, climate change adaptation, environmental protection, the eradication of modern slavery, forced labour and child labour, and work towards achieving living incomes and living wages.

These efforts take place across a broad spectrum of spheres and encompass a range of different actors, including commercial partners, governments, industry bodies and retailers, representing the partnerships that must be formed and nurtured for vital initiatives such as the UN Global Compact to be a success, and for us to collectively make important progress towards achieving the Sustainable Development Goals.

Fairtrade ANZ, in collaboration with other dynamic, committed actors from across various sectors, is eager to redouble our efforts as a member of the UN Global Compact and we look forward to working with you to achieve our common goals.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Molly Harriss Olson'.

Molly Harriss Olson
Chief Executive Officer, Fairtrade Australia New Zealand

ABOUT FAIRTRADE

Fairtrade changes the way trade works through better prices, decent working conditions and a fairer deal for farmers and workers in developing countries.

By choosing Fairtrade products, people can create change through their everyday actions, and farming communities can improve their lives and invest in their future.

Fairtrade Australia & New Zealand is a full and active member of Fairtrade International and has the sole right to license the use of the international Fairtrade Mark in Australia and New Zealand.

Fairtrade ANZ has three key objectives:

- **Market growth:** Increase the range, availability and sales of Fairtrade certified products
- **Credibility and trust:** Promote, position and protect the Fairtrade mark
- **Producer support:** Increase impact and sales for producers in the Pacific region.

VISION

A world in which all producers can enjoy secure and sustainable livelihoods, fulfil their potential and decide on their future.

MISSION

Connect disadvantaged producers and consumers, promote fairer trading conditions and empower producers to combat poverty, strengthen their position and take more control over their lives.

VALUES

1. **Action:** We get the right things done promptly and effectively to deliver services that achieve maximum impact for people and communities.
2. **Integrity:** We nurture and promote fairness and equality in global trade by being open, trustworthy and transparent in our work.
3. **Respect:** We treat everyone with equality, respect and understanding.
4. **Challenge:** We strive to increase the impact of our work, going beyond expectations to set the agenda for rights in trade.
5. **Optimism:** We believe we can make lives better and explore opportunities for working together to make long term improvements.

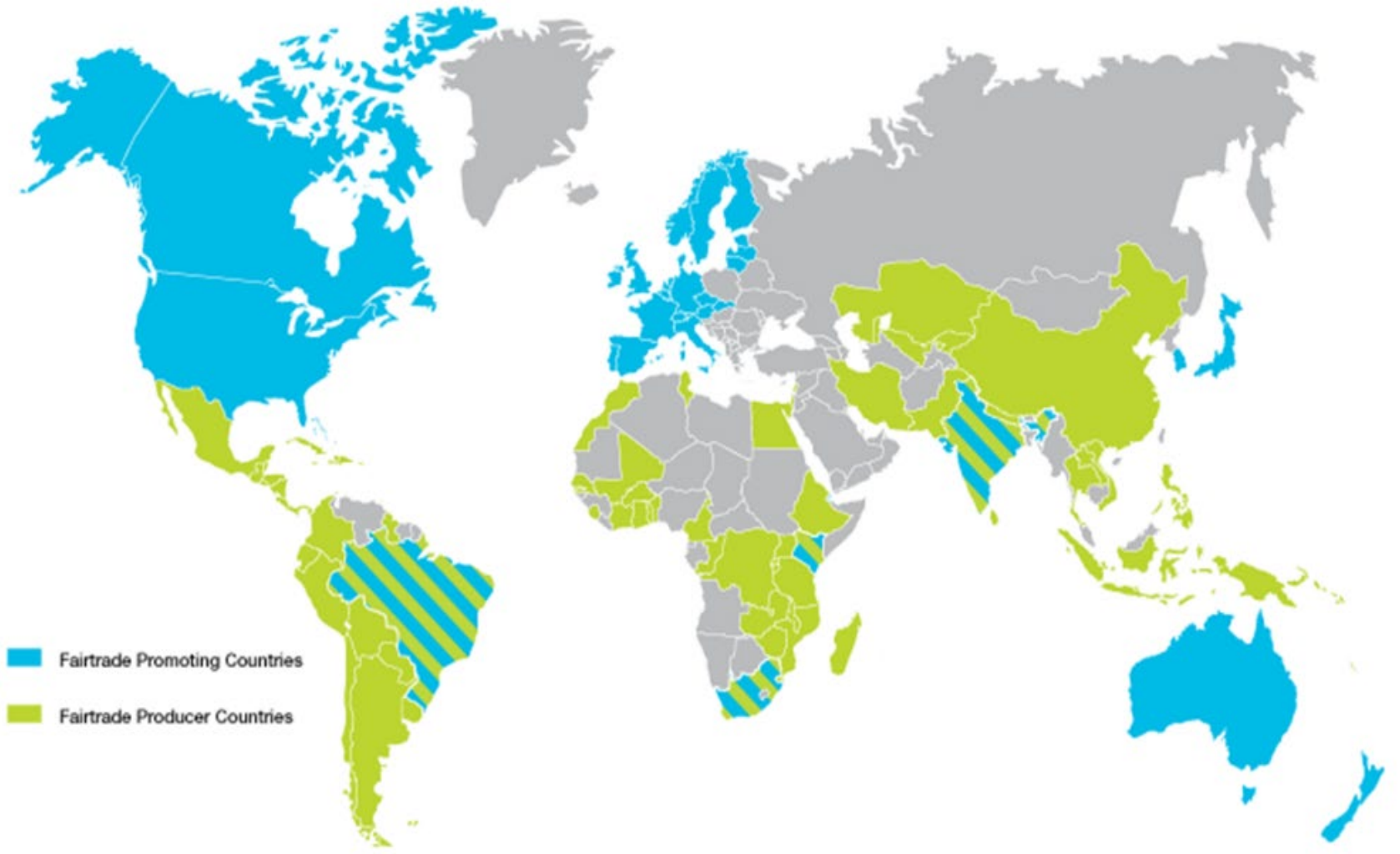
1,226

FAIRTRADE CERTIFIED
PRODUCER ORGANIZATIONS



IN 74 COUNTRIES

MORE THAN
1.65 MILLION
FARMERS AND WORKERS
IN FAIRTRADE CERTIFIED
PRODUCER ORGANIZATIONS





STRIVING TO MEET THE SDGS








	<p>Goal 1: End poverty in all its forms everywhere Small-scale farmers and workers in developing countries are some of the most marginalised people in the world. They often face inadequate pay and exploitative conditions that can lock families into a poverty cycle for generations. Fairtrade works with more than 1.6 million farmers and producers to ensure they receive a fair price for their produce or labour and are able to invest in their futures.</p>
	<p>Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture When small-scale farmers and workers have access to a fair wage they are better placed to invest in storage facilities and secondary income streams to make farms more resilient, or implement better farming methods to improve yields. Sometimes a fair wage can be the difference between being able to buy a range of food for a farming family or having to live on the one crop they produce.</p>
	<p>Goal 3: Ensure healthy lives and promote well-being for all at all ages Fairtrade is committed to the protection of workers' basic rights: keeping workers safe and healthy; allowing freedom of association and collective bargaining; preventing discrimination and ensuring no bonded or illegal child labour is used. Fairtrade Standards also require employers to pay wages that progress towards living wage benchmarks. Communities can also choose to invest their Fairtrade Premiums in health centres or medical facilities, which they otherwise may not be able to afford.</p>
	<p>Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all When a farming family has a sustainable income children are less likely to have to work to help support their relatives. If a parent or parents can provide for their children, those kids are more likely to be able to remain in school and get an education that will offer them more control over their. Communities can also use the Fairtrade Premium – an extra amount paid per metric tonne of produce – to invest in the programs of their choice, including schools for children in the community, or training and education in farming, gender equality or sustainability for workers.</p>
	<p>Goal 5: Achieve gender equality and empower all women and girls Women working in agriculture in developing countries produce 60-80 percent of the world's food, but make up only 10-20 percent of land owners. Women can be excluded from decision-making, and traditional and cultural gender inequality can reduce their access to property, money and other resources they need to earn living. Fairtrade incorporates gender equality and women's rights into its programming, to make sure we're working together towards a better future for all.</p>
	<p>Goal 6: Ensure availability and sustainable management of water and sanitation for all Fairtrade's environmental standards regulate what chemicals are used in farming, including pesticides and fertilisers, to minimise run-off into the water supply and land degradation. Farmers also get support to deal with climate change and help to make their farms and crops more resilient to unpredictable weather patterns.</p>

STRIVING TO MEET THE SDGS - CONTINUED

 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all Reliable and sustainable energy can make a huge difference to the health and wellbeing of farmers and their families. Access to energy to run lights can make it easier for children to study, while replacing fires in the home can reduce illness and breathing difficulties. One example is a carbon neutral program recently pioneered by Fairtrade sold carbon credits to logistics company Deutsche Post DHL to fund 10,000 energy efficient stoves in Lesotho. The stoves helped reduce deforestation by burning 80 percent less wood, and also, reduced smoke inhalation.</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all Fairtrade works towards a trade system that rejects exploitative or child labour and builds sustainable conditions and pay into the supply chain. We believe a more equitable economic system improves employment opportunities and standards, and, ensures the viability of small-scale farming and production not just for this generation, but into the future as well.</p>
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation Fairtrade Premiums are payments made to producer unions or cooperatives on top of the Fairtrade Minimum Price to help communities invest in their futures. The farmer collectives or producer organisations decide democratically what to spend their premiums on, whether it's training about new farming techniques or better practices, climate change adaptation, health centres, schools, new equipment or roads. Fairtrade supports communities making their own decisions and determining their futures in a sustainable, inclusive way. Paying the premiums through the unions or cooperatives also strengthens the infrastructure of collective labour.</p>
 <p>10 REDUCED INEQUALITIES</p>	<p>Goal 10: Reduce inequality within and among countries Fairtrade believes in mobilising political will to make trade between countries fair so workers in developing nations are lifted out of poverty, not exploited by developed countries. We encourage governments and policymakers to foster the environment required for trade to drive living incomes and wages. Decision-makers must be able to set boundaries for the market, regulate business and implement a more equal playing field. There is enough money in trade chains for everyone to reap an income that permits a dignified and rewarding life, but it takes political will to get there.</p>
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<p>Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable The collective decision-making processes encouraged by Fairtrade certification ensure cooperatives, unions and communities are inclusive, and all voices are equally valid and heard. Fairtrade requires that certified organisations identify disadvantaged, vulnerable or minority groups to better protect their rights and proactively improve their economic and social standing. Put simply, a producer organisation that doesn't support equality, inclusivity or worker safety cannot be Fairtrade certified.</p>
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>Goal 12: Ensure sustainable consumption and production patterns Fairtrade works with farmers to improve the volume and quality of their crops, while reducing the impact on natural resources, the environment, or water tables. We also encourage conscious consumption, asking purchasers to be aware of where their shopping comes from and the real cost of buying it.</p>

STRIVING TO MEET THE SDGS - CONTINUED

 <p>13 CLIMATE ACTION</p>	<p>Goal 13: Take urgent action to combat climate change and its impacts Fairtrade farmers have repeatedly told us that climate change is one of the biggest challenges they face, and that environmental conditions are changing far faster than expected. So Fairtrade is increasing support for adaptation efforts by training farmers in new techniques, helping them build more resilient crops and working with organisations that can provide specialist tools and training. We will also help farmers advocate at governmental level to obtain support for adaptation and mitigation efforts.</p>
 <p>14 LIFE BELOW WATER</p>	<p>Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development Almost half the world's population lives within 100km of the ocean, while more than 4.3 billion people rely on fishing or aquaculture for part of their diet, and 10-12 percent of the population rely on the industry for work. But despite our growing reliance on the health of the world's oceans, oxygen-starved dead zones have quadrupled in size since 1950. Climate change is the main cause of this oceanic deoxygenation, but fertilizer and pesticide run-off in coastal areas is also contributing. Protecting inland water sources from pesticides, fertilizers or other chemical run-off means that the oceans benefit too. Fairtrade's environmental standards reduce farm waste and pollutants, keeping waterways clean and safe not just for the use of people and animals, but also the broader ecosystem.</p>
 <p>15 LIFE ON LAND</p>	<p>Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss More than 50 percent of all Fairtrade certified producers are also certified as organic, but Fairtrade standards on their own prohibit the use of agrochemicals that are harmful to the environment or health; encourage a reduction in the use of pesticides; and work with farmers to enhance the biodiversity of their own land and that of their communities. Fairtrade trains farmers and producers on climate change adaptation and mitigation, and, supports deforestation through programs such as the clean stove initiative. In some areas tea and coffee cooperatives have carried out reforestation projects to help improve their micro-climate or protect their farm soil. For Fairtrade, it's simple: No planet, no farms.</p>
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<p>Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels All Fairtrade producers are also owners of Fairtrade. Farmers can join unions and cooperatives or they can vote for their representatives who then have a say in how Fairtrade is run. As for transparency and accountability, the Fairtrade system focuses on specific monitoring and evaluation activities to improve our understanding of how Fairtrade is benefiting producer organisations and communities, and how we can better serve the farmers with whom we work. We publish most of the data annually, and feed it into updates of the Fairtrade Standards, producer support and Fairtrade certification.</p>
 <p>17 PARTNERSHIPS FOR THE GOALS</p>	<p>Goal 17: Strengthen the means of implementation and revitalise the global partnership for sustainable development Just as nations, intergovernmental bodies and non-government organisations are working together to support the Sustainable Development Goals, Fairtrade is committed to working at every level – farm, cooperative, national, global – to improve the livelihoods and lives of farmers and producers in developing countries. Our global partnership includes offices in developed countries increasing both awareness and demand of Fairtrade goods, right through to the farmer producing them; Fairtrade leverages the strength of its markets and collective bargaining power of unions to change the lives of individuals.</p>

WORKING WITH THE 10 PRINCIPLES

Fairtrade advocates for decent working conditions, fair prices for farmers, sustainable practices, environmental protection and the empowerment of farmers and workers in developing countries.

By levelling the playing field for farmers to ensure they can improve their livelihoods and strengthen their businesses, Fairtrade meets the objectives of the 10 principles.

HUMAN RIGHTS

Principle 1: We support and respect the protection of internationally proclaimed human rights

Principle 2: We make sure that we are not complicit in human rights abuses

Our work on the ground in developing countries in the region is reducing poverty, supporting sustainable businesses and strengthening communities. Our advocacy work, particularly on issues such as modern slavery, is shaping government policy, amplifying the message of the UN's SDGs and driving change in consumer behaviour.





Gender equality

Fairtrade Australia and New Zealand (Fairtrade ANZ) has appointed a Gender Advisor and partnered with Australia's Department of Foreign Affairs and Trade (DFAT) to undertake a Gender project, which seeks to mainstream gender into our operations and work alongside producer organisations in the Pacific to strengthen female leadership and decision-making in their organisations and households, thereby reducing women's exposure to human rights abuses. We have also worked to increase awareness of gender equality issues among Fairtrade licensees and consumers.

Thought leadership

Fairtrade ANZ CEO has been serving on New Zealand's Trade Advisory Board, established by New Zealand Prime Minister, Jacinda Ardern, to review and make policy recommendations for strengthening sustainability and inclusive benefits of trade in the region and beyond. The Board will report to the New Zealand Government at the end of October 2019, with a number of recommendations supporting human rights objectives and the SDGs.

We successfully organised a high-level forum, *The Future of Trade*, for thought leaders among commercial partners, policymakers and trade experts to discuss the task of transforming trade, with the aim of making it sustainable and profitable for all, an outcome directly linked to minimising the risk of human rights abuses in supply chains.

Global Human Rights Due Diligence

Fairtrade ANZ participated in a global Fairtrade working group led by Fairtrade International to strengthen Fairtrade's system-wide approach to human rights due diligence. The group consists of representatives from a range of Fairtrade offices around the world along with FLOCERT (the independent certification body), the Fair Trade Advocacy Office (a joint initiative between Fairtrade and the World Fair Trade Organization), and has collaborated closely with producer networks within the system. The project is in the process of analysing strengths, weaknesses and identifying gaps for addressing.



LABOUR

Principle 3: We uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4: We uphold the elimination of all forms of forced and compulsory labour

Principle 5: We uphold the effective abolition of child labour

Principle 6: We uphold the elimination of discrimination in respect of employment and occupation

Fairtrade's model ensures that smallholder farmers and agricultural workers have a voice and decision-making power within their organisations and communities.

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Workers on Fairtrade plantations in the banana sector, for example, have secured 100% indefinite term contracts, compared to 16% for those on non-certified plantations.

Fairtrade certified producer organisations and traders are committed to preventing and effectively eliminating all forms of forced labour, child labour and human trafficking.

We tackle unequal power relations to promote gender equality and women's empowerment. Fairtrade gives women an equal voice, through equal pay and better representation, as well as training, education and programs to address women's burden of care.

Fairtrade works in partnership with trade unions and labour rights organisations to help workers negotiate better pay and conditions. And we are working together with other standard-setters to ensure common approaches to calculating and paying a living wage.



LABOUR - CONTINUED

Modern Slavery Act

Fairtrade ANZ played an important role in the establishment of Australia's Modern Slavery Act. We contributed a submission to the enquiry into establishing the Act, and were invited to give evidence at a public hearing prior to the Act being passed and coming into effect in January 2019.

Following the passing of the Act, Fairtrade has been advocating strongly for its partners and other businesses to report on the risks of modern slavery, forced labour, child labour and other labour rights abuses occurring in their supply chains, and has created bespoke content focused on achieving this objective.



Producer governance support

Good governance support for producer organisations and work to minimise labour rights abuses also continues among Small-Scale Producer Organisations (SPOs) in the region, including the Pacific Island nations. In 2019, Fairtrade's Producer Support team has delivered training on child protection practices to SPOs in Fiji.

ENVIRONMENT

Principle 7: We support a precautionary approach to environmental challenges

Principle 8: We undertake initiatives to promote greater environmental responsibility

Principle 9: We encourage the development and diffusion of environmentally friendly technologies

People in disadvantaged communities in developing countries will bear an unequal burden as the effects of climate change intensify. Fairtrade gives farmers the tools and training to adapt to climate change, and reduce its impacts.

And by implementing and enforcing the highest environmental standards, Fairtrade is also taking steps to reduce our overall carbon footprint.



Climate change adaptation

Fairtrade has initiated an environmental management and climate change baseline study among producer organisations in rural Papua New Guinea. We are seeking to learn about the vulnerability of these cooperatives to disasters, climatic changes and current practices, as well as their perception and understanding of risks, and any existing attempts to mitigate them.

Forthcoming updates to the Fairtrade Standards for Small-Scale Producer Organisations will require cooperatives and associations to take more actions regarding climate change adaptation and environmental protection, and we are proactively working with these groups to ensure they are well equipped to lead these efforts in their communities.

Advocacy

Within Australia, New Zealand and internationally, we advocate for greater awareness of the negative impact of climate change and loss of biodiversity on Fairtrade small producer organisations and the commodities they rely on. This work takes places in the form of media appearances and speaking engagements by organisational spokespeople, as well as thought leadership and consensus building among commercial partners, policymakers and other industry representatives.

ANTI-CORRUPTION

Principle 10: We work against corruption in all its forms, including extortion and bribery

As a member of the Australian Council for International Development, Fairtrade ANZ adheres to the ACFID Code of Conduct, which sets standards of good practice for the governance, management and accountability of non-government organisations.

Fairtrade ANZ is also a member of the New Zealand Council for International Development, and adheres to its Code of Conduct.



Capacity building

Fairtrade works to support established, newly certified and emerging Small-Scale Producer Organisations (SPOs) in the Pacific Islands and Papua New Guinea to strengthen their organisations through compliance with the Fairtrade Standards, including those governing the transparency and accountability of SPO leadership, while ensuring inclusive, democratic decision-making is practiced.

Transparency

Fairtrade ANZ audits brands licensed to sell Fairtrade certified products in Australia and New Zealand to ensure compliance with agreed financial practices and procedures and to maximise transparency and accountability through the entire supply. As part of the global Fairtrade network we also support independent third party audits at every stage of the supply chain to ensure that the Fairtrade Standards are upheld.

MEASURING

OUR SUCCESS

44,000

PACIFIC FARMERS



**IN
FAIRTRADE PRODUCER
ORGANISATIONS**



145 FAIRTRADE
LICENSEES
IN AUSTRALIA AND
49 IN NEW ZEALAND



\$AU333M

RETAIL SALES VALUE OF
**FAIRTRADE
PRODUCTS**
IN AUSTRALIA AND NZ




3-IN-5
KIWIS



2-IN-5
AUSSIES

BUY FAIRTRADE PRODUCTS

76% 

OF KIWIS & 1/2 OF ALL
AUSSIES RECOGNISE
THE FAIRTRADE MARK.

3M KILOS
OF FAIRTRADE
COFFEE

WAS SOLD IN
AUSTRALIA AND NZ



AUSSIES AND KIWIS BOUGHT

10.1 OF FAIRTRADE
MILLION OF FAIRTRADE
KILOS CHOCOLATE



OR 54 MILLION BLOCKS






354 THOUSAND KILOS
OF FAIRTRADE **TEA**

ENOUGH FOR 174 MILLION TEA BAGS
WAS PURCHASED

CONTACT US

If you have any queries or would like more information please go to:

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www.fairtrade.com.au	www.fairtrade.org.nz
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