

Social and Fair Trade Policy

Alaffia /Agbanga Karite Cooperative, Sokodé, Togo

Introduction

Alaffia was founded under the fundamental guiding principles of being kind, grateful, and humble. We embed the wellbeing of future societies, of the earth and of communities beyond our own immediate geography on each decision and action we make.

Alaffia was created as a way for Africans to directly participate in reducing poverty conditions, as this is fundamental to the success of our communities. Fair working conditions, fair pay, and fair treatment of producer communities forms the base of this success. This document provides a summary of our commitment to Fair Trade and Social Wellbeing of our employees, suppliers and communities.

Part One: Fair Trade

1.1 Fair Trade Participants

1.1.1. Cooperative (Hired Labour) Participants – Membership at the Alaffia Shea Butter Cooperative (Cooperative) is and shall remain primarily (+95%) female. While we strictly forbid ethnic preference and actively recruit members from all 42 of Togo's unique ethnic group, we ensure placement for Fulani people. The Fulani are the most disadvantaged ethnic group in Togo, and they are also the main group extracting shea butter in the traditional manner. Historically, the Fulani had resisted first the German and then the French colonization in Togo by not sending their children to the formal European education system. Therefore, today they are least represented in the formal economic system. One important objective is that the cooperative include individuals of as many different ethnic groups as possible. While the majority would be of the most disadvantaged group, involving and unifying as many ethnic groups as possible reduces ethnic tensions and helps communities see our common problems of poverty and inequality.

1.1.2. Collector Group Participants – Like cooperative members, nut collectors are and shall remain women in poor communities. Shea nuts will continue to be purchased from women's collector groups in disadvantaged communities (villages) in central Togo. At no time will the Cooperative purchase shea nuts from a third party broker or dealer.

1.1.3. Project Participants – Alaffia community projects extend throughout central Togo. Specific recipients vary depending upon the project, however, demands and decisions are made locally to adapt to areas and communities in need.

1.2 Fair Trade Commitment

1.2.1 Cooperative (Hired Labour) Participants – Alaffia pledges to provide fair compensation, safe and healthy working conditions, and flexibility towards cultural and individual needs for all members of the Alaffia Shea Butter Cooperative.

- As of December 2010, all cooperative members are guaranteed permanent employment contracts.
- Wages are collectively bargained, with pay increases negotiated annually. Base pay is set at a minimum of 15% above average wage for skilled labor.
- The organization provides all medical needs, 6 month check-ups for all members and the children or grandchildren under their care.
- The organization also provides yearly educational supplies for member's children and/or grandchildren.

- Members also receive 1 month paid leave each year, overtime compensation, and family/medical leave if needed.

1.2.2 Collector Group Participants (Nut Collectors) – The purchase price will be coordinated and negotiated by the Cooperative Director and the collector groups, but will be at least 10% more than the going market price. Each collector group determines their own asking price based on season, quality, local market prices and the government national pricing. The organization will augment the price +10-20%. The Organization will provide a minimum of two (2) health and safety trainings to collector groups on being aware of and reducing the dangers and difficulties of collecting nuts (exposure to weather, dangerous animals [snakes], crossing water, and carrying heavy loads). In addition, the organization will provide quality trainings, including proper collection, drying, sorting and storage procedures to maximize return on their efforts.

1.3 Fair Trade Premium

Alaffia's fair trade premium is realized through the support of several long-term community empowerment projects that we conduct throughout central Togo. The organization was created to fund these empowerment projects, and they are a fundamental part of our existence. The types, scope and recipients of our projects are determined by need, feasibility and maximum impact (ability to reduce poverty). Projects are carried out in member communities, collector communities, and other disadvantaged communities in the region.

1.3.1 Alaffia School Supply Project

This project began in 2003 when cooperative agreed to provide cooperative member children/grandchildren with school supplies. Families in Togo are required to provide their own school supplies, including chalk and writing supplies for their teachers. This, combined with the expense of mandatory uniforms and entrance fees, is extremely difficult for poor families and often contributes to drop outs. This project continues to provide school supplies for member children but has expanded to:

- Dispensing school supplies to children in 8 villages in greater Sokodé area.
- Repairing school roofs and donating table-bench seating
- Dispensing school supplies to flood areas in 2008

Participation is determined by:

- School officials and/or community leaders submit request to Cooperative
- Cooperative reviews the requests and distributes supplies/repairs based on need and feasibility

This project will continue indefinitely. The simplicity of the project makes it easily adaptable to areas and communities in need. Basic goals of this project are:

- Increase participation / distribution area of school supplies by 2 schools each year
- Expand school roof and bench projects to X schools each year.

1.3.2. Alaffia Bicycles for Education Project

We began our Bicycles for Education project in 2004. Rural children, girls especially, are severely underrepresented in the Togolese secondary school system. Over 90% of girls in rural areas drop out before finishing 6th grade (UNICEF). While there are many factors leading to this high dropout rate, the time spent walking to and from school is one of them. Many children in rural Togo walk 10-15 km to school, making it impossible for them to have time to study. This is especially true for girls, who traditionally have more household chores than boys. This project involves collecting used

bicycles in our US communities, shipping them to Togo, repairing them and distributing them to disadvantaged students (primarily girls) in the central Togo region. The shipping costs, repair costs, distribution costs and follow-up costs (maintenance and project follow-up) are all paid for strictly from the sales of Alaffia retail products.

Participants are selected through a systematic selection procedure that begins with the village chief or school official applying to our cooperative director. If the village meets our initial criteria, the students are invited to apply for a bicycle. Students are selected based on family income and gender. Girls are given preference due to their much higher dropout rate. The application form and selection criteria were developed with both cooperative administrator and community member participation.

Accomplishments and results to date include:

- Collecting and shipping over 3,500 bicycles to Togo
- Reduced dropout rates and improved scores on annual exams for project recipients
- Reduced pregnancy rates for girl recipients
- Community involvement in Alaffia cooperative social agenda
- High impact project that has increased awareness of Fair Trade in Togo communities

This project will continue indefinitely. Again, the simplicity of the project makes it easily adaptable and the success warrants its continuation. Future and continued goals for this project include:

- Collecting and shipping a minimum of 500 bicycles each year
- Continued follow-up of current project recipients
- Expanded community involvement and range of project (geographical)

1.3.3 Reforestation Project

Food security is essential to the reduction of poverty, and deforestation has a direct negative impact on food security. Furthermore, climate change will affect the African continent more adversely than any other. For these two reasons, we started our reforestation project in 2005. The project involves donating fruit and forage trees to local farmers. We began this project in villages that were already receiving one of our projects. The process started with the cooperative director holding meetings with various villages to determine which were interested in participating in the project. Six months later, we planted 400 trees.

Accomplishments and results to date include:

- Planting over 4,000 trees in local farms
- Over 80% survival rate of young trees
- First trees have begun producing fruit for families

This project will continue indefinitely. Again, the simplicity of the project makes it easily adaptable and sustainable. Future and continued goals for this project include:

- Expanding range of project, geographical and to include more species of tree
- Continued follow-up of current project recipients to evaluate nutritional and economic impact

1.3.4 Alternative Energy Project

Deforestation for cooking fires and charcoal production is a major concern in rural Togo. Research in several tropical countries has shown that small, household biogas systems can significantly reduce the need for wood, decreasing deforestation and the time needed to gather wood. In 2010, we began a pilot alternative energy project, installing a

biogas system at the cooperative. These model systems use byproduct from the traditional shea butter processing to produce methane, which is then used during the extraction process.

Demand for alternative energy is high in poor Togo households. Women spend a large amount of their time gathering cooking wood. In addition, there is a need for sanitary disposal of organic wastes (cooking scraps, livestock waste, agricultural wastes, shea butter byproducts).

Accomplishments and results to date include:

- Establishment of a working biogas system
- Reduced waste from shea butter extraction

Future and continued goals for this project include:

- Expanding range of project within cooperative to 4 systems, and to 10 households each year from 2012 to 2017 in surrounding communities
- Continued evaluation of pilot and household biogas systems
- Educational outreach, including training 2-3 masons each year to construct and maintain biogas systems.

1.3.5 Maternal Health Project

The maternal death rate in West Africa is appalling – over 270,000 dying in sub-Saharan Africa each year. This is devastating to communities. Not only do mothers die unnecessarily, but they leave children behind. Without their mothers support, these children are even more likely to drop out of school, and the cycle of poverty continues. Fortunately, it is possible to reduce these deaths with simple and effective projects. Since 2006, the cooperative has sponsored at least 70 women each year with full prenatal and postnatal care. In addition, the mothers receive nutritional and family planning support. We have not lost a single mother or child since the program began.

We conduct this project in collaboration with the Sokodé Health Clinic. Through their extensive database and outreach, the clinic selects the villages and individuals who will be supported each year. Each month, the clinic sends a midwife to each village to monitor the women, counsel them on nutrition and dispense any prescriptions or tests that are needed. All medications and tests are funded by the cooperative. Each participant receives full testing, including HIV tests. The cooperative also funds any medical costs for complications.

Accomplishments and results to date include:

- Over 420 healthy mothers and children
- Real impact in 16 villages

This project will continue indefinitely. Again, the simplicity of the project makes it easily adaptable and sustainable.

Future and continued goals for this project include:

- Expanding range of project
- Continued follow-up of current project recipients to evaluate impact of project

1.3.5. Healthy Babies Project

With the success of the Maternal Health Project, we have received requests from project and producer communities for a program that will help young children. In addition, international data and on the ground assessments show an ongoing need for access to proper nutrition and medical care for young children in rural Togo. According to UNICEF's latest data,

over 20,000 children under that age of 5 die each year in Togo. This number can be drastically reduced with regular medical checkups and nutrition education and assistance.

This project will begin in December 2010. During the first year of the project, the Alaffia Cooperative will sponsor 100 children. Each year thereafter the number will increase by a minimum of 50 children. We will conduct the project for five years. At the end of this period, a comprehensive evaluation will be made, including village participation, cooperative and collector group participation, and real results. Provided a positive evaluation is reached, the project will be reinstated for another 5 years.

Part Two: Environment

Maintaining a sustainable environment is part of our commitment to healthy communities, therefore, we pledge to minimize our environmental impact through the following ways:

2.1 Traditional Extraction Systems

The traditional system of processing shea butter has low environmental impact, much lower than more intensive systems using chemical solvents, high energy presses and machinery. The Alaffia cooperative is committed to using tradition processing techniques to maintain sustainable production.

2.2 Waste Reduction and Reuse

While our waste products, shea nut residues and water, have low environmental impact, we are concerned with reducing this waste. The Alaffia cooperative does and will continue to find ways to reduce waste, including:

- Reusing shea nut residues for a second extraction, producing darker oil which is the main ingredient in our shea butter soaps.
- During the dry season and heavy production times, the drying and reusing the residue slurry as fuel.
- In 2010, we began a pilot project of fermenting the waste to produce biogas, which is then used during the extraction process. The fermented waste is a high quality fertilizer, which will be applied to nearby agricultural fields. This project will be expanded to full capacity by 2012.

2.3 Building Materials

Cooperative buildings are fabricated with local materials and labor. Local materials include clay bricks, sandstone, and grass thatching. These materials will continue to be used wherever possible to reduce transportation and to limit the use of cement.

2.4 Energy Use

Traditional extraction, while using considerably less energy inputs than conventional extraction processes, does consume energy. Our goal is to minimize energy needs as much as possible, especially our use of fossil fuels and wood. To this end, our energy use policy is as follows:

- Limit generator use for crusher/grinder machines.
- Employ energy efficient "stoves" to grill nibs and heat oil.
- Use shea residue byproduct as fuel.
- Plant and harvest Jatropha as biodiesel alternative crop for crusher/grinder generator. Jatropha planting began in 2007. Full crop to be in place by 2012.

- Install biogas systems to produce methane from shea residues to use as heating fuel. Fuel operating system to be in place by end of 2012.
- Install solar energy system for off-the-grid electricity by end of 2020.

2.5 Surrounding Community and Ecosystem

As part of a functioning community and ecosystem, the cooperative bears a responsibility of being environmentally accountable neighbor. All our environmental policies are set with this end in mind. In addition, our existence depends on a functioning savanna ecosystem. Our environmental policy towards our immediate and distant communities includes:

- Educational outreach in surrounding communities and collector communities about the importance of shea tree conservation.
- Improve roads and paths leading to cooperative by adding ditches and water diversions and erosion control measures.

Part Three: Social and Cultural Commitment

One of the primary goals of the founding of the Alaffia Cooperative is to preserve the cultural knowledge and skills of Togolese communities. This goal is realized through:

- Maintaining the cultural diversity of cooperative membership.
- Educational outreach in surrounding communities on importance of indigenous resources and knowledge.
- Valuing indigenous skills with fair wages.
- Empowering women by elevating social status through community projects.

Part Four: Conclusion

The Alaffia Cooperative was founded on the basis of Fair Trade. All policies, all programs, all business is conducted with the fundamentals of Fair Trade in mind. This document serves as a guideline to the cooperative's conduct. Please refer to our Social and Fair Trade History for full information on all our community empowerment projects.