

FAIR TRADE POLICY

Nature's Pride BV

Fair Trade Policy Nature's Pride

Version: 1.0

Publication date: November 2011

Approach and objectives

As a general rule, Nature's Pride enters into long term relationships with its suppliers and customers. Any trade with a supplier is preceded by an agreement on quantities, quality specifications, and the expected fob price which covers production costs, a fair profit, and enables people to receive a 'living wage'.

Nature's Pride has been involved in an indirect way with fair trade for years. Nature's Pride wants to be sure that the whole chain is based on good labour conditions in which no child labour, no discrimination, no slavery, fair wages, etc., is used. In 2006 Nature's Pride created its own Ethical Trade Initiative that all growers sign.

Nature's Pride buys from more than 300 suppliers, each being run differently. They range from 600 hectare farms, to exporters who only work with smallholders. Both types of growers have many things in common. They are often located in developing countries where conditions are basic: lack of water, low quality schooling, etc. In all cases, all persons involved, including the pack house workers, farm workers and possible out growers, should earn a 'living' wage. Nature's Pride strives to actively follow all supplier operations and in case of problems, tackle these problems together with the supplier.

It remains difficult to know for sure that good labour conditions are in place. This is because Nature's Pride works with hundreds of growers in more than 60 countries. Many of these farms are located in rural areas in developing countries. Nature's Pride has adopted a pro-active approach of monitoring the social and labour conditions in the chain. This involves farm visits and dialogue when possible.

Nature's Pride is taking the next step by making a commitment to Fair Trade certification. This can be used as a tool to ensure that all social conditions are in order and that revenues are fairly distributed throughout the chain. At the same time we are fulfilling the growing demand from our customers to show transparency and prove that our growers have good working conditions. We will do this by gradually certifying our main product lines with a fair trade organization, called IMO. IMO has its head offices in Switzerland, with branch offices located in 25 countries.

Nature's Pride has been certified Fair for Life - Fair Trade in June 2011. This is a requirement that proves that our own company is being operated in a fair manner. Only after passing our audit and getting the Fair for Life Certificate, are we able to handle Fair for Life products.

Our first 'Fair for Life' product will be the mango. We aim to offer a large majority of our mangos as Fair Trade certified year round. Mangos are one of our most prominent products, with expected distribution of 3 million cartons in 2012. With such quantities, the effect of Fair Trade certification will be significant. There will be Fair Trade premiums being paid out to local projects in the countries of our suppliers. These countries include Peru, Dominican Republic, Mali, Mexico, Brazil, etc.

In the next few years, Nature's Pride aims to add more products to the Fair Trade certified product range, including sugar snaps, snow peas, extra fine beans, physalis, asparagus, and avocados.

There is also a demand for Social Responsibility certification of companies as a whole – not product specific. When necessary, Nature's Pride and selected suppliers will go ahead with 'For Life' certification from IMO, which is a social responsibility certification. This is the same certification but without the commitments for premiums.

Chain and community development

Nature's Pride has been involved for years in community development in the countries where we source our products. We are involved in projects that support social conditions around the chain. These projects are focused on improving basic services in and around the communities where we buy produce. We intend to continue with such projects. In case it concerns projects with suppliers who are certified, the projects will be executed under the umbrella of the Premium Fund.

Representative projects from 2010:

Fruiteq boreholes in Mali

In 2010 Nature's Pride bought more than 40 containers of mangoes from Burkina Faso and Mali from Fruiteq. Nature's Pride is aware of the poor living conditions of the local people and has supported 2 small villages in Mali, called Doussoudiana and Titebougou. Fruiteq held discussions in the communities about what was needed most and organized the construction of two high quality boreholes.

Extended school in Nimaya, Guatemala

Since 2010, Asunción is one of our biggest suppliers of snow peas and sugar snaps from Guatemala. Asunción works on its own social projects in poor rural areas. They support orphanages and community schools, in and around the villages where they have contracted growers. Nature's Pride has helped Asunción to extend a school in Nimaya, where all the inhabitants grow sugar snaps for Asunción. Nature's Pride has also supported one of the orphanages that Asunción sustains.

In 2007, Nature's Pride started a chain-investment project together with the Dutch government, called Mayan Pride. This project supports small growers of snow peas from a remote village in Guatemala. This enables them to grow a larger production per hectare according to the good agricultural practices required by the EU. Now this project is able to run profitably on its own without outside financial support.

Social responsibility at Nature's Pride

Also at home we work on social responsibility. Nature's Pride strives for a company culture in which employees feel comfortable and in which there is respect for cultural differences, ethnic origins, sexual nature, and religious background.

Nature's Pride has described both its and the workers' rights and responsibilities in a personnel handbook. This book is actively implemented. The policy of Nature's Pride is aimed at participation and initiative of personnel in their professional as well as their personal development.

The labour conditions of Nature's Pride are shaped by the Collective Bargaining Agreement of the fruits and vegetables sector (CAO AGF). The employers of the fruits and vegetables sector and the Dutch labour unions have commonly agreed on this directive for labour conditions. At Nature's Pride we comply on all terms with the requirements of the CAO AGF. In a number of areas Nature's Pride offers more than what the CAO AGF requires. Some of these areas include the following:

1. Employment is freely chosen
2. Working conditions are safe and hygienic
3. No child labour
4. Living wages are paid
5. Working hours are not excessive
6. No discrimination is practised
7. Regular employment is provided
8. Freedom of association and the right to collective bargaining are respected
9. No harsh or inhumane treatment is allowed
10. Respect for the environment