



nobunto
for the people

Fair Trade Policies

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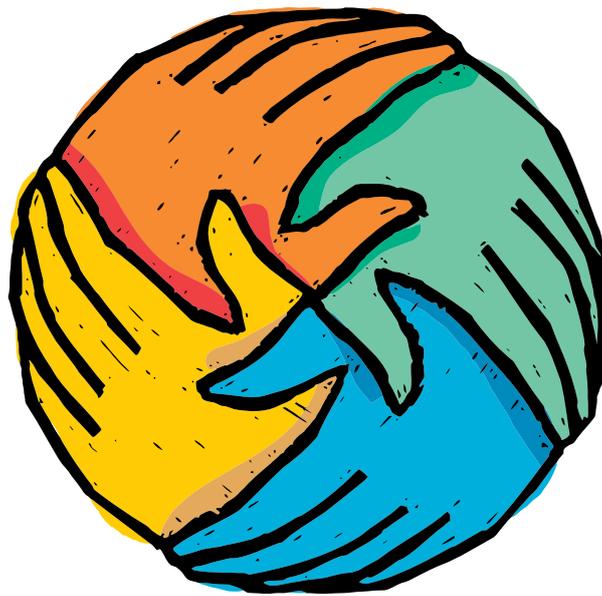
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1. Mission Statement

NOBUNTO is a Fair Trade company, based in Napier / South Africa, and creates hand painted candles and ceramics with the utmost attention to detail using mainly African inspired designs. NOBUNTO products are responsibly handmade with love and care for our customers, artisans and the environment.

NOBUNTO means in Sotho "for the people". Our company name, as well as our logo, with four intertwined hands,



reflects our motivation and spirit: Community, Co-operation, Friendship, global Harmony, helping Hands, Multicultural, People, Teamwork and United.

NOBUNTO harnesses the creativity of African artisans, nurtures their talents and develops the market for their inspirational designs. The rights of the artisans and their financial empowerment are core to our business. As part of our daily operations, we embrace the Fair Trade principles and practices, uphold its spirit and maintain a position in terms of contributing the Fair Trade movement.

2. Company Values

Our Principles offer us guidance on how we work together.

ETHICS - Do the right thing. Integrity is the foundation of all our decisions, actions and relationships.

SUSTAINABILITY - Pathway to our future. We use resources wisely and make decisions that take into account the well being of people, profit, and the planet.

COMMUNICATION - Open dialogue. In our thriving, healthy organization, we share information, ideas, and successes.

APPRECIATING DIFFERENCES - Finding opportunity in conflict. Opportunity comes from welcoming different opinions and ideas with mutual respect.

CONTINUOUS LEARNING - For today and tomorrow. Our competitive strength comes from the continuous improvement of all that we do. We actively seek out and apply best practices.

BUSINESS SUCCESS - Financial Strength. We deliver steady growth in market share, sales and profit. Financial strength benefits employees, stockholders and communities worldwide.

PLANNING & MEASURING - To understand and improve. We focus on integrated planning throughout the organization to align our strategies. We gain insights into our successes and challenges by measuring and evaluating the results of our actions.

DECISION-MAKING - At the most effective level. We make timely, informed, criteria-based decisions aligned with our business goals. Our decisions are made with personal commitment, ownership and accountability.

PERSONAL EXCELLENCE - Strong organizations rely on strong individuals. We are responsible to do our personal best for ourselves, our co-workers, and our company. Personal excellence is built on a high level of skills, knowledge, self-awareness, self-motivation, and respectful intentions toward all.

LEADERSHIP - At every level. We develop leaders that demonstrate a high level of competence, generate trust and bring out the best in themselves and those around them.

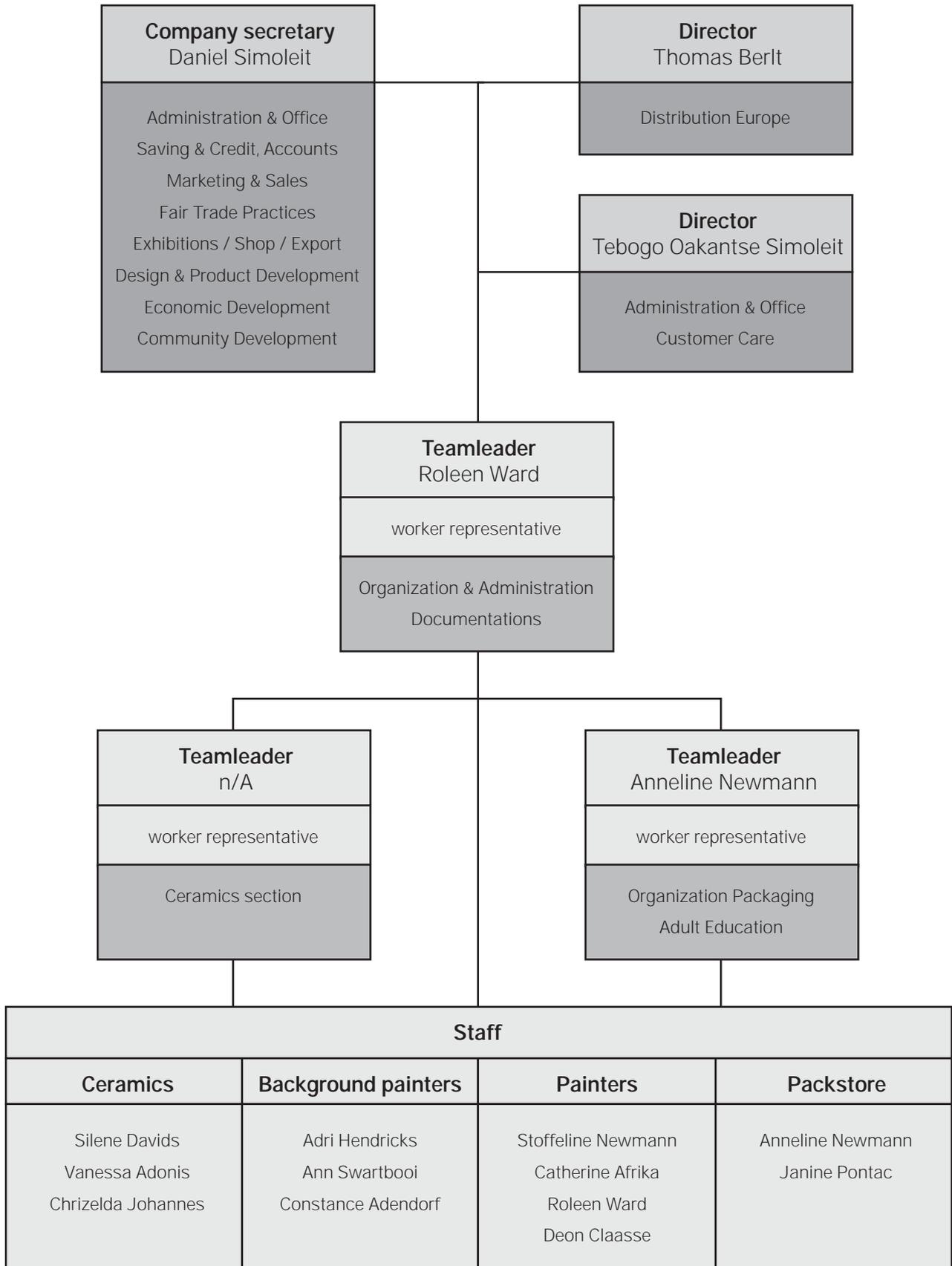
PARTNERSHIPS - Success for all. We collaborate with our partners for mutual benefit. Our relationships are based on respect, honesty, openness, reliability and trust.

VIBRANT WORKPLACE - A place where you can make a difference in the world. We create and maintain a culture that fosters teamwork, fun, personal growth, career paths, financial rewards and a healthy work-life balance.

SHARED OWNERSHIP - Thinking and acting like owners. We meet our commitments and appreciate the contributions of each other. We are stewards of our collective resources. We share equitably in our successes.

WORLD BENEFIT - Creating positive change. We are a force for good in the world. We celebrate and support the power of businesses and individuals to bring about positive changes, locally and globally.

3. Organogram



4. Fair Trade statement

Based in a small village Napier, + - 150 miles east of Cape Town, NOBUNTO has provided employment to mostly woman of the disadvantaged community. The unemployment rate in the area is in the region of 50%.

The working conditions within NOBUNTO comply with the Conditions of Employment Act which entails permanent contracts from the first day of work, fair salaries, paid holiday and sick leave, contributions to the Unemployment Fund and Skills Development Fund. We deliver high safety standards in the factory and good working atmosphere with regular working hours, 3 breaks per working day and all weekends off. An employee assistance fund is available to assist our employees in emergency situations.

Our aim, in a region with high unemployment, is to alleviate poverty, and to develop a company that is not only economically successful but one that is socially responsible, ethical, and sustainable. NOBUNTO is committed to improving the livelihoods of especially the disadvantaged people within our region through equitable trade practices, fair employment conditions, periodical accountability, impeccable management and development of social opportunities. We strive to create conditions that are safe, encourage personal growth and development, and respect cultural identity.

Fair Trade is not a marketing badge for NOBUNTO, Fair Trade is, with all its challenges and room for improvement a way of life into a greater future. Since its inception in 2010, Nobunto has been working and acted in accordance to the 10 principles of Fair Trade which are based on dialogue, transparency, respect and sustainability. Motivated by one of our European partners, we underwent a four day EFTA Fair Trade assessment in 2012. The EFTA (European Fair Trade Association) is an association of nine Fair Trade importers in eight European countries. Through this assessment, many of our efforts and experiences have been positively confirmed. Over the years we were also regularly monitored by some of our customers from around the world.

As a continuing path NOBUNTO has chosen to ensure transparency and to convey our beliefs and principals, by certifying our company and products through Fair for Life, an independent third-party certification body. Through this certification, NOBUNTO wants to promote an approach of Fair Trade, that allows all workers who are currently at a socio-economic disadvantage to access a wider range of social and economic benefits. These principles are part of a broader context of development within a region that safeguards and supports the local social fabric, particularly in their rural settings.

The Fair for Life guidelines support and enrich the livelihoods of workers through fair conditions and in particular an additional, allocated-type of dividend: development premium funds. Fair Trade development premium are placed into a separate communal fund and is only used for social and environmental development projects as decided by an assembly of the workers.

5. Child labour policy

NOBUNTO will comply with all relevant and applicable local and international labour regulations, treaties, conventions and principles relating to the protection, welfare and health & safety of children. Furthermore, NOBUNTO will not employ any person deemed by local or international laws, conventions or regulations to be a child in any capacity in any operation under its control.

As a good corporate citizen, NOBUNTO is committed to the principles of protecting children from child labour exploitation. NOBUNTO believes that their future development and that of the communities in which they live is best served through education, not child labour.

This is a commitment NOBUNTO seeks to apply throughout the supply chain, from manufacturing and the provision of materials, to the distribution and sale of our products, as well as to the recovery and disposal of waste materials.

The Company acknowledges that it is sometimes customary in agricultural communities for children to play a part in the day-to-day work on farms, partly to learn essential craft skills for ensuring the long-term sustainability of farms and local agricultural communities. Nevertheless, NOBUNTO aims to apply this commitment and principles to sub-contractors and/or suppliers by education, seeking to ensure that:

- The welfare, and health & safety of children are paramount at all times.
- Any form of activities undertaken by children for the development of craft skills, do not conflict with or impede their proper educational development including school attendance.
- No activity that could be considered to put children at risk is undertaken by children.

NOBUNTO has overall responsibility for this policy. Each supplier, sub-contractor etc. is responsible for introducing procedures and programmes to implement this policy and to proactively demonstrate the Company's commitment to corporate social responsibility in this regard.

This policy statement applies to NOBUNTO and will be reviewed periodically. It will also be circulated to associate companies, who will be encouraged to adopt the policy as best practice.

6. Non-discrimination policy

It is the policy and commitment of NOBUNTO that it does not discriminate on the basis of race, age, color, sex, national origin, physical or mental disability, or religion.

Equal Employment Opportunity

NOBUNTO is committed to a policy of equal employment opportunity and does not discriminate in the terms, conditions, or privileges of employment on account of race, age, color, sex, national origin, physical or mental disability, or religion or otherwise as many may be prohibited by local and national laws. Any employee, shareholder, volunteer or client who believes that s/he or any other affiliate of NOBUNTO has been discriminated against is strongly encouraged to report this concern promptly to the Executive Director.

Discriminatory Harassment

Harassment or intimidation of a client, staff person or guest because of that person's race, age, color, sex, national origin, physical or mental disability, or religion is specifically prohibited and may be grounds for termination. Harassment and intimidation includes abusive, foul or threatening language or behavior.

NOBUNTO is committed to maintaining a workplace that is free of any such harassment and will not tolerate discrimination against staff members, volunteers or agency clients.

Issues of discriminatory treatment, harassment, or intimidation on any of these bases should immediately be reported to the Executive Director or immediate supervisor and, if substantiated, prompt action will be taken.

7. Sexual harassment policy

The objective of this policy is to define workplace sexual harassment and to outline procedures for filing complaints, investigating sexual harassment claims and issuing appropriate disciplinary measures in the case of violations.

This policy applies to all employees of NOBUNTO at all locations. All workers, at every level, will be subject to discipline, up to and including discharge, for any violation of this policy. Employees are prohibited from harassing others both on and off the employer premises and during or outside of work hours.

Defining Sexual Harassment

Sexual harassment is unwelcome conduct of a sexual nature that is persistent or offensive and interferes with an employee's job performance or creates an intimidating, hostile or offensive work environment. Sexual harassment is defined by the federal Equal Employment Opportunity Commission as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when, for example: a) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment, b) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual, or c) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

Sexual harassment can be physical and psychological in nature. An aggregation of incidents can constitute sexual harassment even if one of the incidents considered on its own would not be harassing.

Examples of prohibited conduct

Though sexual harassment encompasses a wide range of conduct, some examples of specifically prohibited conduct include the following:

- The welfare, and health & safety of children are paramount at all times.
- Any form of activities undertaken by children for the development of craft skills, do not conflict with or impede their proper educational development including school attendance.
- No activity that could be considered to put children at risk is undertaken by children.
- Subjecting, or threats of subjecting, an employee to unwelcome sexual attention or conduct or intentionally making performance of the employee's job more difficult because of that employee's sex.

- Sexual or discriminatory displays or publications anywhere in NOBUNTO's workplace by the NOBUNTO employees.
- Retaliation for sexual harassment complaints.

Responding to Conduct in Violation of Policy

Employees

If an employee feels that he or she is being subjected to sexual harassment he or she may immediately inform the harasser that the conduct is unwelcome and needs to stop.

If the inappropriate conduct does not cease, or if the employee is unable to or uncomfortable with addressing the alleged harasser directly, he or she should report the incident to his or her immediate supervisor or to the Managing director (HR). It is helpful, but not required, to provide a written record of the date, time and nature of the incident(s) and the names of any witnesses.

It is important to report all concerns of sexual harassment or inappropriate sexual conduct to the Managers or immediate supervisor as soon as possible. Management must be made aware of the situation so that it can conduct an immediate and impartial investigation and take appropriate action to remediate or prevent the prohibited conduct from continuing.

Managers and supervisors

Managers and supervisors must deal expeditiously and fairly when they have any knowledge of sexual harassment within their departments, whether or not there has been a written or formal complaint. They must:

- Take all complaints or concerns of alleged or possible harassment seriously no matter how minor or who is involved.
- Report all incidents to the Managing director (HR) immediately so that a prompt investigation can occur.
- Take any appropriate action to prevent retaliation or prohibited conduct from recurring during and after any investigations or complaints.

Managers and supervisors who knowingly allow or tolerate sexual harassment or retaliation, including the failure to immediately report such misconduct to the Managing director (HR), are in violation of this policy and subject to discipline.

Managing director (Human resources)

The Managing director (HR) is responsible for:

- Ensuring that both the individual filing the complaint (complainant) and the accused individual (respondent) are aware of the seriousness of a sexual harassment complaint.
- Explaining NOBUNTO's sexual harassment policy and investigation procedures to all parties involved.
- Exploring informal means of resolving sexual harassment complaints.
- Notifying the police if criminal activities are alleged.
- Arranging for an investigation of the alleged harassment and the preparation of a written report.
- Submitting a written report summarizing the results of the investigation and making recommendations to designated company officials.
- Notifying the complainant and the respondent of the corrective actions to be taken, if any, and administering those actions.

The Managing director (HR) will determine if an in-house investigation will be conducted or if a third party will be contracted to complete the investigation. All complaints involving senior management will be handled by an external third party.

Complaint Resolution Procedures

Complaints should be submitted as soon as possible after an incident has occurred, preferably in writing. The Managing director (HR) may assist the complainant in completing a written statement or, in the event an employee refuses to provide information in writing, the Managing director (HR) will dictate the verbal complaint.

To ensure the prompt and thorough investigation of a sexual harassment complaint, the complainant should provide as much of the following information as is possible:

- The name, department and position of the person or persons allegedly committing harassment.
- A description of the incident(s), including the date(s), location(s) and the presence of any witnesses.
- The effect of the incident(s) on the complainant's ability to perform his or her job, or on other terms or conditions of his or her employment.
- The names of other individuals who might have been subject to the same or similar harassment.
- What, if any, steps the complainant has taken to try to stop the harassment.
- Any other information the complainant believes to be relevant to the harassment complaint.

Discipline

Employees who violate this policy are subject to appropriate discipline. If an investigation results in a finding that this policy has been violated, the mandatory minimum discipline is a written reprimand. The discipline for very serious or repeat violations is termination of employment. Persons who violate this policy may also be subject to civil damages or criminal penalties.

Confidentiality

All complaints and investigations are treated confidentially to the extent possible and information is disclosed strictly on a need-to-know basis. The identity of the complainant is usually revealed to the parties involved during the investigation and the HR director takes adequate steps to ensure that the complainant is protected from retaliation during and after the investigation. All information pertaining to a sexual harassment complaint or investigation is maintained in secure files.

Other Available Procedures

The procedures available under this policy do not preempt or supersede any legal procedures or remedies otherwise available to a victim of sexual harassment under local, state or federal law.

8. Freedom of association policy

Freedom of association enables workers to voice their opinions free of interference by the employer or government. NOBUNTO respects and supports the rights of employees to freedom of association.

NOBUNTO is firmly committed to creating strong business growth, which is not achieved at the expense of the environment, quality of life or social equity.

Recognising the rights of employees as one of our key stakeholders NOBUNTO will:

- Comply with national law on freedom of association and collective bargaining and follow recognised international standards of best practice.
- Facilitate, and not hinder, the development of parallel means of free association, where the law restricts the right to freedom of association, respecting the rights of all employees to conduct activities aimed at achieving independent and free association on the premises, within the law.
- Identify operations in which the right to exercise freedom of association may be at risk and take action to support these rights.

Working to facilitate freedom of association NOBUNTO will:

- Ensure that employees have the right to form and join worker representative bodies of their own choice and freely associate.
- Allow employee representatives to be elected by employees.
- Ensure employee representative bodies are allowed to operate at NOBUNTO and to visit the workplace freely, and not interfere with the activities of the workers' associations.
- Be proactive in representing employees, when unions are state controlled.
- Make formal provisions for employee representation in decision-making and management.
- Recognise employee representative bodies as a party in the company process and will allow representatives to conduct negotiations with management.

Ensuring that freedom of association take place without discrimination NOBUNTO will:

- Not tolerate discrimination against members of a worker representative body, whether from management or co-workers.
- Enable employees to join (or not join) and carry out activities without fear of being penalised by NOBUNTO.

Continually evaluating our performance NOBUNTO will:

- Record and report descriptions of formal agreements with bona fide employee representatives.
- Record and report on the percentage of employees represented by bona fide employee representatives.
- Produce a publicly available annual report including the above indicators and other relevant information required to understand performance on the issue.

Supporting stakeholder collaboration as part of successful implementation NOBUNTO will:

- Effectively communicate the policy and associated guidance and procedures to personnel and other interested parties.
- Provide all new employees with a copy of the policy, and provide formal training on the policy, either as part of the employee induction process or as part of an apprenticeship scheme.
- Provide employees with regular training and awareness building covering the issues in this policy in order to foster an awareness of shared responsibility and accountability.
- Seek to make existing employees aware of the issues covered in this policy.

Responsibilities

A senior member of NOBUNTO will be responsible for the effective implementation of this policy across all operations owned or managed by NOBUNTO. The senior member will also be responsible for reporting to external stakeholders about performance with respect to policy implementation.

All employees have an important role in assisting NOBUNTO in successful implementation of the principles of this policy.

9. Health & safety policy

Health & Safety is NOBUNTO's top priority. It requires the commitment of all our employees both at the workplace as well as when off-duty. NOBUNTO promotes a culture of safety and looks for ways to improve our injury rates. The success of this Health & Safety policy requires the involvement and commitment of everyone working for and with us all times.

NOBUNTO will provide a clean and safe workplace, including providing plant, equipment and work processes that do not pose a risk to the health and safety of our workers. Staff will also receive adequate training and supervision to ensure their safety. Our company provides clean toilets, clean drinking water and, hygienic kitchen facilities to our workers.

Our commitment to the Health & Safety of all employees, both at work and when off-duty, is a clear component of our daily work. We believe in the following principles to guide our actions:

- All injuries and work related illnesses can and must be prevented.
- Management is accountable for the Health & Safety performance.
- Communication, involvement and training of all employees are essential in Health & Safety excellence.
- Everyone has a role to play in preventing injuries and illnesses.
- Excellence in Health & Safety supports excellent business results.
- Health & Safety must be integrated into all business management processes.
- Product Stewardship aiming at eliminating Health & Environmental impact for customers.

To achieve this we will:

- Identify, evaluate and eliminate Health & Safety risks to ensure that hazards are managed.
- Establish an effective process for preventing all injuries and work-related illnesses.
- Build a supportive culture that requires visible Leadership with clear accountability.
- Provide everyone with effective training so that we are all able to work safely.
- Investigate all incidents in order to prevent a recurrence.
- Establish a culture where work will be stopped if it is unsafe.
- Comply fully with all legal requirements and meet or exceed these expectations.
- Appropriate fire fighting equipment maintained and available on-site,
- Provision of sufficient quantity of operating, clearly marked emergency exits which are not locked or obstructed.
- Appropriate Personal Protective Equipment (PPE) will be made available to workers at no personal cost.
- Update and test emergency procedures.

10. Environmental policy

NOBUNTO recognizes environmental impact and climate change among the key sustainability challenges to businesses and society; affecting economic stability, ecology and vulnerable communities. We recognize the direct impact on the environment arising out of our operations and facilities due to consumption of resources like energy, water, etc. and generation of wastes.

NOBUNTO accepts responsibility for the harmful effects its operations have on both the local and global environment and is committed to reducing them.

NOBUNTO will implement a training program for its staff to raise awareness of environmental issues and enlist their support in improving NOBUNTO's performance.

NOBUNTO aims to fulfil its environmental commitments through the following broad-level actions:

- Minimise waste by evaluating operations and ensuring they are as efficient as possible
- Adopt the "3-R" (reduce, reuse and recycle) philosophy for all types of wastes to prevent pollution and dispose of "inevitable" wastes, in line with regulatory requirements
- Improve resource efficiency in operations, especially for key resources such as, energy and water
- Integrate energy and environmental considerations into the design of new infrastructural facilities
- Minimise emissions through the selection and use of its source of its power requirements
- Comply with all the applicable environmental and related legal and other requirements and, wherever feasible, strive for "beyond compliance" leadership
- Engage and involve customers, vendors and contractors in our environmental sustainability mission by sharing our expectations to collaboratively achieve our environmental objectives toward greening the supply chain
- Report our environmental performance and contribution to climate-change related issues
- Communicate the environmental policy to all employees, customers, business associates and other stakeholders and ensure it is available to the public
- Review the environmental policy periodically to ensure its continuing applicability and relevance to our daily work

11. Supplier & sub-contracting policy

NOBUNTO is committed to supplying products that have been safely and ethically manufactured. NOBUNTO reserves the right to decline cooperation and/or trade with sub-contractors and suppliers that do not demonstrate this commitment.

Application

This Policy defines our minimum standards that all Suppliers and Sub-contractors must adhere to in order to trade with NOBUNTO.

This policy also applies to (not exclusively) traders, retailers, distributors, wholesalers, designers, licensees, importers, manufacturers or organisers of production that in any way form part of the chain of supply to NOBUNTO.

Methods of production used by Suppliers must not involve exploitation or endanger health and safety of any persons or the environment. NOBUNTO regards exploitation of children as especially unacceptable and reserves the right not to trade with Suppliers who are at variance on this issue.

Obeying Legal Requirements

NOBUNTO requires all Suppliers to fully obey the laws of the countries in which they function. This includes (but not exclusively) all laws related to employment, safety, the environment and business operations.

NOBUNTO will only do business with Suppliers and Sub-contractors who comply with the standards below:

Employment

Child Labour

Suppliers and Sub-contractors shall not use child labour. Due to their vulnerability, NOBUNTO believes that children deserve extra protection from exploitation. Children should have the opportunity, where possible, to participate in an education up to the compulsory age limit deemed by local laws.

Work should not interfere with a child's education. NOBUNTO supports participation in legitimate apprenticeship or trainee programs to educate and assist students under school-leaving age (e.g. 15-16 year olds) and legitimate casual work where appropriate, providing the work is light in nature, is performed in safe conditions and does not involve exploitation.

Forced/Compulsory Labour

The decision to work must be freely chosen by all workers. Suppliers shall not use compulsory or involuntary labour, slavery or debt bondage. Workers must be genuinely free to terminate their employment at any stage with reasonable notice.

Appropriate Pay and Benefits

The Supplier must set out in writing for its workers clear terms of employment, including wages, benefits and conditions for a regular working week. Workers must be paid at or above the local legal minimum wage for the work performed. The Supplier must not use contracts, trial periods or other arrangements to avoid legal obligations for pay and conditions.

Hours of Work

Ordinary hours of work shall be consistent with local legislation. All overtime must be voluntary and without coercion and should be duly paid in accordance with the agreed conditions of employment and local laws.

Discrimination and Harassment

NOBUNTO believes that all people must be treated equally and with dignity and respect. Suppliers will not use (either actual or implied) any physical, sexual, emotional forms of harassment, abuse, discipline or intimidation with any of their workers.

Suppliers and Sub-contractors are to avoid using discriminatory words, actions or behaviour. A worker's ability to do the job should determine their employment and all associated conditions, rather than discrimination based on non work-related factors, such as race, religion, gender, personal situations or beliefs.

Workers must not be disadvantaged or prevented from forming or joining communities which raise issues relating to mutual protection and dignity in wages and working conditions.

Environment, Health & Safety

Suppliers and Sub-contractors will provide a clean and safe workplace, including providing plant, equipment and work processes that do not pose a risk to the health and safety of their workers. Staff must also receive adequate training and supervision to ensure their safety. Of specific concern with regard to worker safety is the provision of adequate emergency facilities such as:

- appropriate fire fighting equipment maintained and available on-site,
- a sufficient quantity of operating, clearly marked emergency exits which are not locked or obstructed.

Other important safety standards include:

- Machinery must have appropriate guarding to ensure safety of workers.
- Appropriate Personal Protective Equipment (PPE) must be made available to workers at no personal cost.
- Suppliers and Sub-contractors shall provide clean toilets, clean drinking water and, if appropriate, hygienic kitchen facilities to its workers.

Environmental standards:

- NOBUNTO requires Suppliers and Sub-contractors to comply with all applicable local and national environmental laws, and to endeavour to meet relevant international environmental standards.

Business Ethics

NOBUNTO values and promotes a high standard of honesty, integrity, respect, fairness and professionalism in their business ethics. We also expect our Suppliers and Sub-contractors to follow equivalent standards in their operations. Bribes, favours, inappropriate gains or other illegal or improper payments, whether in cash or otherwise, are strictly forbidden, whether or not they are offered with the intention of securing trade with NOBUNTO.

Implementation and Monitoring of the Suppliers & Sub-Contracting Policy

NOBUNTO reserve the right to visit Supplier factories or facilities with or without prior notice to ensure adherence to this Policy. Breaches of this policy will be registered with the Supplier's management for investigation and action as appropriate. If deemed appropriate, action taken by NOBUNTO may include ceasing trade with the relevant Suppliers and Sub-contractors.

12. Fair for Life Fair Trade development fund

The Fair Trade Premium is an additional payment for all volumes of Fair for Life certified and sold products, which is paid beside the Fair for Life Fair Trade price into a Premium Fund. The Premium Fund is used only for social and environmental development projects as decided by an assembly of workers.

The Fair Trade Premium is paid by a written agreement and by identified Fair Trade buyers (Partner) to NOBUNTO. It is intended that the Fair Trade Premium charge will be if possible the same for every Fair Trade buyer (Partner).

Administration

The actual Premium Fund is managed by 3 elected artisans of NOBUNTO. They act as the Fund decision body. If agreed, a management representative and/or a representative of Fair Trade Partners will join as a member and/or observers only. The Fund decision body are solely and, in every respect, responsible of the Premium Fund.

NOBUNTO facilitates and supports basic administrative running costs of the Fund decision body.

Bank Account

The Premium Funds are administered in a separate bank account, with appropriate signatory rights.

Premium Funds which will be received by NOBUNTO will be latest 20 days of date of receipt, transferred into this separate Premium Fund account.

Documentation

Premium Funds will be traceable. They are specified in contracts and/or invoices and will be documented.

The decisions how the Premium Fund will be used is based on the Fund decision body and the agreed activities will be documented. All used premium funds will be duly accounted for (incl. original receipts) and an annual report on Premium Funds decision process and Premium use must be compiled.

The Fund decision body writes an annual report with total Fund received, Fund use decisions and all activities financed by Fund money.

Use of Fund money

General objectives for the use of the Fund money are:

- Improving individual capacities, knowledge and knowhow
- Improving livelihoods (income, working conditions, living conditions)
- Empowering structures (governance, organization strengthening)
- Improving the environment (resources, pollutions)
- Improving techniques, materials and equipment

The Premium Funds can be used to finance any agreed projects by the Fund decision body which are intended for the beneficiaries as a group (collective projects) and to cover any justified related expenses. It can be also used for the Fund management expenses (like banking fees, attending meetings, etc.).

The Fair for Life Development Premium is intended to finance sustainable social or environmental community projects or social projects for workers and their families. The main beneficiaries for the Fair Trade Premium are the workers of NOBUNTO and identified in this Fair Trade Policy.

The Fund's use must be in line with the Fair for Life requirements (FFL Standard/Development fund use).

Decisions

Decisions on the use of the Fair Trade Premium are taken by the Fund decision body.

All NOBUNTO artisans will be actively informed and included in all efforts towards Fair Trade and Social Responsibility.

NOBUNTO run regular meetings and an annual assembly of artisans, with initial and updated information on the company's commitments to Social Responsibility and Fair Trade and on processes and ideas regarding Fair for Life Premium use. Feedback and open discussion of concerns is encouraged and part of NOBUNTO's corporate culture.

13. Management

This Fair Trade policy statement applies to NOBUNTO and will be reviewed periodically. It will also be circulated to associate companies, who will be encouraged to adopt the policy as best practice.

Managing the provisions of this overall Fair Trade policy to work towards successful implementation NOBUNTO will:

- View this policy and associated guidance as 'living documents' to be reviewed by the Board on an annual basis, drawing from ongoing stakeholder consultation.
- Ensure all elements of this policy are managed as integral parts of its business and planning. This will include ensuring that estimates of the costs of present and expected actions are included in the preparation of investment plans, risk reviews and annual accounts.
- Maintain a management system that aims to integrate all policy issues into its decision-making and risks review processes.
- Develop procedures and guidelines to facilitate policy implementation and empower management to ensure policy aims are met.
- Have in place a procedure for responding to cases in which the policy has not been followed or has been breached.
- Report the outcomes of audits, including details of corrective action plans annually.
- Where relevant, attain external verification of the audit process.

Updated: July 2020