

People Tree 2009 -2010

Sixth Biennial Social Review

For every beautiful garment People Tree makes there is an equally beautiful change happening somewhere in the world. – Safia Minney, Founder of People Tree



Bangladesh April 2009

People Tree's Social Review monitors our activities as seen by our producers in 2009 and 2010.

The evaluation of People Tree's performance against the World Fair Trade Organisation (WFTO) principles is based on detailed feedback gathered from the ten partner groups that produce garments for People Tree UK: Artisan Hut, Assisi Garments, Dev Tech, Folk Bangladesh, Kumbeshwar Technical School, Kumudini Welfare Trust, Minka, Sasha, Shroff Self Help and Thanapara Swallows. To read more about each of these groups and their producer members, please see the 'Fair Trade Partner' section of our website.

Every effort has been made to gather complete, comparable data: some incomplete responses to our initial survey have been filled-in with data collected through follow-up letters, and the data for number of artisan producers has been compiled using a mixture of follow-up data and, where possible producer numbers collected during onsite visits in early 2011. Results are displayed as a percentage with non-respondents for a question excluded from the sample.

Over the next two years we will be piloting the new WFTO Fair Trade Standard (FTS): an on the ground worker-focused system resulting in the first certification for artisanal, Fair Trade groups. The feedback gathered from the FTS will give an even more comprehensive picture of performance and progress. We look forward to including results from the five pilot groups in our next review.

World Fair Trade Organisation: -

1. Creating opportunities for economically disadvantaged producers

"Fair Trade is a strategy for poverty alleviation and sustainable development. Its purpose is to create opportunities for producers who have been economically disadvantaged or marginalised by the conventional trading system"



Bobbing thread at Swallows, Bangladesh

Fair Trade is at the heart of People Tree's mission

"To Support producer partners' efforts towards economic independence and control over their environment and to challenge the power structures that undermine their rights to a livelihood."

Our producer groups are also 100% committed to Fair Trade

Currently seven out of the ten garment producer partners are WFTO members:

"WFTO members are organisations differentiated by their 100% Fair Trade commitment to eradicate poverty through sustainable economic development; pioneering social and environmental policy and practice and continual reinvestment in marginalised artisans, farmers and producer communities in some of the most fragile places on earth."

– WFTO website

The remaining three are working towards membership.

The producer groups make up a network of 7409 artisan producers including weavers, embroiderers, tailors and group leaders

This is the total number of artisans working with our 10 producer groups, but they are not necessarily all working on People Tree orders. This figure includes both producers working in onsite production (often tailors, leaders and managers) and those working in subgroups (usually weavers and embroiderers).

People Tree orders have created work for the equivalent of 909 direct, full-time employees¹



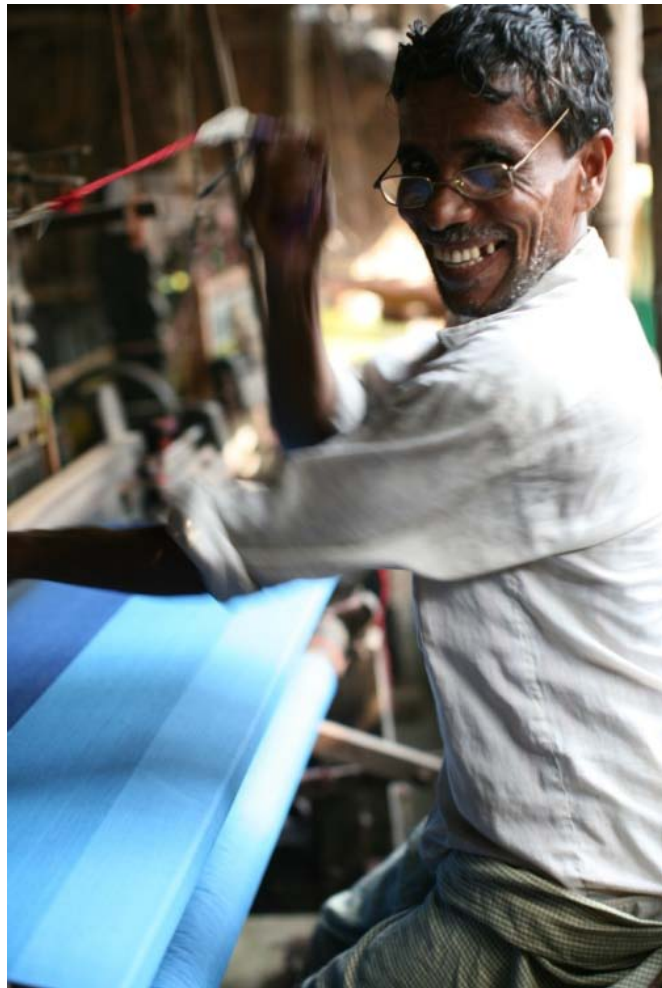
*Embroidering a dress for People Tree at Swallows,
Bangladesh 2010*

¹ Based on an 8 hour working day and a 26 day working month

Some artisans work part-time. Each may support a household of five. It's difficult to put an exact number on the indirect benefit of work created through People Tree orders. People Tree orders also create employment for subgroup embroiderers and weavers that are not included in this figure.

By choosing handicraft techniques when we design products People Tree is reviving skills, creating unique products and generating livelihoods for marginalised people. Also hand woven fabric is carbon neutral and therefore more sustainable than using machines.

Our producer partner groups focus on the most marginalized



*Handweaving for Pryoti, Bangladesh 2010
A weaving group for DevTech*

We were able to collect complete and accurate data for marginalized producers from four partner groups. Of those:

55% of producers work part time

Many of People Tree's producers work from home or work part time because they are women and mothers and unable to take on full time work due to family commitments or cultural expectations.

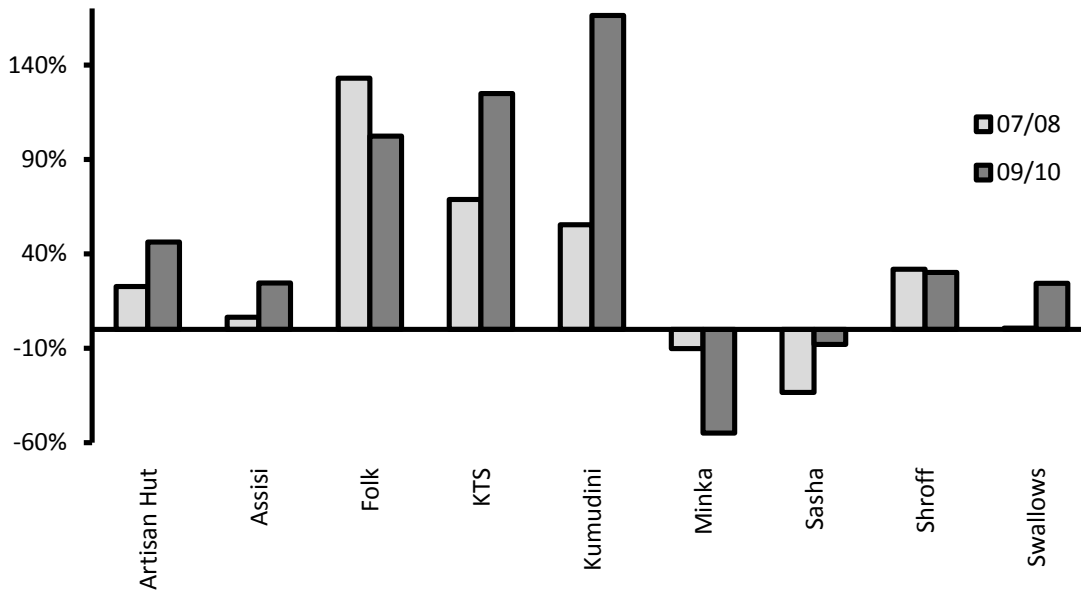
23% are among the most marginalized

(As recognized by the producer group, includes: indigenous people, physically challenged people, refugees, lower caste people and people of a rural and very economically disadvantaged backgrounds)

People Tree orders on average make up 44% of a producer group's orders by value

People Tree orders matter to producers: they are the largest export customer income for 7 out of 10 partner groups

UK and Japan combined orders



(Our 10th garment producer, Dev Tech is not included in this year's comparison as we have only been working together since 2009)

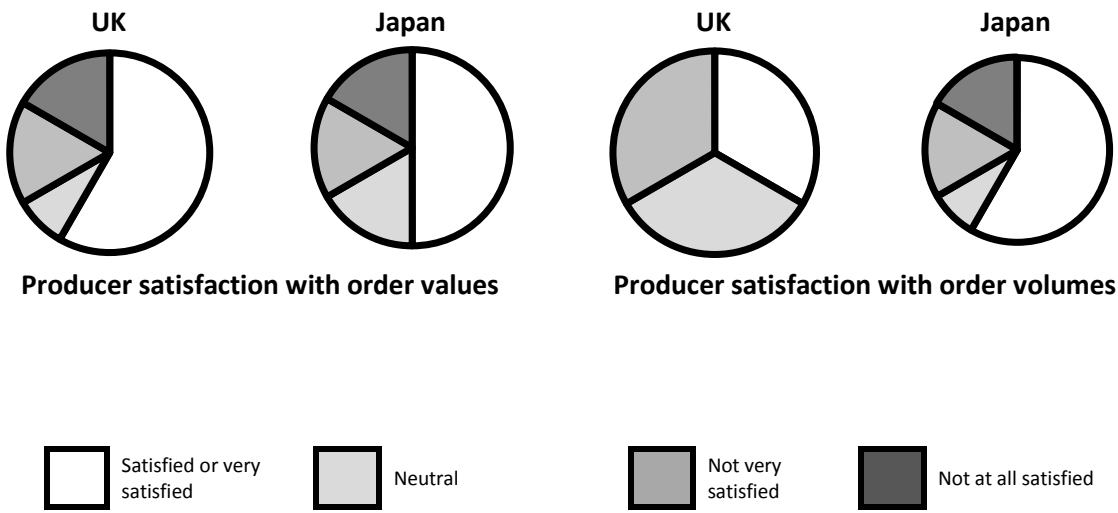
While most groups saw a steady growth in orders (compared to the 2005/2006 baseline), three producer groups saw a decrease in orders over the reporting period:

Orders for Folk were extraordinarily high in 2008, due to a big wholesale order artificially inflating growth. 09/10 orders were still substantially higher than the 05/06 baseline.

Orders for Sasha decreased in 07/08 but improved in 09/10 to almost original 05/06 levels.

For Minka, order shrinkage has been a problematic trend. Their beautiful hand spun alpaca knitwear has been too expensive for most of our customers. Last year Norma from Minka visited our offices and together we were able to work out new product ideas and hope to increase our orders.

Our producers would still like to see more, bigger orders:



While the majority of producer groups have seen growth in orders over the last two years many would like bigger orders. We're looking forward to growing together: building capacity with our producers to fulfil bigger orders and developing our sales and marketing initiatives to be able to increase orders.

World Fair Trade Organisation: -

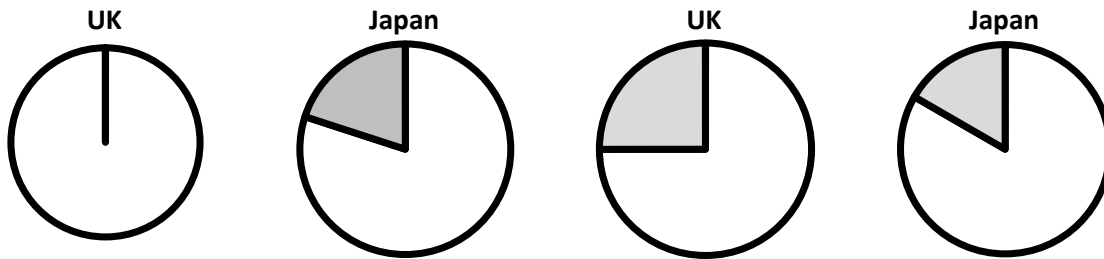
2. Transparency and Accountability

"Fair Trade involves transparent management and commercial relations to deal fairly and respectfully with trading partners."

100% of producers felt People Tree UK and People Tree Japan shared information openly and involved them sufficiently in decision making.

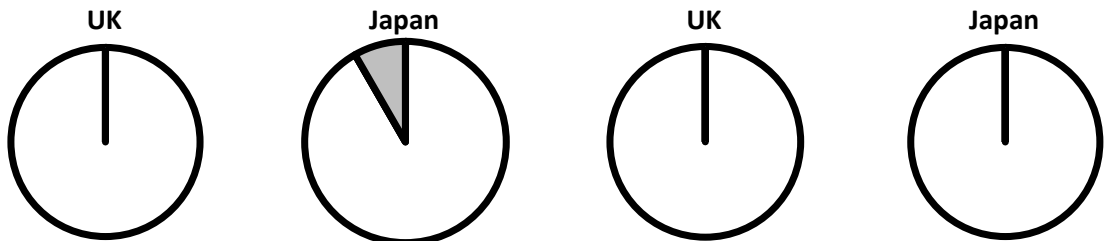
"Yes it is true, DevTech is a small producer group in Bangladesh but People Tree also shares information openly with us and involves us sufficiently in the decision making process, we are very happy and we are also following this standard" – Dev Tech, Bangladesh

There are still some specific areas where we can improve:



Are you satisfied with the contents of communication with us?

Are you satisfied with the frequency and timeliness of communication with us?



Are you satisfied with our ordering procedure?

Are our purchase order instructions and specifications clear?

Satisfied or very satisfied Neutral Not very satisfied Not at all satisfied

People Tree takes supporting our producers seriously. We have dedicated design and technical teams and coordinators looking after producer relationships: when not visiting producers in person People Tree staff are in contact almost daily by email or phone.

The People Tree team visit partner producers...

“People Tree team comes to Bangladesh twice a year, they share with us their marketing, price policy [and] strategy”

– Kumudini Welfare Trust, Bangladesh



People Tree design and technical team visiting a DevTech weaving group in Bangladesh

...and producer partners visit us

‘I have seen some of our Assisi garments products in the shops, but in all shops I found more fashionable styles are there, so I feel we have to develop more different kinds of fabric as well as different styles’

– Sister Vineetha on visiting John Lewis, Anthropologie and Topshop in London

The People Tree Market Exposure Program is a unique opportunity for producer group representatives to learn about market expectations, retail, distribution and fashion retail through visiting the UK (and Tokyo) and meeting customers and journalists.



Sister Vineetha, from Assisi Garments with People Tree UK team, 2010

World Fair Trade Organisation: -

3. Capacity building



"Fair Trade is a means to develop producers' independence. Fair Trade relationships provide continuity, during which producers and their marketing organisations can improve their management skills and their access to new markets." Bangladesh, 2009

"People Tree UK & Japan consistently give orders and increase total order values each year. Last two years People Tree UK & Japan team worked with us more

closely. They arranged discussion meetings, garment training workshops with pattern makers and block printing. Their visit was a very positive experience”
– Kumudini Welfare Trust, Bangladesh

People Tree builds close, long term relationships with producer partners.

People Tree aims to build partnerships for the long-term. Our trading relationships are cemented through two kinds of agreement:

1. Key Producer Agreement

We have a Key Producer Agreement with 8 out of 10 of our garment producer groups for the UK.

A Key Producer Agreement is made when People Tree becomes a significant proportion of a partner’s orders. We then develop a three year action plan to strengthen our relationship through:

- Capacity building, quality and technical assistance
- Assistance with environmental production and procurement
- Participation in a Market Exposure Programme

This is in addition to meeting the Fair Trade Standards.

People Tree aims to increase orders by 10% every year and does not allow orders to fall below 75% of the previous years (see section 1: ‘Building Capacity’ for a breakdown of order growth)

2. Standard Producer Agreement

Currently People Tree UK has a Standard Producer Agreement with only one garment producer. This runs for 3 years. People Tree commits to making regular orders and to providing the partner with product development and technical assistance in addition to meeting Fair Trade Standards.

People Tree UK staff spent an average of 147 days/year with producer groups (2009/2010)

“Regular visits of the People Tree team and interaction with our producers and staff helped very much to improve our product quality, upgrade our products and meet Fair Trade standards. It increased our knowledge about market trends and

inspired us to develop new products. Visits help us receive prompt feedback and advice.”

–Kiran Khadgi, Director, Kumbeshwar Technical School, Nepal

People Tree staff visit producer groups regularly, working together with partner producer groups on product development, cost accounting and improving their skill base through training in quality, product development, dyeing, pattern cutting and grading. In 2010 PTUK hired our first Production Manager who will visit producers four times a year with a special focus on improving quality and production systems.

Working with People Tree strengthens producer groups to market their products and access new markets. Artisans are empowered to earn a sustainable livelihood which is worth more than just money. Marginalized producers are often denied recognition on the basis of gender, caste, ethnicity or disability; through Fair Trade they gain a new sense of dignity and self confidence.

The People Tree Foundation: Taking It Further



Jo Wood, People Tree Foundation Ambassador, Safia Minney and Mr Amin of National Garment Workers Federation in Dhaka Slums, interviewing garment workers, 2009

Launched in 2009, the People Tree Foundation is an independent charity taking capacity building efforts to another level. By enabling investment beyond People Tree’s own trading relationship, the Foundation will bring benefits to an even greater number of farmers and artisans through scaling up training, capacity building, technical support and environmental initiatives and through raising awareness and campaigning for fair and sustainable fashion and lifestyles.

World Fair Trade Organisation: -

4. Promoting Fair Trade

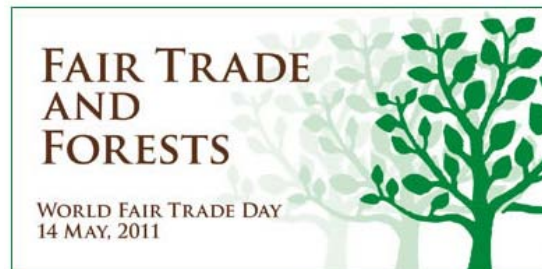
"Fair Trade Organisations raise awareness of Fair Trade and the possibility of greater justice in world trade. They provide their customers with information about the organisation, the products and in what conditions they are made. They use honest advertising and marketing techniques and aim for the highest standards in product quality and packing"



*Fair Trade – another way of business
is possible, Bangladesh 2010*

People Tree - True to our Roots

“To set an example to business and the government of a Fair Trade model of business based on partnership, people-centred values and sustainability.”



Before People Tree was called People Tree it was ‘*Global Village*’, an environmental campaign NGO founded by Safia Minney in Japan in 1991 to mobilise people who care around the world. In 2002 People Tree initiated and launched ‘*World Fair Trade Day*’. Now managed by the World Fair Trade Organisation, it has become a key event in the global fair trade calendar. Even though we’ve grown a bit since the early days we’ve not forgotten our roots keeping Fair Trade in the public eye.

Since 2009 People Tree UK has:

Launched or participated in the launch of **3** campaigns

1. Teaming up with War on Want, People Tree and People Tree Foundation supporters demonstrated over poverty wages in the garment sector as Primark opened a new store in Tooting, South London (2009)
2. People Tree mobilised customers and supporters to add their support to the FT100 (a network of 100% Fair Trade clothing companies) petition calling for government to act on the Millennium Development Goals by supporting Fair Trade companies with financial and technical assistance, procuring Fair Trade clothing and textile products for the Public Sector and dropping the duty on Fair Trade fashion imports (2010).
3. 2082 people signed our Humanity in Fashion petition campaigning for living wages for Bangladeshi garment workers. The signed petition was forwarded to the National Garment Workers Federation so they can show garment manufacturing companies that their customers demand change. It was also delivered to the Bangladesh Embassy.

HUMANITY in fashion



Worked with **4** major retail partners

We're proud to see People Tree product stocked in Anthropologie, ASOS, John Lewis and Topshop.

Been recognised with **5** Awards

Observer Ethical Award: Fashion and Accessories Winner 2009

Cosmopolitan On-line Fashion Awards: Ethical Retailer Award 2010

Eco Warrior: High Street Fashion Awards 2010

Reveal Magazine: Best Ethical Style 2010

WSGN: Most Sustainable Fashion Brand 2010

"People Tree defies the current economic conditions and continues to be one of the most sustainable brands due to its ability to continue to be a pioneer and push boundaries in Fairtrade Fashion, creating garments that are fashionable, high quality and affordable"

– WSGN

And collaborated with **7** generous designers and opinion leaders

Many thanks to our 2009-2010 designer collaborators: Bora Asku (AW09, SS210 and AW10), Eley Kishimoto (AW09), Jessica Ogden (AW09, SS10), Karen Nicol (AW09, SS10, AW10), Richard Nicoll (SS09), Thakoon (SS09) and Emma Watson (SS10, AW10).

Their support has enabled us to bring Fair Trade Fashion to new customers while strengthening our partner producer's skills and helped make increased orders.

Working with Emma Watson (actress) to introduce Fair Trade fashion to a new generation.



Emma Watson with Producers at Swallows, Bangladesh 2010

People Tree's collaboration with Emma Watson, launched in February 2010, our first dedicated youth collection generated huge international interest, spreading the Fair Trade fashion message far and wide:

"Ethical attire that will put a spell on you" – Daily Telegraph

"These clothes transcend their worthy beginnings and just became cool... this is a great capsule collection" – The Times

"I've been looking for ages for the perfect cricket jumper, and this totally fits the bill" – Heat Magazine

"People Tree has some serious fashion cred... never before has clothing with a conscience felt quite so on trend" – You Magazine, Mail on Sunday

“Fantastic... certain to fit right in with any fashion conscious teenager's wardrobe” – marieclaire.co.uk

“Emma Watson brings her glam touch to ethical fashion” – Teen Vogue

Link – Video: Emma visits Bangladesh with People Tree -

<http://www.peopletree.co.uk/content/79/people-tree--emma-watson-in-bangladesh>

People Tree Ambassadors: Raising the Profile of Fair Trade Fashion



Laura Bailey in Nepal, March 2010

People Tree ambassadors speak from experience, they take the time to meet the Fair Trade groups and the artisans behind the products. As they compellingly re-tell the stories they've witnessed they bring the Fair Trade message home to new audiences:

'How can you not care about the lives and working conditions of the producers of the goods we buy? As I get older – and hopefully wiser – I can no longer 'buy blind'...once you can imagine the human face behind the price tag it's hard to justify buying cheap fast fashion'

– Laura Bailey, visited Kumbeshwar Technical School, Nepal March 2010

'As I went around the village and saw the women working it gave me a greater insight in to the benefits of fair trade clothing manufacture: and what an impact it has on the local community they have a school, a crèche for the younger children, learning center and programmes and an organic garden. Entering the slums at Dhaka was such a contrast to the life enjoyed at Swallows...the rubbish, the smell and the poverty. It's hard to grasp.'

– Jo Wood, visited Swallows Bangladesh, June 2009

“I don’t want to wear something on my body that hurts the environment or the people in it. It’s hard to know what is good and what is bad on the high street and equally hard to find fashionable or youthful ethical clothing. So I decided to work with People Tree to put together a collection I could be proud of in terms of both ethics and design.”

– Emma Watson visited Swallows Bangladesh June 2010

World Fair Trade Organisation: -

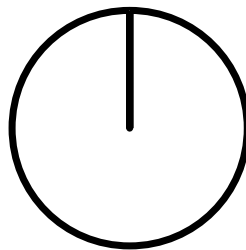
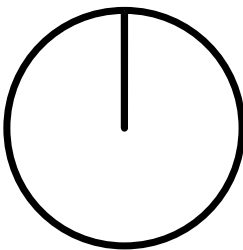
5. Payment of a fair price

"A fair price in the regional or local context is one that has been agreed through dialogue and participation. It covers not only the costs of production but enables production which is socially just and environmentally sound. It provides fair pay to the producers and takes into account the principle of equal pay for equal work by women and men. Fair Traders ensure prompt payment to their partners and, whenever possible, help producers with access to pre-harvest or pre-production financing."

Are you satisfied that the prices paid to you by us?

UK

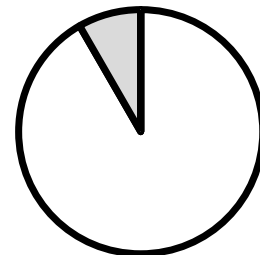
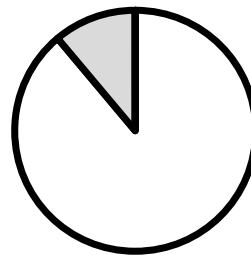
Japan



Are you satisfied with the negotiations over prices between you and us?

UK

Japan



Satisfied or very satisfied



Neutral



Not very satisfied



Not at all satisfied

People Tree takes care to ensure the price we agree for our products is fair. Paying a fair price for our products is an essential element, ensuring producer groups are able to pay their producers a fair wage.

On average People Tree producer partners receive wages 45% over the standard industry pay in their region

Cash flow can be a challenge for small producer groups. Where needed People Tree offer a 50% advance on orders enabling groups to make sure producers are paid on time. For more on advance payment please see section 10: Trade Relations.

Further up the supply chain, 62% of our cotton is FAIRTRADE certified guaranteeing the small-scale cotton farmers a fair and stable price. These farmers

also receive a premium payment for community development projects such as promoting health awareness in schools.

World Fair Trade Organisation: -

6. Gender Equity

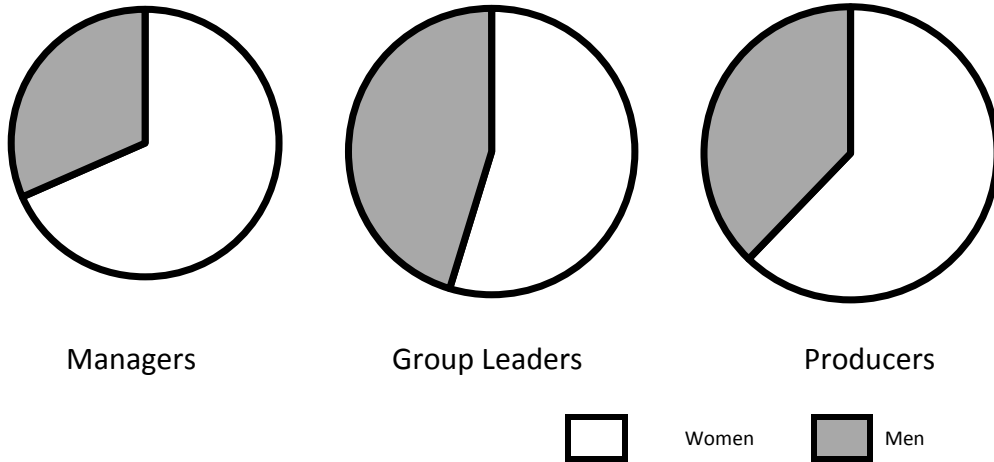
"Fair Trade means that women's work is properly valued and rewarded. Women are always paid for their contribution to the production process and are empowered in their organisations."



Bagda Enterprises, South Bangladesh, June 2010

All groups commit to paying male and female producers equally

The majority of people that benefit from People Tree's Fair Trade programme are women, including those in leadership roles.



Equal pay for equal work is about more than the take-home wage. Receiving equal pay empowers women to make decisions in their families and lead in their communities. They are enabled to effect change in society, becoming a voice for equal rights for all women and girls.

World Fair Trade Organisation: -

7. Working conditions

"Fair Trade means a safe and healthy working environment for producers. The participation of children (if any) does not adversely affect their well-being, security, educational requirements and need for play and conforms to the UN Convention on the Rights of the Child as well as the law and norms in the local context."



Stylus printers, India 2010

By paying a fair price for our orders, producer groups have the means to invest in their people and workplaces. People Tree regularly asks its producer groups about any negative effects experienced in the work place and their plans for addressing them. For example managers at KTS Nepal noticed that some knitters are allergic to dust from the wool. KTS has now introduced masks for all the knitters and encourage them to be used.

Regular visits by People Tree staff (see section 3: Capacity Building) enable continual monitoring of working conditions at producer groups and subgroups. From 2011 we will be piloting systematic 'eco-mapping' at four partner groups. Eco-mapping is a participative visual representation of health and safety risks in the workplace.

World Fair Trade Organisation: - 8. Child Labour

"Fair Trade Organisations respect the UN Convention on the Rights of the Child, as well as local laws and social norms in order to ensure that the participation of children in production processes of fairly traded articles (if any) does not adversely affect their well-being, security, educational requirements and need for play. Organisations working directly with informally organised producers disclose the involvement of children in production."



Bangladesh 2009

Low prices for products and low wages for workers means that parents often need to send their children to work to supplement the household income. Fair Trade creates the opportunities to earn a fair wage, especially for women and directly improves the economic situation of the whole family so they can afford to send their children to school, rather than to work.

World Fair Trade Organisation: -

9. The Environment

"Fair Trade actively encourages better environmental practices and the application of responsible methods of production."

Our planet clearly matters

"[Climate change is] making normal work harder and production times lengthy, material costs are rising and people suffer health problems. Climate change and changing weather patterns affects us profoundly"

– Artisan Hut

People Tree has been clear on the importance of environmental protection for a long time. Safia Minney, a passionate ecologist, proposed that the environment should be added as a WFTO Fair Trade Standard. She passionately believes that trade can work whilst respecting both people and planet.

Protecting the environment is central to People Tree's Mission

"To protect the environment and use natural resources sustainably throughout our trading and to promote environmentally responsible lifestyles and environmental initiatives to create new models to promote sustainability"

People Tree is committed to:

- **Promoting organic farming: Over 60% of clothing sold 2009-2010 was 100% Fair Trade, organic cotton (up from 50% 07/08)**



Assisi, India 2010

Organic cotton protects farmers' land and water from pollution, and the farmer from the expense and health-risk of toxic chemicals. All our organic fibre is certified at the farm level and through fabric production and tailoring.

Avoiding damaging chemicals and environmentally friendly dyes

55% of our cotton jersey is Global Organic Textile Standard (GOTS) certified. This means not only is the cotton 100% organic but the ginning, spinning, weaving and tailoring are also certified organic. People Tree were the first ever company to be awarded GOTS certification for garments made in the developing world.

We help small scale producer groups switch to safer and environmentally – friendly materials and finishing processes in all products.

- **Making low carbon or carbon neutral choices**

People Tree chooses sea freight over CO₂-intensive air freight where possible. By choosing hand production, we are using the only energy source in plentiful supply – people's hands. Hand production reduces the need for oil-based energy, is carbon neutral and reduces waste through mass-production.



Hand Block Printing, Bangladesh 2010

- **We use locally available, natural, recycled and biodegradable materials where possible**

People Tree garments are cotton, wool or silk.

Each People Tree garment is sealed individually in cellophane to prevent damage at sea. Risking damaging the garment on the sea voyage to save a plastic bag just doesn't make sense.

World Fair Trade Organisation: -

10. Trade Relations

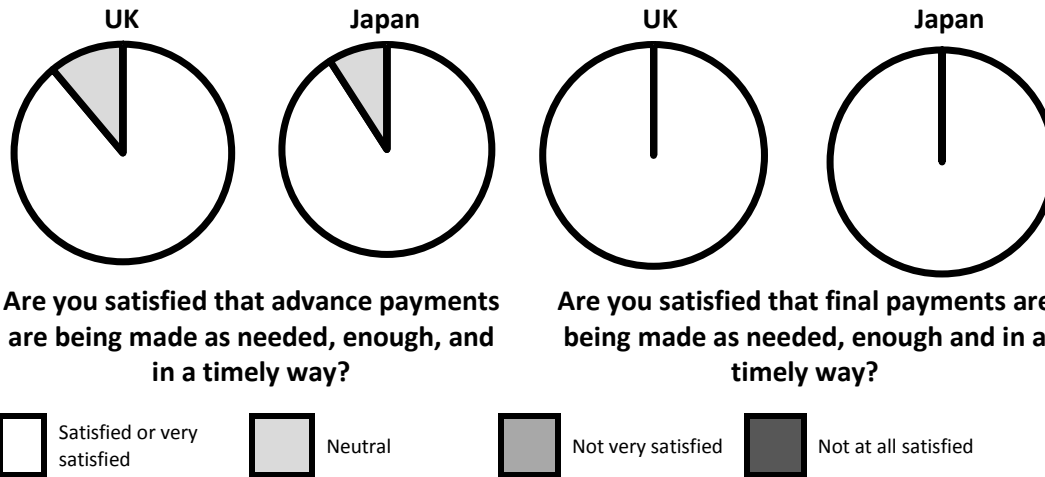
"Fair Trade Organisations trade with concern for the social, economic and environmental well-being of marginalised small producers and do not maximise profit at their expense. They maintain long-term relationships based on solidarity, trust and mutual respect that contribute to the promotion and growth of Fair Trade. Whenever possible producers are assisted with access to pre-harvest or pre-production advance payment."



Indian organic cotton farmers and Bangladesh Fair Trade groups work together with People Tree to develop the supply chain

Paid on time with advance payments if needed

When needed People Tree also makes advance payments of 50% of the order value, enabling producers to buy raw materials and pay wages promptly without taking out loans to begin production. People Tree guarantees the balance of payment on receipt of goods.



On average, People Tree producer group partnerships are 12 years old

Our partnerships with producers are a journey: we're learning and growing together.

Each Social Review we set an action plan based on what we find, and report on our progress from our previous action plan.

Looking back: Action Plan 2009 -2010

1. *To increase orders for producers, we will strengthen sales and marketing activities to develop access to markets for producers.*

Through the tough economic climate of 2009-2010 People Tree successfully grew order value by 17% (compared with 2007-2008). For more detail see Section 1: Creating Opportunities for Economically Disadvantaged Producers

See Section 4: Promoting Fair Trade for a detailed breakdown of our achievements. Highlights include the launch of our youth collection with Emma Watson and retail partnerships with Anthropologie, ASOS, John Lewis and Topshop.

2. *We will continue to strengthen technical assistance, product development and quality assurance, and develop campaigns and general awareness rising about Fair Trade, social justice and environmental issues.*

In 2010 People Tree UK appointed a dedicated production manager. Through 2009-2010 People Tree UK staff spent 294 days with producer groups delivering technical assistance, developing new product and working on quality. See section 3: Capacity Building for further information.

At home, People Tree launched or supported three campaigns (see section 4: Promoting Fair Trade).

3. We continued to improve internal communications and systems to improve efficiency

In 2009 People Tree invested in a new Systems Applications and Products (SAP) software storing all product information centrally. Process mapping courses have helped departments better understand their interdependence and integrate their work.

Next steps: Action Plan 2011-2012

People Tree is concerned to develop their producers in all aspects... People Tree is very positive, developing fair trade business and it's producers in a real way. But they cannot always do what they want to due to a lack of finance and the need to finance their producer orders as well as their skills and capacity development work!

– Artisan Hut



Priyoti Bangladesh, 2010