

Buying into Fairtrade

Procurement in the private and public sector



A Fairtrade Foundation Report





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Report Terminology Explained

What is Fairtrade?

Fairtrade is about better prices, decent working conditions, sustainable development, and fair terms of trade for farmers and workers in the developing world. Fairtrade guarantees producer organisations a fair and stable price for their products that covers their costs and enables them to support their families and invest in a better future. It addresses the injustices of conventional trade, which traditionally discriminates against the poorest, weakest producers. It enables them to improve their lot and have more control over their lives.

What is the FAIRTRADE Mark?

The FAIRTRADE Mark is an independent consumer label which appears on a range of retail and catering products as a guarantee that disadvantaged farmers and workers in the developing world are getting a better deal. For a product to display the FAIRTRADE Mark it must meet international Fairtrade standards. These standards are set by the international certification body Fairtrade Labelling Organisations International (FLO).

Producer organisations that supply Fairtrade products are inspected and certified by FLO. They receive a minimum price that covers the cost of sustainable production and an extra premium that is invested in social or economic development projects.

The Fairtrade Foundation

The Fairtrade Foundation is the independent certification body in the UK that licenses the use of the FAIRTRADE Mark. The Foundation works with NGOs and community groups on campaigns that aim to raise awareness of Fairtrade and build consumer demand for Fairtrade products. It also works with companies encouraging them to market Fairtrade products.

Fairtrade and Fair Trade

Fairtrade, written as one word, refers specifically to the international Fairtrade certification system and any of its constituent organisations (e.g. Fairtrade Labelling Organisations International, Fairtrade Foundation) or activities (e.g. Fairtrade Standards, Fairtrade Premium, Fairtrade Fortnight). Fair Trade, written as two words, refers to the wider movement and includes networks such as FLO, IFAT (International Fair Trade Association), NEWS (Network of European World Shops) and EFTA (European Fair Trade Association). Known collectively as FINE, they have agreed the following definition of Fair Trade:

“Fair Trade is a trading partnership based on dialogue, transparency and respect, which seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in the South. Fair Trade organisations (backed by consumers) are engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade.”

Specific references to Fairtrade certification have been retained as one word. References to the broader aspects of Fair Trade in this document are therefore written as two words.



Executive Summary

Awareness of the FAIRTRADE Mark, the independent consumer label that guarantees disadvantaged producers are getting a better deal, is rising. Global sales of Fairtrade certified products reached €1.1bn in 2005, according to the most recent figures from Fairtrade Labelling Organisations International (FLO), which unites 20 national labelling initiatives across Europe, Japan, North America, Mexico and Australia/New Zealand.

With more than 2,500 Fairtrade products available in the UK, the world's largest Fairtrade market, sales topped £290 million in 2006 – 46 per cent rise in one year. One in two adults recognise the FAIRTRADE Mark and associate it with helping producers in developing countries, according to the latest TNS Omnibus study (April 2007). Each year awareness is given a boost by Fairtrade Fortnight, the two-week national campaign to promote Fairtrade through local events, product launches and producer visits.

The Fairtrade Foundation, the certification body which licenses the FAIRTRADE Mark to products in the UK which meet international Fairtrade standards, is now working to encourage more employers – both in the public and private spheres – to switch to Fairtrade with the launch of its Fairtrade at Work Campaign.

Private and public companies can make a huge contribution to improving the lives of farmers and their communities in developing countries: The public sector alone spends more than £1.8bn a year on the procurement of food in England, according to the Department for Environment, Food and Rural Affairs (DEFRA).

This study, commissioned by the Fairtrade Foundation and funded by the Department for International Development (DFID), illustrates how large public and private sector organisations are pursuing the procurement of Fairtrade in the workplace. It also highlights some of the main challenges they face in converting to Fairtrade within procurement contracts and policies.

Ten private and public institutions were interviewed for this report:

The House of Commons; DFID; DEFRA; Bristol City Council; Leeds City Council; the London Borough of Camden; global design and business consulting firm Arup; financial group Co-operative Financial Services (CFS); global accounting firm KPMG; and the Metropolitan Police Service (MPS).



**In the UK sales of
Fairtrade certified
products rose by
46% in 2006.**

€ 1.1bn
spent

globally on Fairtrade
products in 2005



2500
products

certified Fairtrade
products available
in the UK



£290m
spent

on Fairtrade products
in the UK in 2006



The report's main findings are summarised below:

Why make the switch?

The switch to Fairtrade broadly forms part of private and 'public companies' environmental and social sustainability agendas. In the private sector, corporate social responsibility policies are one of the main drivers behind Fairtrade. For public institutions, Fairtrade is part of the government's declared commitment to promote and support ethical trading. Fairtrade falls within the government's 2003 Public Sector Food Procurement Initiative (PSFPI), which, supported by the prime minister, aims to encourage public sector bodies to purchase food and manage catering contracts in a way that promotes sustainable development and opens up opportunities for local and national suppliers.

As for local authorities, Fairtrade also ties in with their commitment to the Local Agenda 21 initiative, which brings together communities to promote sustainable development. This has had quite a success with Fairtrade status being achieved by more than 250 towns, islands, boroughs and cities across the UK. One of the five goals to achieve Fairtrade status is that the council passes a resolution supporting Fairtrade, and agrees to serve Fairtrade coffee and tea in its meetings. But staff – and in some cases customers – have played an equally important role in the switch, both in helping initiate the process and implementing the change.

Products offered

Hot beverages served within the offices of CFS, KPMG, DEFRA, DFID and Arup (London, Leeds, Newcastle, and the Midland offices) are exclusively Fairtrade.

Fairtrade fresh coffee is the standard throughout the House of Commons, while only Fairtrade coffee and tea are served at internal meetings at Bristol City Council, Leeds City Council and the London Borough of Camden.

Some organisations have taken the switch further still, for example by only offering Fairtrade brown and white sugar. Fairtrade wine is the only option on the menu in all of KPMG's fine dining suites and Arup only serves Fairtrade biscuits.

In addition, a variety of Fairtrade products are available as options in staff restaurants and cafés. These include: Divine and Green & Black's Maya Gold chocolate bars; Calypso

and Fruit Passion fruit juices; Traidcraft Geobars; Rootz chocolate brownies; Doves Farm flapjacks and cookies; as well as fresh fruit such as bananas.

Some organisations are looking to extend the range of products available to their employees. Bristol City Council, for example, would like Fairtrade certified cotton staff uniforms; DFID may introduce Fairtrade rice in its staff restaurants and the London Borough of Camden is looking at adding Fairtrade wine for meetings and civic catering.

Products consumed

The more Fairtrade products are made available the more they are consumed.

On CFS premises more than four million cups of Fairtrade hot beverages are consumed annually, with staff accounting for £500,000 worth of Fairtrade goods provided through staff restaurants and vending machines. KPMG spends around £500,000 a year on buying Fairtrade while last year annual sales of products through DEFRA's catering facilities totalled £459,000, with the bulk coming from Fairtrade hot beverages. An estimated 650 cups of Fairtrade tea and coffee are consumed daily within DFID, while Arup's London office currently consumes around two million cups of Fairtrade tea and coffee a year.

Feedback

Employees and customers have generally reacted positively to the move over to Fairtrade. Most organisations interviewed have said the switch generated a "feel good factor" among employees. Not only do they feel they are doing something worthwhile, but they are proud their employer has the ethical values associated with Fairtrade.

Employees are generally happy with the quality of products and brand loyalty, after an initial period of adapting, largely does not appear to be an obstacle. For example, CFS has seen an increase in consumption of hot beverages since the switch to Fairtrade.

Prices have not generally been a deterrent. The Co-op has invested and negotiated with suppliers to ensure Fairtrade products sold to employees have either been priced similarly to non-Fairtrade equivalents or at a very slight premium.

Marketing/Communications Strategies

All the organisations interviewed have taken great care in communicating the move to Fairtrade to employees and customers. They have used various channels including articles in internal newsletters, postings on their intranet and through designated “champions” who spread the message about Fairtrade and explained the reasons behind the company’s switch. Marketing and communications strategies have also proven key to promoting Fairtrade products that had initially not been very popular with consumers. One such example is the Metropolitan Police Service (MPS), which during Fairtrade Fortnight 2006 ran a competition prize draw to promote Divine chocolate bars. Employees purchased 9,600 bars over the following four months compared to just 96 bars sold in the whole of the previous year.

Procurement

Most of the organisations interviewed have integrated Fairtrade into their procurement policies to varying degrees. All the local authorities, for example, have developed sustainable procurement policies of which Fairtrade now forms an integral part. And MPS plans to review its own sustainable procurement policy to include the purchase of Fairtrade products.

A key requirement for those public bodies integrating Fairtrade into their procurement policies is to follow EU procurement directives. But these directives do not allow public authorities to set the requirement in contract specifications that products must have a Fairtrade label. The Office of Government Commerce (OGC) issued its Guidance on Fair and Ethical Trading in 2002 to help public bodies work within this regulatory framework. Awareness of these guidelines among public bodies is reflected in both procurement policies and the tendering process regarding Fairtrade. There are, however, some problems with this legal framework (see Challenges).

Public sector bodies also have to satisfy government-set ‘value for money’ principles. Value for money is not solely about cost, however. And as this report finds, the common perception that Fairtrade is always more expensive than non-Fairtrade equivalents is misplaced. Most of the organisations interviewed found ‘value for money’ to be no obstacle to purchasing Fairtrade.

For some of the organisations featured in the report, the move to Fairtrade has brought a standardisation in the way they procure from suppliers. While switching to Fairtrade, the whole business process was rethought and they are now buying from the same supplier, using the same stock and the same process for brewing tea and coffee.

The conclusion of most organisations featured in this study was that close co-operation with all relevant stakeholders, and particularly existing suppliers, was important in making a success of the switch to Fairtrade. For example, DEFRA, working with its existing suppliers, secured their agreement that they would bear any additional costs incurred by the switch, thus helping satisfy value for money requirements. This meant that DEFRA was able to introduce Fairtrade to staff without increasing prices.

However, working with existing suppliers was not an option for all. Some organisations in this report found smaller wholesalers more inclined to supply Fairtrade than the larger ones who typically supply large organisations such as local authorities and government bodies.

Challenges

One of the main problems cited by the institutions interviewed is the insufficient number of Fairtrade suppliers and the limited range of products they offer to the wholesale/catering sector when compared to retail. For example, difficulties are experienced in purchasing fresh produce, such as fruit, in small quantities. In some cases this has resulted in high wholesale prices.

Some procurement managers would like to see more market intelligence on Fairtrade fresh produce – one suggestion could include listing the availability of Fairtrade produce in the weekly Fresh Produce Journal. Ensuring up to date information on availability of Fairtrade products from catering wholesalers is also a key element to expanding the Out of Home market.

The regulatory framework also poses challenges. While some public bodies have found the OGC guidelines very useful and have managed to work within them, others regard them as too stringent because they believe they strengthen the bargaining position of suppliers and this may frustrate attempts to source Fairtrade products.

Section 1

Public Sector Procurement

The public sector spends 13 per cent of the national Gross Domestic Product (GDP) on procurement annually. The supply of food and catering services alone accounts for more than £1.8bn in England, according to DEFRA.



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The UK government is a strong supporter of Fairtrade products. In a Parliamentary Answer in November 1997, the prime minister stated that “the government is committed to promoting and supporting ethical trading wherever possible.” This support was made more tangible within the public sector in August 2003 with the launch of the Public Sector Food Procurement Initiative (PSFPI). Its aim is to encourage public sector bodies to purchase food and manage catering contracts in a way that promotes sustainable development and opens up opportunities for local and national suppliers. Among the objectives of the PSFPI is for public authorities to seek from their suppliers fairly traded products taking into account the Office of Government Commerce (OGC) Guidance on Fair and Ethical Trading, 2002.

OGC Guidance

The OGC Guidance is designed to help public authorities incorporate Fairtrade principles into their sourcing while staying within the European Commission (EC) public procurement rules and the government’s procurement policy with respect to ‘value for money’. A new EC Public Procurement Directive, which became UK law in January 2006, clarifies the scope for taking social and environment issues into account. It does not, however, alter the existing OGC Guidance on Fair and Ethical trading.

The OGC Guidance states that: “Specifications for catering services and supplies cannot be framed in terms of fair and ethically traded requirements, as such ‘social’ labels do not define the end product in terms of characteristics or performance as required by the EC rules.”

However: “Advertisements and invitation to tender documents can make it clear that fair trade options can be included in the products provided to meet the Department’s catering requirements. For example, fair trade coffees might be included in a range of coffees which providers can offer and the contract documents can make it clear that, while the winning tenderer is able to provide Fairtrade options, such products should be made available, as required, for internal meetings, conferences and hospitality purposes; In referring to the possible inclusion of fair trade options, specific marks or trade names should be avoided. It can, however, be pointed out that, where providers do offer fair trade options, the FAIRTRADE Mark or equivalent is a helpful way of demonstrating that fair trade standards are being met.”

Thresholds

The EC procurement directives set out detailed procedures and criteria for the award of public contracts above certain thresholds. The full rules in the directives apply to central government for values exceeding £93,738 and £144,371 for other public bodies. For example, the procurement of food supplies above these thresholds must be advertised in the Official Journal of the European Union (OJEU). Today many UK public bodies still purchase Fairtrade products in quantities that fall under these thresholds (as well as falling outside existing corporate contracts that have yet to run their course).

By February 2007 there were 250 Fairtrade Towns and each of their local councils use Fairtrade tea and coffee.

However, EC Treaty principles, upon which EC procurement directives are based, of non-discrimination, transparency and equal treatment, apply to all public contracts.

Value for money

OGC Guidance states that fair trade options alone cannot be specified by public bodies. However under the government's procurement policy, they can still be supplied to government – or local authorities – if they are offered as part of the best 'value for money' bid. And value for money "is not just about price", states the OGC Guidance. "It is defined as the optimum combination of whole-life cost and quality to meet the user's requirement."

However, the guidance makes a significant distinction between the production methods and the final goods themselves. It says that tenders must be judged by criteria relating directly to the goods that are to be supplied, for example, price and taste, rather than to "social" considerations that underline the production of fair or ethically traded goods.

Using the OGC Guidance as a point of departure, the PSFPI encourages public sector bodies to request their suppliers where possible have fairly traded products available "as options – reflecting such needs in non-discriminatory specifications, in line with user requirements and working on a voluntary basis with suppliers once contracts have been awarded".

DEFRA, which co-ordinates the PSFPI, advocates an approach that encourages buyers to work in partnership, typically through voluntary agreements, with their suppliers and caterers to provide fairly traded options where they provide value for money and without making it a requirement or a criterion. DEFRA has also created a Catering Services and Food Procurement Toolkit that contains guidance on how to incorporate the aims of the PSFPI into catering and food supply contracts.

Challenges associated with existing legal framework

UK local authorities spend more than £74bn a year on the procurement of goods and services. Some local authorities interviewed in this study are frustrated by the EC public procurement rules – and the interpretation given to them by the OGC as regards to the procurement of Fairtrade products. Bristol City Council, for example, has labelled them as "too restrictive" (see Bristol City Council case study).

Croydon City Council has aired similar concerns. "They weaken our ability to negotiate on Fairtrade products," says Croydon Council's Environment Project Officer Anna Eltringham. "It's a chicken-and-egg situation. You cannot specify that you want Fairtrade at the tendering stage, but you can require it once the contract is in place. But by then you have much less clout." She adds: "If our suppliers cannot find Fairtrade or it is cost-prohibitive, they have an easy way out of supplying it to us."



In July 2006 the European Parliament called on public authorities in European countries to integrate Fair Trade criteria into their public tenders and purchasing policies.

“Fair Trade makes the consumers think and therefore it is even more valuable.”
Peter Mandelson, EU Commissioner for External Trade.

Croydon Council and others have found the OGC Guidance useful in the sense that it has clarified the EC procurement rules. But too narrow interpretation of application of the guidance can in fact underestimate the successful procurement of Fairtrade or ethical goods, the opposite in fact of what they were designed to achieve.

However, there has been a recent relaxation of the EC public procurement rules in some areas such as the environment. The EC now permits public bodies to ask for products with environmentally friendly production methods or to award extra points for them in the contract – for example green electricity or organically grown food. One public body interviewed in this study is of the view that since organic food can now be specified in a tender, it is not unreasonable to think that in the next five years or so that the same will be true for Fairtrade or other ethical labels.

There still seems to be a view at a European level that there is too much legal uncertainty about integrating Fair Trade principles into procurement and this is undermining efforts to promote it.

This issue was addressed in July 2006 by the European Parliament, which called on “public authorities in Europe to integrate Fair Trade criteria into their public tenders and purchasing policies and asks the Commission to promote this by, e.g. producing guidelines for Fair Trade procurement.”

The European Parliament’s resolution on Fair Trade added: “the requirement that public-law regional authorities in particular make major investments in the product market; [the European Parliament] consequently calls on these bodies, in their calls for tender, to give special consideration to Fair Trade products.”

Backing the call, Peter Mandelson, EU Commissioner for External Trade, said: “Fair Trade makes the consumers think and therefore it is even more valuable. We need to develop a coherent policy framework and this resolution will help us.” Following on from this, a 12-page guide to public purchasing of Fair Trade products, called Buy Fair, was published in October 2006 by the International Council of Local Environmental Initiatives (ICLEI), the Freiburg-based European local government organisation dedicated

to sustainable development. The leaflet contains advice for European public authorities wishing to purchase Fair Trade products and minimise legal uncertainties. We recommend this to those striving to incorporate Fairtrade certified products into procurement policies and practices.

Department for Environment, Food and Rural Affairs (Defra)

Background

The Department for Environment, Food and Rural Affairs (DEFRA) is responsible for managing the rural economy, the food industry, agriculture, fisheries, and animal welfare.

Headed at the time of publication by Secretary of State the Rt Hon David Miliband MP, DEFRA employed approximately 13,300 people at its London headquarters and across England in 2004-05.

Why Fairtrade?

DEFRA's decision in October 2003 to use Fairtrade certified products came as part of the government's Public Sector Food Procurement Initiative (PSFPI). Launched in August 2003, the aim of the PSFPI is to encourage public sector bodies to purchase food and manage catering contracts in a way that promotes sustainable development and opens up opportunities for local and UK suppliers.

DEFRA has been tasked with co-ordinating the PSFPI and as part of this it established a Food Procurement Implementation Group. This group's objectives include raising awareness and providing guidance and training on the PSFPI. In 2004, DEFRA created a Catering Services and Food Procurement Toolkit that contains guidance on how to incorporate the aims of the PSFPI into catering and food supply contracts. The PSFPI encourages public bodies to build into their procurement policies ethical and sustainable product options such as Fairtrade certified goods.

Roger Petty, Procurement Advisor in the Strategic Procurement Group, responsible for implementing PSFPI in DEFRA, says: "Fairly traded, organic and farm-assured produce are all part of the policy that we are pursuing with our contractors to introduce sustainability into the procurement process."

DEFRA has produced an action plan to implement the PSFPI internally and has been working with its catering contractors towards this goal. The roll-out of Fairtrade products across DEFRA's offices is part of this implementation plan.



“Fairly traded, organic and farm-assured produce are all part of the Public Sector Food Procurement Initiative (PSFPI) that we are pursuing with our contractors to introduce sustainability into the procurement process.”
Roger Petty, Procurement Advisor.

DEFRA says that it is very important to have top level commitment, pointing to the fact that David Miliband's predecessor, Margaret Beckett, threw her whole weight behind making Fairtrade products generally available.

Products Offered

Currently, all coffee, tea and hot chocolate served in DEFRA's 11 staff restaurants in London, York, Guildford and Reading are Fairtrade certified. All hospitality beverages (tea, coffee and chocolate) served within DEFRA premises are also Fairtrade certified.

Other products carrying the FAIRTRADE Mark available as options in the staff restaurants include fruit juices, chocolate and health bars, and bananas. The size of the commitment is significant. Annual sales to December 2005 through DEFRA's catering facilities totalled £1.6m. Fairtrade products accounted for £459,000 or 28 per cent of the total, with the bulk coming from Fairtrade hot beverages.

Fairtrade products are sold at competitive rates compared to external sources in DEFRA facilities. Hospitality comes under the budget of each individual department in DEFRA.

Communication/Marketing Strategies

The move to Fairtrade certified products in October 2003 was publicised internally with an article about the initiative in DEFRA's in-house magazine, *Landscape*, with information provided by the Fairtrade Foundation. The article quoted government ministers and officials and acknowledged the role contractors – Aramark, ABM and Eurest – played in the switch. Readers were also asked whether DEFRA's catering contractors should stock more Fairtrade products, even if this involved a small price premium. Employees replied positively. More articles followed about Fairtrade to update staff and stakeholders on the progress made since the switch. In addition, posters with the FAIRTRADE Mark feature in all catering facilities.

Procurement Process

The PSFPI encourages public sector bodies, within the legal framework of the UK and EC procurement rules, to request their suppliers to, where possible, have Fairtrade products available "as options – reflecting such needs in non-discriminatory specifications, in line with user requirements and working on a voluntary basis with suppliers once contracts have been awarded".

DEFRA's Procurement and Contracts Division prepared an action sheet to help integrate sustainable development considerations such as Fairtrade products into its catering operations. This was then discussed with the four existing contractors – Aramark, BaxterStorey, ABM and Eurest.

Then, to ensure the shared commitment across DEFRA with the project, they all met with officials from DEFRA's corporate services division and other divisions responsible for sustainable food development.

Following this, voluntary partnerships were established with the contractors, who agreed to bear any additional costs of the switch, satisfying the value for money requirement imposed on all UK public bodies

"Initially, due to the higher cost of Fairtrade beverages, the suppliers wanted to charge a premium for the supply of Fairtrade products, which would have had a negative effect on sales and benefited no one," says Kevin Bates, Head of the Strategic Procurement Group. "However based on the volume, the good publicity achieved from the provision of these products and the subsequent reduction in procurement costs associated with the increase in market share, it was agreed by all the suppliers that the new products would be supplied cost-neutral, at least in the early days."

Fairtrade-registered catering contractor BaxterStorey now runs DEFRA restaurants in London and Guildford as well as supplying Fairtrade products to the Department for Trade and Industry, the Office of Fair Trading, the Environment Agency, and the Export Credit Guarantee Department. Petty has reported that when DEFRA put out a call for tender for three London sites and Guildford in 2004 as many as 40 expressions of interest were received from catering contractors. "All of them were prepared to offer Fairtrade products to some degree or another. None of them felt it was beyond their capability," Petty said.

Challenges/Future

In a report on procuring Fairtrade tea and coffee, DEFRA says that it is very important to have "top level commitment", pointing to the fact that David Miliband's predecessor, Margaret Beckett, threw her whole weight behind making Fairtrade products generally available.

It also says that it is important to "ensure those taking forward the project have the necessary authority and support, with clear responsibility given to designated people". Furthermore, DEFRA says it is essential to "develop an inclusive partnership approach, including a common understanding and shared commitment between the organisation and its catering contractors".

Department for International Development (DFID)

Background

The Department for International Development (DFID) promotes development and the reduction of poverty worldwide and manages Britain's aid programmes within developing countries. Headed at the time of publication by Secretary of State for International Development Hilary Benn MP, DFID has two headquarters – one in London and one in East Kilbride, near Glasgow, as well as 64 offices overseas. DFID has a UK staff of around 1,600 with a further 1,000 or so working abroad.

Why Fairtrade?

"DFID funds various Fairtrade initiatives and we thought it was only right that DFID, as an organisation, promotes Fairtrade within its offices as well," says Steve Niblett, who is responsible for managing the catering contract for the London site.

DFID supports the Fairtrade certification scheme and provided development grants that add up to over £1m to the Fairtrade Foundation between 2002 and 2007. DFID provided technical and financial support towards the founding of Divine, the manufacturers of Divine and Dubble chocolate bars, a new business model part-owned by cocoa farmers. A grant from DFID allowed the co-operative that supplies cocoa for Green & Black's Fairtrade Maya Gold chocolate to plant new cocoa trees after a hurricane destroyed trees and reduced the crop by 80 per cent.

Clare Short, Hilary Benn's predecessor, was behind the decision to ensure that all DFID's hospitality tea and coffee should be Fairtrade.

Products Offered

DFID has made significant progress since then. For hospitality, all tea and coffee, brown and white sugar sticks, as well as soft drinks and fruit (oranges and bananas) are now Fairtrade. In March 2005 DFID replaced Costa Coffee with Cafédirect on the menu of the Coffee Court which is situated in the main atrium, a spacious and bright focal area where employees take coffee breaks or hold informal meetings. Currently 95 per cent of the products sold in the Court are Fairtrade certified and include Traidcraft snacks, Divine chocolate bars and Rootz chocolate brownies. The staff restaurant also sells a range of Fairtrade products, including Teadirect tea bags and five different Fairtrade orange juice brands, such as Calypso and Fruit Passion.

The staff restaurant currently has a Tchibo non-Fairtrade coffee machine, but Maria-Anna Kearney, catering manager of Yes Dining (the contractor that operates the Coffee Court, staff restaurant and hospitality) pointed out the machine will soon be phased out. This will leave Fairtrade certified Cafédirect as the only coffee available in the whole building.

“The OGC guidelines are a very useful guide for us to procure Fairtrade.” Gary Cassidy, DFID’s Procurement Manager.

DFID’s Scottish office has also switched entirely to Fairtrade tea and coffee. Average daily consumption in East Kilbride is around 260 cups of Fairtrade tea and coffee, compared to around 390 in London. In total, DFID spends around £71,000 a year on the purchase of Fairtrade products.

In the future, says Steve Niblett, DFID would like to procure more Fairtrade produce for the staff restaurant – for example, rice – so that each day there would be a dish made from a Fairtrade ingredient. There is the possibility that when the catering contract is due for renewal, DFID will include provision for the sourcing of Fairtrade for use in the restaurant.

Communications/Marketing Strategies

The DFID internal website publishes regular notices on Fairtrade. And Fairtrade Fortnight is promoted each year throughout the building with a range of initiatives. In the staff restaurant, for example, meals are made with Fairtrade ingredients such as chocolate sponge cake made with Fairtrade chocolate.

“We are really marketing Fairtrade,” says Kearney. Fairtrade product brands feature strongly throughout the building. In the Coffee Court, for example, it is impossible to miss the huge Cafédirect logo at the bar. In the staff restaurant, posters bearing the FAIRTRADE Mark are on the walls and even the “table talkers” (menu stands) are branded Fairtrade and tell people what Fairtrade is all about. And all the disposable cups and serviettes used in the building bear the Cafédirect logo.

Yet, despite the high Fairtrade consciousness in the building, the switch from Costa Coffee to Fairtrade has meant a fall in sales of 20 per cent. “Costa is a name brand and there was a knock on effect on sales at the beginning,” says Kearney. But that’s not the full picture. Prices have gone up slightly – for example, a medium cappuccino has gone up by 5p to £1.30, although it is still around 40p cheaper than a high street equivalent. And there is growing competition on the department’s doorstep. The London site, near Victoria Station, is close to a plethora of newly-opened high street coffee chains that include Starbucks, Caffè Nero and Costa Coffee, where employees can go to get their coffee fix. Says Kearney: “The fall in sales is down to the competition as well, it would be unfair to say it was purely a Fairtrade issue.” Sales have not yet returned to the original levels, but after six months have begun to slowly increase, thanks to a number of promotions.

Feedback

DFID feels the main benefit to individuals is “the feel good factor” generated by Fairtrade. They receive occasional emails from staff saying “it’s good that you are getting Fairtrade bananas instead of Chiquita”, or “I’m glad you moved over to Fairtrade”.

Procurement Process

As a government department, DFID follows the 2002 Office of Government Commerce Guidance on Fair and Ethical Trading, which offers guidance to public bodies in buying Fairtrade products while remaining within EC procurement rules and the UK Government’s public procurement policy.

“The OGC guidelines are a very useful guide for us to procure Fairtrade,” says Gary Cassidy, DFID’s Procurement Manager. “Any guidance that we send out to tender points out that that we will consider Fairtrade options because of our core business,” he says. “Under the OGC guidelines, we cannot specify to suppliers that we only want Fairtrade products, and it is true sometimes that the local equivalent is a better option for the environment. But the very fact that we mention Fairtrade is an indication that we will consider Fairtrade options.”

As it looks to increase procurement of Fairtrade produce, there are cost issues to contend with. Adds Niblett: “The whole ethos around Fairtrade is of course to ensure farmers get a fair price for their produce. However it does have a knock-on effect in that Fairtrade is more expensive and DFID is an organisation that still has to make sure it achieves value for money.”

DFID recognises that the catering contractor cannot absorb all the extra costs. Contractors still have to be able to reach a 50 per cent gross profit margin. And employees may be heading out the front door if their coffee gets expensive. At present the staff restaurant and Coffee Court are subsidised by DFID, and the level of support is also an issue in setting the balance between value for staff and sustainable sourcing.

Challenges/Future

The insufficient number of suppliers and the limited range they offer to the wholesale/catering sector remains a problem. UK-based wholesaler Peros currently supplies 95 per cent of all Fairtrade to DFID. Yes Dining is currently looking to source more Fairtrade produce but Kearney, points out that rice, for example, is not widely available through suppliers. According to Kearney, Fairtrade produce tends to become more widely available during Fairtrade Fortnight and then tends to disappear again.

The House of Commons

Background

The House of Commons, located in Westminster, central London, is the lower chamber of the UK's bicameral parliament, with 646 elected members. Several thousand people work within the wider Parliamentary Estate: MPs and their staff, House of Commons administration staff, press and media representatives, and security personnel

Why Fairtrade?

When the House of Commons introduced Fairtrade coffee in November 1997, it was the first major British public institution to do so. The move followed the Labour election victory in June 1997. Earlier that year MPs Glenda Jackson, Simon Hughes and Peter Bottomley tabled an Early Day Motion (EDM) in support of the Palace of Westminster serving Fairtrade refreshments. The EDM attracted support from over 100 MPs. The House of Commons Refreshment Department, the in-house catering organisation, offered a supply contract for Fairtrade coffee – at a time when no such product was available to the catering trade. Matthew Algje, coffee roasters and suppliers based in Glasgow, took up the challenge and developed their Fairtrade Tiki Café, specifically for the House of Commons and in the belief that the product would be popular with some of their other major customers.

Nine years on and the House of Commons' commitment to Fairtrade hasn't diminished. Refreshment Department Purchasing Manager Shehnaz McFarlane says: "People want Fairtrade. There is demand for these products. We have requests through to the Refreshment Department not only from MPs but also from staff," she says. Sue Harrison, Director of Catering Services, adds: "Many of our customers are keenly interested in and knowledgeable about sustainable food issues, and are supporters of the Fairtrade movement and what it stands for. They are proud that we only serve Fairtrade coffee in the House of Commons and in recent years we have seen a steadily increasing demand for other Fairtrade products."



"People want Fairtrade. Many of our customers are keenly interested in and knowledgeable about sustainable food issues." Sue Harrison, Director of Catering Services.

“Many suppliers talk about how their goods are ethically traded, and there are several other schemes that give some measure of assurance. However, our customers recognise and trust the FAIRTRADE Mark – it gives them, and us, confidence that their purchases really are making a difference to producers in some of the poorest countries of the world.” Sue Harrison, Director of Catering Services.

Products Offered

The fresh coffee served daily in all catering facilities within the House of Commons is exclusively Fairtrade. Sugar sticks and tea are also available as Fairtrade, albeit on a non-exclusive basis alongside so-called counter line products – chocolate bars, biscuits and, depending on availability, fruit such as bananas.

The in-house Refreshment Department runs 25 restaurants, cafeterias, bars and banqueting outlets. Catering for MPs as well as the permanent staff of the House and 8,000 pass-holding visitors to the House, the Refreshment Department runs venues such as the Members’ Tea Room; the Terrace Cafeteria; the Souvenir Kiosk; Bellamy’s, the catering complex in No 1 Parliament Street; and the Despatch Box, the high street style coffee bar serving hot beverages and pastries in nearby Portcullis House (home to offices of MPs and their staff).

McFarlane says suppliers are giving the House of Commons good prices for Fairtrade certified products. “Our coffee prices are very competitive compared to the high street so people don’t pay any premium.” All other Fairtrade counter line products are within the price range at which non-Fairtrade products are sold.

Marketing/Communications Strategies

As the Refreshment Department is selling to an internal clientele who use the services daily, marketing of Fairtrade is kept low-key. From time to time, customers are reminded of Fairtrade products through posters, point of sale material and/or the House of Commons intranet webpage. Special promotions and initiatives are carried out each year during Fairtrade Fortnight.

Feedback

McFarlane says customers’ comments on the range and quality of Fairtrade products have been positive, with coffee and counter line products the most popular items. “Those who expressed an interest in us selling Fairtrade noticed and were very pleased with it,” she says.

“Many suppliers talk about how their goods are ethically traded, and there are several other schemes that give some measure of assurance. However, our customers recognise and trust the FAIRTRADE Mark – it gives them, and us, confidence that their purchases really are making a difference to producers in some of the poorest countries of the world,” adds Harrison.

Procurement Process

The House of Commons has incorporated Fairtrade into its tendering process. For example, at the end of September 2006 the House of Commons published an invitation to tender for the supply of coffee in the Official Journal of the European Union (OJEU). This follows EU procurement directives that central government contracts above £93,738 must be advertised in the OJEU.

The first step in the tender process is that potential suppliers who reply to the advert are required to complete a pre-qualification questionnaire. It is at this early stage in the process that the House of Commons invites those tendering to also respond to the Fairtrade requirements. As McFarlane says: “There are around five different stages in the tendering procedure from the initial specification through to the post-award conditions of the contract. There is no point in making companies go through the whole process if they can’t provide Fairtrade at all – it is an essential requirement of our contract.”

Things are handled differently with regards to tea and counter line products. “The value of our coffee purchases means that we must put the contract out to open tender through the EU procedure,” says McFarlane. “But our expenditure on teas, confectionery, biscuits and other counter line products is much lower, and the product range is much wider. We have to give people a choice – it just wouldn’t be acceptable to our customers if we only sold, for example, Fairtrade chocolate. It is our role to ensure that those who want to buy Fairtrade products have the opportunity to do so,” she says.

Fairtrade has not had any significant impact on costs for the House of Commons. “We haven’t outlaid any particular costs to accommodate Fairtrade products,” says McFarlane.

1997

Fairtrade coffee introduced to The House of Commons



Tiki café

was developed specifically for the House of Commons



700 MPs

signed an EDM supporting Fairtrade in 1997



Challenges/Future

For the House of Commons, there are two main problems with procuring Fairtrade. “The biggest problem is that Fairtrade hasn’t yet got to grips with the supply chain in the catering market. It is more geared towards the retail sector,” says McFarlane. “We would like to stock more Fairtrade fruit and vegetables, but the infrastructure does not allow us to do that,” she adds. “It is very hard to buy in small amounts. And it is even harder to get consistency of supply – partly because the supermarkets have already bought all, or most, of the available crop. Catering wholesalers, if they can buy Fairtrade produce, must often buy a minimum quantity that is too much for our needs – and unless they are able to persuade some of their other customers to buy it, they will only sell Fairtrade fresh fruit and vegetables in quantities which exceed what we could use.” These products tend to be available during Fairtrade Fortnight when demand is higher.

McFarlane would like to see more information provided about where the catering sector can buy Fairtrade produce in realistic quantities, or to set up a forum where caterers wanting to buy Fairtrade produce can exchange information with each other.



Metropolitan Police Service

Background

The Metropolitan Police Service (MPS) is the largest police force in the UK and a major employer in Greater London. With an annual budget of £3.2bn, and spread over as many as 600 locations, MPS employs around 48,300 staff, including some 31,500 police officers.

Why Fairtrade?

MPS says Fairtrade was a result of grassroots pressure. For example, staff asked at their office restaurant whether they could stock or serve Fairtrade products. Some made requests via the intranet to the organisation's central catering department.

But there are other factors. MPS is becoming increasingly aware of its impact on the environment and is committed to looking at new ways to reduce this. It has been running an environmental programme since 1991 with the overarching aim to reduce environmental pollution and use natural resources in a responsible manner. A dedicated environment team co-ordinates the delivery of the MPS Environmental Strategy as well as monitoring the environmental impacts of the organisation and communicating messages on environmental issues to staff.

The central procurement department and the environment team have developed a Sustainable Procurement Policy with an accompanying supplier evaluation process. As part of its commitment to Fairtrade issues MPS plans to review this policy to incorporate the purchase of Fairtrade products.

Furthermore, the Mayor of London is committed to the procurement of more Fairtrade products. And, as part of the Greater London Authority family, MPS is working with the London Development Agency, the London Fire and Emergency Planning Authority, and Transport for London on a group-wide sustainable procurement policy.

Products offered

MPS has been selling Fairtrade tea and coffee in all of its 100 in-house catering units since 2004. In the staff restaurants, Cafédirect and Teadirect Fairtrade brands are sold alongside Nescafé, Twinings and Tetley.

Fairtrade products that have also been offered in the MPS staff restaurants include Doves Farm flapjacks, Traidcraft Geobars and Divine chocolate bars. All are offered at commercial rates alongside non-Fairtrade products.

Communication/Marketing Strategies

The roll-out of Fairtrade tea and coffee two years ago was publicised through posters and other point of sale materials. Sales, however, have been weak. This is not an issue of price – there is only a 2p difference between Fairtrade tea and coffee and their non-Fairtrade equivalent. Neither, apparently, is quality an issue. Catering procurement officer Shirley Martin says the Fairtrade hot beverages they serve

The Mayor of London is committed to the procurement of more Fairtrade products.

were quality assessed prior to listing the product. The issue seems to be more rooted in challenging long-standing loyalties to big name brands. Encouraging staff simply to try new products was therefore seen as a way to encourage people to think more about the Fairtrade options available.

When the 45g Divine chocolate bars – white, dark, milk and orange – were first introduced last year, only 96 were sold. But after re-launching the product in March 2006 with a prize draw competition, 9,600 were sold in four months. With 48,000 employees, this means that potentially 20 per cent of staff purchased a Divine chocolate bar.


MPS, keen to raise Fairtrade awareness among staff and also increase the purchase of Fairtrade products through staff restaurants, made the crucial marketing push ahead of Fairtrade Fortnight.

MPS environment advisor Lucy Poole contacted Divine, to put forward a proposal that they work together to raise the profile of the chocolate to MPS staff. Divine were keen to be involved in the promotion and supplied posters, leaflets and point of sale materials as well as donating chocolate bars for tasting sessions.

The main plank was a prize draw competition for a £50 Divine hamper. MPS was determined to ensure that Fairtrade issues were communicated across the whole of the organisation. “We felt that a prize draw competition would be the best way to engage with staff,” says Poole. An article was posted on the MPS intranet home page which contained a link to the Fairtrade intranet page. To enter the competition, staff had to email the answer to a question on the origin of the cocoa used in Divine chocolate bars. Over 400 MPS staff entered the competition during Fairtrade Fortnight and the winner was presented with the Divine hamper by Keith Luck, director of resources and MPS environmental champion. “The promotion definitely helped raise the profile of the product,” says Poole. Buoyed by the success at marketing Divine, MPS is currently looking at some similarly high-profile launches of healthy snacks and fruit juices.

Feedback

Feedback, mainly via the organisation’s intranet, indicates that staff support the move to offer Fairtrade products in the organisation. The Divine promotion has also increased awareness of Fairtrade issues.

A photograph of a woman with long blonde hair, wearing a light-colored button-down shirt, eating a dark chocolate bar. She is looking down at the bar with a focused expression. The background is a plain, light-colored wall.

“Fairtrade was a result of grassroots pressure. For example, staff asked at their office restaurant whether they could stock or serve Fairtrade products.”

Lucy Poole, Environment Advisor

“We have received a very positive response from staff who are keen to purchase Fairtrade products via our staff restaurants. We are looking forward to promoting other Fairtrade products and initiatives in the future.”

Lucy Poole, Environmental Advisor

“We have received a very positive response from staff who are keen to purchase Fairtrade products via our staff restaurants,” says Poole. “We are looking forward to promoting other Fairtrade products and initiatives in the future.”

Procurement process

As a public sector body, MPS has to follow EC public procurement rules, which state that you cannot frame contracts purely in terms of fair or ethically traded requirements and you cannot ask for specific marks or trade names.

Martin, who is responsible for writing the technical specifications for all catering contracts, says: “When we go out to contract, we include a technical questionnaire and where applicable we ask about the availability and the tenderers’ policy about the provision of Fairtrade products.

“We can express our policy that the Met is looking to develop the availability of Fairtrade products from contractors. A question might be: ‘What Fairtrade products do you supply, what is your policy regarding developing the availability of Fairtrade products?’”

Fairtrade is becoming part of the MPS procurement process in other respects. Catering managers are given a list of contracted products from which they purchase according to local requirements to satisfy customer demand. However, to drive the consumption of new products including Fairtrade certified products the Met has developed an auto-drop system where the distributor and manufacturer agree to deliver a certain volume of products to a number of selected catering facilities.

“This system creates product awareness both with the unit manager and the end consumer. Manufacturers are asked to assist with this promotional activity with a special launch price after which customer demand would be expected to drive further sales if the product proves popular,” says Martin.

Challenges/Future

As MPS looks into expanding its range, the main challenge is to find more Fairtrade products to sell.

When MPS started investigating the availability of Fairtrade from their existing contractors in 2002 they found that it was very limited. That has changed somewhat.

“The range of Fairtrade products available is increasing but is still limited in the catering wholesale sector when compared to retail,” says Martin.

Furthermore, MPS would like more market intelligence on Fairtrade fresh produce. It would be useful, it says, for availability of products like Fairtrade bananas to be published in the weekly Fresh Produce Journal. This would also help establish a weekly wholesale level price and enable an assessment of best value, a formal requirement of public sector bodies.

Bristol City Council

Background

Benefiting over the centuries from trade in commodities such as sugar, cocoa, tea and bananas – as well as slaves – Bristol today is strong on environmental issues and sustainable transport. It also boasts one of the highest levels of awareness of the FAIRTRADE Mark in the country. Bristol City Council, long dominated by the Labour Party but since 2005 under the minority control of the Liberal Democrat party, has 21,000 employees.

Why Fairtrade?

Fairtrade was on the agenda of the council almost 10 years ago in 1997 when it passed a resolution in support of Fairtrade. A year later Fairtrade tea and coffee were being served in all Council House meetings. The Council House is the headquarters of Bristol City Council and houses the council chamber. In October 2003 a Fairtrade network was launched by representatives from Bishopston Trading Company, Bristol City Council, Bristol University, the Co-op Group and the Chartered Institute of Marketing, among others. The council, the Bristol North-South Forum, and the Bristol Fairtrade Network led a one-year campaign for Fairtrade status for the city. This was achieved in March 2005. Fairtrade has also been integrated into a broader strategy promoting sustainable development. The council's Fairtrade policy was incorporated into its 2004 Code of Practice for Sustainable Procurement (see below).

There were other factors. "Staff were keen on Fairtrade too," says procurement officer Gina Johnson, who promotes Fairtrade within Bristol City Council. Johnson says she received a number of emails from council employees asking how they could get hold of Fairtrade to consume on council premises.



Fairtrade has been integrated into a broader strategy promoting sustainable development within Bristol City Council.

Products offered

Tea, coffee and biscuits served at meetings in the Council House are exclusively Fairtrade. Fairtrade products such as chocolate bars and fruit juices are available through the dozens of vending machines dotted around council buildings, as well as at the shop located in Council House.

Employees can also order Fairtrade tea and coffee at reduced rates as part of their office supply contract, alongside non-Fairtrade brands.

The council has also been looking at sourcing Fairtrade certified cotton for staff uniforms.

Marketing/Communications

All initiatives regarding Fairtrade are communicated to staff via an internal newsletter and the intranet. Each year Fairtrade Fortnight is celebrated within the council with stalls and promotions.

Staff were encouraged to get involved in the wider campaign for Fairtrade City status. This was launched in June 2004 with a public event at the Council House attended by several hundred people, including the then Bristol City Council leader, Cllr Peter Hammond, and was also featured on BBC Radio Bristol. The Fairtrade City campaign ran throughout the summer tying in to various local festivals and achieving wide local media coverage.

Procurement Policies

Bristol City Council, which spends more than £300m a year on procurement, has a Code of Practice for Sustainable Procurement. Adopted in October 2004, it has been designed to help officers incorporate sustainability issues into the procurement process and includes guidance on when and where in the procurement process officers can consider fair and ethical trading issues.

The Code, in line with EC procurement rules, government public sector procurement policy, and OGC Guidelines on Fair and Ethical Trading, states that:

“Buying fair trade goods can be considered in the contract preparation stage but only as a contract option. For example, when buying coffee, officers can specify that they wish to procure fair trade products as an option. This provides the users with a choice and does not discriminate against contractors. ‘Fair trade’ products cannot be

specified as the only items to be procured, this is seen as discrimination against other suppliers.

“When specifying fair trade products as an option to a contract, care should be taken. Specific trademarks or names must be avoided. However, the FAIRTRADE Mark or equivalent is an acceptable form of specifying.”

Johnson says: “The current EC procurement rules [upon which the OGC has based its guidance] are too restrictive. But as a public sector body we cannot discriminate against contractors.”

Within these restrictions, the council incorporated Fairtrade into its office supplies and vending machine contracts in 2004 and 2005 and is now in the process of re-tendering its catering contracts to also incorporate Fairtrade product options.

The wording for the invitation to tender for the contract for vending machines was as follows: “Bristol City Council’s policy is to promote and support the use of fair trade produced materials and products. The Catering Service as the providers of a large volume of the catering facilities to the council must make available a range of fair trade products either through its vending facilities or at sales point, in all staff and educational establishments. Tenderers are therefore asked to identify if they are able to provide a range of fair trade products.”

Another condition of the government’s public sector procurement policy is “value for money”. Bristol City Council’s Code of Practice for Sustainable Procurement states:

“All procurements are based on obtaining the best value for money for the council. Sustainability fits into this by considering whole-life costs and the quality to meet the need of the council. Consideration of sustainability, especially during the early stages of the process, can often deliver the best value option.”

1997

the council passed a resolution in support of Fairtrade



2003

Bristol City Fairtrade network established



2005

Bristol became a Fairtrade city



Best value does not equate to cost alone and there are examples where Fairtrade does not imply an increase in expenditure.

For example, a 500g tub of Cafédirect instant coffee now available to employees through the office supply contract was costed at £7.48 versus £8.12 for Nescafé.

Challenges/Future

Currently, the main challenge for Bristol City Council is to find more Fairtrade products. For example, it has recently completed a procurement process for corporate workwear but was unable to source appropriate Fairtrade certified cotton clothing. "The main problem is that there is a limited range of Fairtrade products available," says Johnson.

"Consideration of sustainability, especially during the early stages of the process, can often deliver the best value option." Gina Johnson, Bristol City Council.



London Borough of Camden

Background

The London Borough of Camden, spread over 11 square miles, takes in the major business centres of Euston, Tottenham Court Road and New Oxford Street, exclusive residential districts such as Hampstead and Highgate, and the popular Camden market. The borough is home to millionaires as well as some of London's most vulnerable people and is ethnically very diverse. One of London's largest borough councils with 5,000 employees, Camden has in recent years been rated as one of the country's top-performing councils.

Why Fairtrade?

The decision to switch to Fairtrade involved a number of factors. Fairtrade fits into what Camden describes as its "environmental and social agenda", which includes the development of a specific responsible procurement policy (see below).

Feeding into the environmental and sustainable development goals is Camden's Local Agenda 21 Core Group, which brings together local residents, voluntary and community sector organisations and councillors, tasked with promoting sustainable development in the borough.

According to sustainability co-ordinator Nusrat Yousuf, who has been given the lead for driving forward the Fairtrade initiative, the move to Fairtrade enjoyed broad cross-party political support, and backing from staff and the leader of the council. "It was quite easy to take forward," she says.

It involved the establishment in September 2003 of a network including representatives from the World Development Movement, Traidcraft, local faith groups, the local council, universities, as well as a steering group.

Then, in March 2004, a resolution to support Fairtrade was passed unanimously. It states: "The London Borough of Camden, as an important consumer and opinion leader, should research, develop, and support a strategy to facilitate the promotion and purchase of foods with the FAIRTRADE Mark as part of its commitment to Fairtrade issues as well as contributing to sustainable development and to give marginalised producers a fair deal."

The aim of the initiative was: "To be recognised by the residents and business community in the London Borough of Camden, suppliers, employees and other local authorities, as a borough that actively supports and promotes Fairtrade and to increase the sale of foods with the FAIRTRADE Mark."

This resolution committed the council to serve Fairtrade tea and coffee at all council meetings and was one of five goals required to achieve Fairtrade status. This was recognised by the Fairtrade Foundation on 7 September 2004, making Camden the third London borough to achieve such recognition.

2004

Camden became London's third Fairtrade borough



11

Fairtrade London Boroughs in January 2007



5 goals

must be achieved to become a Fairtrade Town



Products offered

Fairtrade tea and coffee have been served exclusively at all internal meetings within the Town Hall complex since January 2004. They are also now optional on menus in staff restaurants and civic catering.

In addition, the council is currently amending its original Fairtrade resolution to expand the range of Fairtrade products for meetings and civic catering to include sugar, bananas and wine. Fruit juice and biscuits may also be added as options.

Furthermore, there is a growing number of internal tea clubs within the council that are using Fairtrade tea and coffee – ordered at reduced rates through the council's central supplies list under its "stationery contract".

Communication/Marketing Strategies

When the council launched its campaign for formal recognition as a Fairtrade Borough, a move that was accompanied by the switch to Fairtrade tea and coffee in January 2004, there was a big launch celebration with blind tastings, speakers, stalls and even a Fairtrade chocolate painting, commissioned and

donated by the Fairtrade Foundation to mark its 10th birthday. This event was followed shortly after, in March, by Fairtrade Fortnight – with dozens of stalls throughout the Council buildings. They were both widely publicised in the local press, including the Camden New Journal.

Internally, new Fairtrade initiatives are communicated through the staff newsletter, Inside Camden, and the Message of the Day service, an email bulletin sent out to all council staff.

The council has also produced a fact sheet (as part of its Green Workplace Guide) – containing information about Fairtrade products and a list of suppliers – that has been circulated widely across all council departments via the intranet.

Camden also has a very active Steering Group of council officers, local councillors, community groups and individuals who are busily promoting Fairtrade. Camden Green Fair each year is one of the many events designed to raise awareness amongst borough residents and Fairtrade is always represented amongst the stalls.



“We’ve got Fairtrade clauses asking for Fairtrade – or its equivalent – as an option in all our catering contracts now.”

Nusrat Yousuf, Sustainability Co-ordinator.

Feedback

The move over to Fairtrade has been well received, according to Yousuf: “Staff are now asking ‘Why haven’t we got Fairtrade biscuits, why haven’t we got a wider range of Fairtrade products available in the staff canteen and in meetings?’ They want more and more Fairtrade.”

Procurement Process

As part of the council’s sustainable development agenda, Camden has introduced an Environmentally and Socially Responsible Procurement Policy. This states it will specify environmentally and socially acceptable products and contribute to the greening of the supply chain as well as addressing social issues by supporting and stimulating the trade of more sustainable supplies, services and works. One of the objectives of this policy is the incorporation of Fairtrade goods into existing contracts for catering. This objective has been achieved.

“We’ve got Fairtrade clauses asking for Fairtrade – or its equivalent – as an option in all our catering contracts now,” says Yousuf.

The contracts for dry goods such as tea and coffee to nurseries, old people’s homes, day centres and hostels now include a clause on Fairtrade and organic produce. And there is also a Fairtrade clause for the school meals contracts.

“Then it is up to each individual department and head teacher to say ‘yes we want Fairtrade now’,” explains Yousuf. This decentralised decision-making on Fairtrade has its positive and negatives. On the one hand, the school, for example, might not go for Fairtrade. On the other hand, the fact that they have to make that choice could raise awareness.

Tea and coffee for internal meetings and civic catering in the Town Hall complex is provided by an outsourced catering company, Sodexho, whose supplier for Fairtrade tea and coffee is Redwood Catering.

When Sodexho introduced Fairtrade tea and coffee in January 2004, the cost of the refreshments to the council went up from 50 to 60 pence, a 20 per cent increase.

“The motion to work towards Fairtrade was agreed by the full council. And when we later presented to them the actual costs of changing to Fairtrade they did not consider it a huge extra financial burden,” says Yousuf.

Challenges/Future

High prices have been a continuing problem with some service providers (for example, the provider of one of the care homes), and this has created difficulties in switching to Fairtrade.

But the most important challenge in making the switch is to ensure all stakeholders are included in the process.

“There needs to be a partnership project between the sustainability person and the procurement team. You need all people on board otherwise it is very hard to get it moving,” says Yousuf. “Equally important is to enlist people to ‘champion the cause’. That might include an environment lead councillor and you also need proactive councillors in the Fairtrade steering group.”

Leeds City Council

Background

Leeds City Council is the second largest metropolitan local authority in England after Birmingham, and covers an area of 562 square kilometres. The council employs 33,000 people. With an annual budget of over £1bn, it delivers more than 500 different local authority services to the city of Leeds and its 715,000 residents.

Why Fairtrade?

The drive to switch to Fairtrade came from Trade Injustice and Debt Action Leeds (TIDAL), a 600-strong local network made up of individuals and organisations such as the World Development Movement, Oxfam, the Mothers' Union and Leeds City Council itself. The aim of TIDAL is to fight against environmental destruction, world poverty and unfair trade rules.

"TIDAL lobbied the council to become a Fairtrade City," says Sarah Wells, project officer in the corporate procurement unit at Leeds City Council. This led to the formation of the Leeds Fairtrade City Group – tasked with promoting Fairtrade within Leeds and involving members of TIDAL, Leeds City Council and representatives from the education, retail, faith, and voluntary sectors in Leeds.

In November 2003, the council passed the following resolution: "That this Council notes the need to improve the economic and social conditions of Third World workers and farmers working for poverty wages in incredibly poor conditions."

A campaign was subsequently launched to secure Fairtrade City status for Leeds. Achieved in March 2004, it was celebrated with a ceremony attended by Hilary Benn, the then Secretary of State for International Development and Member of Parliament for Leeds Central.

The resolution that forms the basis of the council's Fairtrade Purchasing Policy states that officers are required to implement Fairtrade principles wherever possible (see below).

Products Offered

Tea, coffee and sugar served in internal committee and council meetings within the Civic Hall are exclusively Fairtrade certified. The same applies to the Civic Hall Snax Stop, which also sells a range of Fairtrade products including snack bars, muffins, juices, brownies and chocolates.

Furthermore, Fairtrade hot beverages and snacks are sold across all restaurants and cafés in the museums and galleries run by the council.

Communication/Marketing Strategies

The council has set up a Fairtrade Officers Working Group made up of council officers from each department. They are responsible for informing staff about Fairtrade and making sure that personnel responsible for purchasing in each department are aware of the council's corporate policy on Fairtrade. "Departmental representatives receive a quarterly email bulletin about Fairtrade as well as posters and information to post on their intranet sites," says Wells.

Information about Fairtrade is also communicated to staff electronically, through the council's internal newsletter and via display material at the point of sale.

Leeds City Council, in conjunction with the wider city community, is also very proactive in spreading the message on Fairtrade issues externally and has been recognised for this communications strategy. As part of its National Fairtrade Fortnight Awards 2006, the Fairtrade Foundation gave the Leeds Fairtrade City Group an award in the Communication and Media category for its work in setting up a partnership with the Yorkshire Evening Post that led to daily coverage in the run up to and throughout Fairtrade Fortnight 2006.

Feedbacks

Fairtrade has been well received within the council. "Staff and the public have been very supportive of the council's position on Fairtrade and the feedback has been very positive," says Wells. Sales in some council facilities – such as the Civic Hall Snax Stop – have exceeded expectations.

Procurement Process

The Leeds City Council Fairtrade Purchasing Policy, introduced in 2003, states: "Officers who are responsible for the purchasing arrangements in departments for items where a Fairtrade option exists, typically tea, coffee, sugar, fruit juice, bananas, chocolate, wine, cereal bars, biscuits and footballs (this list is not exhaustive), must implement Fairtrade principles wherever possible by purchasing a Fairtrade option in preference to a non-Fairtrade one.

"Should you decide not to purchase the Fairtrade option where one exists, you are advised to keep a record of why the decision was made, in case you are challenged at a later date."

It continues: "You should always ask an existing supplier if they are able to provide a Fairtrade option. If they can't, then at least they will know that there is clear customer demand, which may lead them to review the products they stock."

As yet the policy is largely untested. This is because currently most Fairtrade products are purchased through small wholesalers or on a retail basis from local shops. "Fairtrade procurement is still on a small scale. We source Fairtrade from a number of local suppliers," says procurement training and development officer Nigel Hill.

The council found smaller businesses to be "more proactive" in sourcing Fairtrade products for the council than larger companies. For example, Crown Cuisine, the council's own catering agency that manages the Civic Hall Snax Stop, uses local supplier Premcrest to supply a range of Fairtrade items.

Adds Hill: "The limited volume of products currently purchased by the council means that we have not yet had to deal with EU procurement rules. However, as sales of Fairtrade products continue to increase, the issue of how we deal with the requirements of EU legislation will have to be considered."

In its purchases of Fairtrade products, the council still needs to satisfy the value-for-money requirement for all public sector bodies, however. Leeds City Council's approach, in line with the government's procurement policy, is to take into account 'whole-life costing' and the social and environmental benefits of the procurement decision. However, the council does recognise that Fairtrade poses a challenge in terms of "maintaining efficiency savings whilst ensuring procurement is socially responsible," says Wells.

“Switching to Fairtrade is easier than you think and everybody – staff and the public – will be very supportive, particularly if they understand the benefits to producers in the developing world.” Sarah Wells, Project Officer.

Challenges/Future

There remain some challenges. “There are still misconceptions by some staff about poor quality and taste,” says Wells. Prices of products sold on council premises – which are not subsidised – may also be an issue. “When buying jars of coffee and tea out of their own purse for refreshments during the working day, a lot of employees continue to buy non-Fairtrade drinks from their local supermarket,” she adds.

However, overall, the move to Fairtrade has been a positive experience for Leeds City Council and Wells has some words of advice to others thinking of taking the plunge: “Switching to Fairtrade is easier than you think and everybody – staff and the public – will be very supportive, particularly if they understand the benefits to producers in the developing world. Rather than looking at reasons why Fairtrade products can’t be bought, by taking a positive attitude you will find that Fairtrade products can be easily sourced, purchased, introduced and accepted.”

As to future plans for the sale of Fairtrade certified products at Leeds City Council, Hill believes there is still much to do: “We are now reviewing the council’s position on Fairtrade with a view to increasing the council’s commitment,” he says. “However, in the first instance we need to ensure that all the different departments follow the corporate requirements on Fairtrade.”

Leeds City Council made a bid to co-ordinate and offer support to local authorities in Yorkshire and the Humber to develop a regional commitment to Fairtrade and to support towns and cities across the region to gain Fairtrade Town status. One of the commitments is to develop a regional Fairtrade procurement strategy.



“Rather than looking at reasons why Fairtrade products can’t be bought, by taking a positive attitude you will find that Fairtrade products can be easily sourced, purchased, introduced and accepted.” Sarah Wells, Project Officer.

Section 2

Private Sector Procurement

The following section introduces three large companies and explores reasons behind their support for and procurement of Fairtrade certified products. Many will have their own internal procurement policies and systems but the private sector is under no obligation to comply with government guidelines on these matters. They are free to determine their own concepts of best value. The process of procuring Fairtrade products can therefore vary enormously from one company to another.

Introduction to Private Sector Procurement

For small companies it may be as simple as groups of colleagues agreeing to change the brand of coffee bought from a local shop or supplier. At the other end of the spectrum, large companies with multi-site contractual agreements with their suppliers and contractors may have to go through months of negotiations with existing suppliers to implement the change. The first companies to switch to Fairtrade, such as Co-operative Financial Services, have had to blaze a new trail with suppliers, requiring investment of time in collaboration with Fairtrade licensee companies wishing to sell their products in this market. CFS's groundbreaking switch to Fairtrade coffee included the establishment of the first Fairtrade vending options. Some, as with Arup's Leeds office, have found solutions via their stationery suppliers. Until recently, many of the largest catering and wholesale contractors have only operated a limited Fairtrade offering to their clients. However this landscape has changed rapidly in recent times; as more companies have demanded Fairtrade products, the options available are becoming more numerous and from a growing range of suppliers.

Winning over the whole workplace to the idea of Fairtrade has meant also adopting internal communications programmes explaining what Fairtrade is about, as well as tackling outdated negative perceptions about product quality. By engaging staff via intranets, in discussion meetings and tasting sessions, many companies have been able to both liven up the workplace and get buy-in for a switch to Fairtrade. Whilst coffee, tea and sugar have been the easiest to procure, some have gone on to incorporate snacks and biscuits, and are now introducing items such as Fairtrade wines into their hospitality packages, as the KPMG case study shows.

There is a different set of issues to consider when examining the motivations for procuring Fairtrade certified products. In the same way that many local authorities see Fairtrade procurement as an integral part of their Agenda 21 sustainability programmes, many companies have taken the step to switch to

Fairtrade as one element in a wider sustainability policy or Corporate Social Responsibility (CSR) agenda. Some simply say it fits with the company ethos and values.

CSR is the concept that commercial companies have a role to play in promoting sustainable development through the way they work with their stakeholders across all parts of their business. CSR is more than philanthropy, it is about managing the social and environmental impacts of a business in the same way as economic and commercial performances are considered. The majority of FTSE 100 companies now report on CSR activities, which reflects the growth and importance of these issues as part of ongoing business approaches and strategies. CSR is increasingly seen as part and parcel of good business sense – ensuring the most sustainable and stable environment to build long-term success, whilst at the same time protecting that most important of company assets – its reputation amongst shareholders, markets, the wider public and, not least, its own employees.

Indeed, many companies have told the Fairtrade Foundation that the first initiative to consider a switch to Fairtrade has come from amongst their own employees. A YouGov survey conducted for the Fairtrade Foundation in September 2006 revealed that whilst only 17 per cent of UK employees worked in companies that offer Fairtrade products in the workplace, 38 per cent felt that their company should make products carrying the FAIRTRADE Mark available to their staff. An Ipsos MORI survey in 2005 revealed that 86 per cent of employees want their company to be socially and environmentally responsible. Whilst it may not be the primary driver, the switch to Fairtrade, according to all three of the case studies in this report, has had an additional benefit of improving staff morale and creating a 'feelgood' factor in the company.

Background

Arup is a global design and business consulting firm which employs around 7,000 staff across 75 offices in more than 30 countries. Established in 1946 and with annual sales of £430m, Arup is responsible for countless landmark engineering projects around the globe, including the Sydney Opera House, the Channel Tunnel Rail Link, the City of Manchester Stadium, and the Øresund Bridge between Denmark and Sweden – at the time of construction, the world's longest double-decker road and rail link.

Why Fairtrade?

“Fairtrade fits with the ethics of the company and a feeling that we can do a small thing and make a difference,” says Andy Lawton, Associate Director of the firm. Arup's Social Responsibility policy dates back to the foundation of the firm and was formally expressed in 1970 when Sir Ove Arup, the British engineer and philosopher and company founder, set out the company's ethos in a key speech to his employees: “Our lives are inextricably mixed up with those of our fellow human beings...There can be no happiness in isolation.” One of the firm's key aims, he continued, was to “act honestly and fairly in dealing with our staff and others.”

Yet the progressive switch to Fairtrade – from 2003 – was not a top-down process.

“The motivation and the energy to explore Fairtrade and bring it in, was from the individual employees just going out on their own initiative to find out about it and bringing it back into the office,” says Lawton. This makes sense since Arup, a wholly independent company, is owned by its employees through three trusts and staff have significant input in decisions.

Products Offered

All tea, coffee, sugar, and biscuits served in Arup's offices in London, Leeds, Newcastle, Bristol, and Solihull are Fairtrade certified. This means that around 3,000 employees drink Fairtrade tea and coffee on a daily basis, as well as clients and other visitors to Arup's offices. Lawton estimates that the London office, with around 1,600 employees, currently consumes around two million cups of Fairtrade tea and coffee a year. In the Leeds office, which has 250 employees and where Lawton is based, an estimated 750 Fairtrade hot beverages are consumed daily. Products are free at the point of sale to staff and visitors.

Communication/Marketing Strategies

Under the decentralised structure of the company each office is responsible for its own procurement. So the move to Fairtrade was led in each office by an individual “champion”, who started by investigating the local market to gauge the availability of Fairtrade products. Prior to the switch to Fairtrade, informal employee groups organised blind trials and tasting sessions open to all employees and sought their feedback with questionnaires left in the office kitchens. The feedback, which, says Lawton, showed that “people preferred Fairtrade tea and coffee on the basis of taste,” was then passed on to the office procurement department.

“The motivation and the energy to explore Fairtrade and bring it in, was from the individual employees just going out on their own initiative to find out about it and bringing it back into the office.” Andy Lawton, Associate Director.

To communicate the switch, posters on Fairtrade were placed around the office kitchens and “breakout” spaces, which are dotted around the company’s offices and are designed to provide a space for people from different disciplines to meet and spark ideas off each other. “Wherever Fairtrade is being served, there are Fairtrade posters around,” says Lawton, adding that these are “refreshed” on a yearly basis. “We get a lot of clients to our offices and we also see this as an opportunity, in a very low-key way, to flag-up Fairtrade to our clients.” Information about Fairtrade was also disseminated via the company’s intranet and worldwide, via its weekly staff bulletins.

Feedback

Lawton says there was “a feel good factor” following the switch to Fairtrade, “people felt they were doing something positive.” This was revealed in a staff survey, carried out during Fairtrade Fortnight 2005.

“Now Fairtrade is just the norm. We would not dream of doing anything else. It is just what we do,” he adds. Fairtrade has become part of the way the company does business, in part because of the strong involvement of the staff in the switch-over process. “Fairtrade frequently crops up in office conversations as one of the positives about working for Arup,” says Lawton. “It’s a culture now, people feel comfortable, happy and positive about doing it.” There are also positive benefits for the business. “Clients who have similar attitudes to social responsibility see it as a positive thing that we are engaged with Fairtrade,” says Lawton.

Procurement Process

The structure of the organisation means that each of the 18 UK offices buys in their supplies separately. The Leeds office, for example, initially sourced its Fairtrade produce from a local shop that had a delivery service. But in a bid to simplify their procurement processes, they convinced their stationery supplier to provide them with Fairtrade products (except biscuits, which they still have to source from the local shop).

“We now find we can get the same products cheaper from our normal stationery supplier having been someone instrumental in convincing them that this is something that they should do,” says Dave Wade, who is in charge of procurement at the Leeds office. Catalogue prices for tea, coffee and sugar are also becoming more competitive. For example, 500g of Fairtrade Cafédirect coffee (instant) is £18.99, compared to around £18 for Nescafé and Kenco. “We don’t find that Fairtrade products are more expensive,” says Wade. Lawton confirms this. Although the Leeds office spends slightly more on Fairtrade tea than on the non-Fairtrade brand it replaced, it makes savings on coffee, and so the overall switch to Fairtrade has not had any financial impact at all.

Challenges/Future

Lawton says there is considerable interest in rolling out Fairtrade products to the other UK offices, and ultimately, to international offices where Fairtrade products are locally available.

Co-operative Financial Services

Background

Co-operative Financial Services (CFS) brings together The Co-operative Bank, which includes the internet bank smile, and Co-operative Insurance (CIS), and is a subsidiary of the Co-operative Group. The company is a diverse family of businesses that includes retail outlets, travel services, funeral services, as well as financial services. With assets of around £38.6bn, CFS has 7 million customers and 14,000 employees.

Why Fairtrade?

“Our customers’ mandate directs all of the Ethical Policy decisions we make,” says CFS’s Ethical Policies Manager, Barry Clavin. “What sets us apart from our competitors is that we give our customers a unique opportunity to have their say on our Ethical Policy – so we know what matters most to them and can reflect their views. The issue of fair trade has consistently been raised by our customers, so it is very high up on our agenda.”

CFS’s Ethical Policies are unique in the UK financial services sector. Guided by customers’ ethical concerns, CFS is committed to supporting Fairtrade. CFS publishes an annual Sustainability Report in which it reports on its social, ethical and environmental performance. The first such report, published in 2004, won widespread praise when the United Nations Environment Programme ranked it the “world’s best” in a survey of Corporate Sustainability Reporting. The company is widely acknowledged as being a pioneer of sustainability reporting.

Products offered

The move over to Fairtrade procurement happened in stages. In 1997 The Co-operative Bank switched its vending machines to Fairtrade coffee (Cafédirect), a world first, and in 2001 to Fairtrade tea. In 2002 its sister organisation CIS also switched to Fairtrade coffee and tea, and CFS has since added Fairtrade drinking chocolate to all its vending machines.

Today all of the hot beverages available to CFS’s 14,000 employees and 7 million customers, in branches, staff restaurants and vending machines, are Fairtrade certified. In addition, Fairtrade certified chocolate bars, snack bars, apple and orange juice, as well as cookies, are on sale in all CFS staff restaurants. A Costa Coffee bar was also opened in 2004 at the CIS head office in Manchester, serving Fairtrade tea, coffee and orange juice.

Barry Clavin says that more than 4 million cups of Fairtrade certified beverages are consumed annually on CFS’s premises, with staff consuming £500,000 worth of Fairtrade goods, provided through staff restaurants and vending machines.

£500,000

of Fairtrade goods consumed annually at CFS



4m

Cups of Fairtrade beverages consumed annually by CFS employees



1997

CFS switched its vending machines to Fairtrade coffee



Communication/Marketing Strategies

When CFS switched to Fairtrade – starting with coffee in its vending machines – it sought to publicise the event way beyond the walls of the organisation itself.

“We launched a campaign called Fairtrade Coffee Challenge to encourage other businesses to adopt Fairtrade,” says Clavin.

The national press campaign was launched at the beginning of March 1998 by The Co-operative Bank and Clare Short MP, the then Secretary of State for International Development, and supported by Cafédirect and Manchester Vending, the vending machine supplier.

The UK’s top 500 companies were sent a letter urging them to move to Fairtrade coffee across their internal catering operations. “This led a number of large businesses, including British Nuclear Fuels and Jaguar, to make a commitment to use Fairtrade in the workplace,” says Clavin.

Right from the outset, information about Fairtrade initiatives within the organisation has been communicated to employees using the well-used intranet service, the internal magazine, and the company’s annual Sustainability Report. In addition, posters are displayed in staff restaurants and by vending machines.

Feedback

“All Fairtrade beverages available through vending machines are free. Some Fairtrade food and drinks in the staff restaurants are subsidised, lowering prices”.

Says Clavin: “The business puts a lot of money behind Fairtrade, but the benefits certainly outweigh the costs – around a third of our customers join us because of our ethics.

Fairtrade also creates a feel-good factor among our staff, who are motivated by this visible demonstration of our co-operative values.

As for quality, employees seem happy enough. “There’s a perception that if you introduce Fairtrade internally in your organisation you’ll have problems with quality. They think you’ll see a drop-off in consumption. But what we’ve seen is the opposite. We’ve actually seen a significant increase, which suggests the quality is there.”

Hot beverage sales rose 50 per cent between 2001 and 2004, or by 1.3 million vends, with CIS alone seeing a rise of 65 per cent.

“Our experience has been positive, in terms of all stakeholders. Staff response has been positive, customer perception of the business has been positive and the cost isn’t a barrier,” says Clavin.

Procurement Process

“When we started, there was not any Fairtrade coffee suitable for vending machines. The product didn’t exist so we had to be part of the process to create it,” says Clavin. “We brought the vending machine suppliers – Manchester Vending – together with Cafédirect to figure it out.” The outcome was that Cafédirect and Manchester Vending developed a new vending pack for Fairtrade coffee.

When CFS wanted to introduce Fairtrade drinking chocolate in its vending machines in 2004 it effectively repeated the process.

“When we were faced with the challenges of supplying Fairtrade to our employees, we could have said ‘well it doesn’t exist, so we’ll do nothing about it’,” says Clavin. But the organisation’s ethical goals led it to take a proactive approach.

This same approach saw a Sustainable Procurement and Supplier Policy introduced at the end of 2003, setting out criteria that are factored into the company’s business contracts and supplier relationships.

In 2004, the contract to operate the coffee bar in the basement of their head office in Manchester was awarded to the supplier who could supply Fairtrade exclusively: Costa Coffee.

Challenges/Future

Clavin says CFS hasn’t had any major supply problems with Fairtrade and, given positive feedback about its introduction internally, the group is “on the lookout” to increase the range of products it offers to staff.

Background

KPMG is a global network of professional services firms that provide audit, tax and advisory services. KPMG LLP, is the UK member of KPMG International, a Swiss co-operative. KPMG LLP operates from 22 offices across the UK with over 9,000 partners and staff. It recorded a UK turnover of £1.28bn for the year ended September 2005.

Why Fairtrade?

The call to action came in 2003 during a breakfast meeting about sustainable procurement hosted by Stephen Timms, then Minister of State for Energy, e-Commerce and Postal Services, at the Department of Trade and Industry (DTI), that Michael Kelly, KPMG's UK Head of Corporate Social Responsibility (CSR) attended on behalf of KPMG. The DTI had just switched all its tea and coffee to Fairtrade and Timms challenged the businesses present to do the same.

Fairtrade sits well with KPMG's CSR policy, which has spawned a community programme focusing on "education, social inclusion and the environment". Currently as many as 35 per cent of KPMG staff take part in community volunteering projects, which include working with charities for the homeless.

Says CSR Manager Uzma Hamid: "Fairtrade fits very strongly with our commitment to our communities. As for our staff, with Fairtrade we offer them the choice to follow their ethics as well as satisfy their appetite."

Products Offered

In 2004 all catering outlets including meeting rooms, staff restaurants and fine dining suites switched to Fairtrade tea, coffee and sugar. Also, the wine list in the fine dining suites is exclusively Fairtrade.

A range of Fairtrade products, including apple juice, chocolate bars, healthy snacks and biscuits are available as options across all staff restaurants, of which there is one in each office. "As a general rule, each staff restaurant carries at least three Fairtrade products," says Hamid.

KPMG, which currently spends around £500,000 a year on buying Fairtrade certified products, is looking to expand the range.

Communication/Marketing Strategies

KPMG decided that a communications strategy was essential to help explain why Fairtrade products were being introduced. The move was explained under the banner of KPMG's commitment to communities. Says Hamid: "Tea and coffee are very emotive subjects. We went for a firm-wide hard launch instead of trying to solicit opinions and thoughts from people before we did it."

“Fairtrade fits very strongly with our commitment to our communities. As for our staff, with Fairtrade we offer them the choice to follow their ethics as well as satisfy their appetite.”

Uzma Hamid, CSR Manager.

Prior to the launch, the internal communications plan included blind tasting sessions, articles in a company newsletter, and briefings to catering staff. Each department had a “champion” who spread the message about Fairtrade and the company’s reasons for introducing it internally.

“In each office we engaged staff as well as our catering people, letting them know in advance about the switch, why it was happening, and what they needed to do to enable the switch,” says Hamid.

Feedback

As part of the switch-over process, staff were invited to express their views via an email comment box.

“Generally people were very happy and they thought it was a very positive thing to do,” says Hamid.

There were also queries about the Fairtrade system and questions about how much of the money staff spent on Fairtrade products would be going back to the growers.

The move to Fairtrade has meant a small hike in the price of tea. Other products offered in the staff restaurant retail at standard market prices.

There was a period of adapting to the new hot beverages and now people are generally content. “People are very loyal to what they drink and what they like but as with any kind of change, people adapt,” says Hamid.

Procurement

Before the switch to Fairtrade there was a range of different procedures across the organisation for buying tea and coffee, with small offices, for example, going out and buying their own jar of coffee locally. This has changed. “The switch was essentially a business standardising process,” says Hamid.

All offices now purchase from the same supplier, using the same stock and the same process for brewing tea and coffee. The number of brands has also been streamlined.

KPMG managed the switch to Fairtrade together with its existing catering supplier which operates all KPMG staff restaurants, meeting rooms and hospitality. “We work very closely with our supplier. We have made it quite clear to them that we have a commitment to Fairtrade,” says Hamid.

“We have an ongoing agreement with them that they will suggest Fairtrade alternatives. They will look at the product range which is in our canteen and where possible and appropriate they will suggest that we buy something new.”

Although Fairtrade did bring some initial additional costs, over time the process has been cost neutral. “Because we handled the project management of the switch as a business process it actually made it a lot easier to switch,” recounts Hamid. “We looked at the existing process. We formed an internal working group with the procurement and facilities teams, and our supplier. We then sat down and worked out a plan to ensure that the switch was seamless – for example, we ran down old stocks before bringing in the new – and cost-effective.”

Challenges/Future Lessons

The central challenge facing KPMG when they switched was to ensure all stakeholders were involved. “The switch should not just be one department’s responsibility, so the risks are managed through different parts of the business,” explains Hamid.

“Fairtrade is part of our purchasing policy with our supplier and is owned across CSR, procurement and facilities. It is embedded into the culture of the organisation as well as the process of the organisation,” says Hamid. “It’s just become part of what we do.”

Advice from DEFRA for public sector bodies on integrating sustainable development into food and catering services contracts

www.DEFRA.gov.uk/farm/policy/sustain/procurement/pdf/foodprocure.pdf

Buy Fair – A Guide to the public purchasing of Fair Trade products from ICLEI (Local Governments for Sustainability)

www.buyfair.org

DEFRA's Public Sector Food Procurement Initiative (PSFPI)

<http://www.DEFRA.gov.uk/farm/policy/sustain/procurement/index.htm>

Department for Environment, Food and Rural Affairs (DEFRA)

www.defra.gov.uk

European Parliament – Report on Fair Trade and Development

www.europarl.europa.eu/omk/sipade3?PUBREF=-//EP//NONSGML+REPORT+A6-2006-0207+0+DOC+PDF+V0//EN&L=EN&LEVEL=0&NAV=S&LSTDOC=Y

Fairtrade Labelling Organisation (FLO)

www.fairtrade.net

Public Sector Food Procurement and Fairtrade

<http://www.DEFRA.gov.uk/farm/policy/sustain/procurement/trade.htm>

Public Sector Food Procurement Initiative – Catering Services and Food Procurement Toolkit

www.DEFRA.gov.uk/farm/policy/sustain/procurement/toolkit.htm

Public Sector Food Procurement Initiative – Frequently Asked Questions

www.DEFRA.gov.uk/farm/policy/sustain/procurement/pdf/psfpi-faqs.pdf

Office of Government Commerce (OGC) Guidance on Fair and Ethical Trading

www.ogc.gov.uk/documents/Guidance_on_Fair_and_Ethical_Trading.pdf

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www.leedstidal.org

www.fairtradeleeds.org

www.fairtradedeYorkshire.org

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www.met.police.uk

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www.parliament.uk

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The Fairtrade Foundation,
Room 204, 16 Baldwin's Gardens, London, EC1N 7RJ
www.fairtrade.org.uk
Tel: 020 7405 5942 Fax: 020 7405 5943
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A company limited by guarantee,
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