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Axelum obtains Fairtrade certification; Institutionalizes social program for partner coconut farmers

Axelum Resources Corp., (PSE: AXLM), the country's leading fully integrated manufacturer and exporter of premium coconut products, continues to strengthen its sustainability brand amidst the challenges posed by the coronavirus pandemic.

In 2019, Axelum expanded its sustainability development platform by launching its Fairtrade program, primarily for the benefit of local coconut farmers. At the same time, this move reinforces Axelum's industry reputation as a global champion of superior food product quality and sound business practices.

Fairtrade International, founded in 1997, is a non-profit, multi-stakeholder association of 22 member-organizations – three producer networks and 19 national Fairtrade organizations. Fairtrade International promotes a global system that connects farmers and workers from developing countries with consumers and businesses around the world to change for the better.

“Our core values are aligned with Fairtrade's mission of bridging producers and businesses across the globe, who share a common belief in espousing equitable and sustainable livelihood, empowering marginalized producers to overcome poverty and build towards a brighter future,” stated Mr. Romeo I. Chan, Chairman and Chief Executive Officer of Axelum Resources Corp.

Fairtrade-certified companies undergo rigorous and independent audit screenings based on best-in-class guidelines, and compliant with the ISEAL Assurance Code, an international code for sustainability standards.

To date, approximately 1,000 farmers are enrolled in Axelum's Fairtrade program, organized into nine clusters from the Municipalities of Medina, Magsaysay, Salay, Talisayan and the City of Gingoog in Misamis Oriental, Northern Mindanao. In terms of land area, more than 2,300 hectares of organic coconut farms are Fairtrade-certified.

Among the key highlights of the Fairtrade system is the setting of a Fairtrade Minimum Price, which represents the base amount that producers are paid when selling their products through Fairtrade. In principle, this protects producers when market prices drop. On the other hand, the Fairtrade Premium is an extra sum of money paid on top of the selling price. This additional amount is collected and earmarked to fund cluster-initiated projects.

In coordination with the Axelum Fairtrade Team, each cluster conducts a thorough needs assessment study through a structured and collaborative exercise. Initially, majority of clusters identified priority issues related to food supply, medicines, educational assistance, alternative livelihood and organic-farming. As such, a portion of the Fairtrade Premium budget was deployed to support consolidated efforts to address these concerns.

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To maintain transparency, the Fairtrade Premium, along with the entire program, is regularly audited by a Fairtrade-appointed external auditor, and supplemented by a separate audit conducted by Axelum's Internal Audit Department.

At the moment, Axelum actively transacts with a well-known multinational consumer giant for its desiccated coconut products under Fairtrade prices. Based on Fairtrade terms, Axelum allocates a portion from each product sold as Fairtrade Premium, which is then deposited to an independent bank account directly accessible to farmer clusters.

In the long-term, Axelum plans to establish additional livelihood projects including employable skills training seminars to harness the management acumen of cluster leaders and members. Further, Axelum has conceptualized various social campaigns that maximizes the agricultural potential of its area.

“We are fully committed to initiatives that uphold social welfare, particularly towards our often-neglected farming communities. With this certification, our customers can be assured that our products are backed by a supply chain that strongly adheres to the highest ethical principles, providing a conducive sustainable working environment that is free of exploitative labor and abuse of natural resources. In this respect, Axelum is truly proud to be part of such cause,” concluded Mr. Chan.

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