

ETHOS SOCIAL ENTERPRISE CONSTITUTION

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1 NAME

Business name is: **ETHOS – Spirit of the Community**

2 WHAT IS A SOCIAL ENTERPRISE

Social enterprises are businesses that trade to tackle social problems, improve communities, people's life chances, or the environment. ETHOS make money as a social enterprise via tourism services and by selling traditional and contemporary handicrafts. ETHOS provides well-designed experiential tours that connect travellers to Sapa and its people, creating authentic, unforgettable travel experiences. We provide experiences for people of varying ages and fitness levels that want to experience Sapa within a range of comfort zones. We practice sustainable and responsible tourism, and therefore ETHOS appeals to the ethically conscious traveller. Driven by a passion for positive change, ETHOS - Spirit of the community was founded by Social Entrepreneurs and we have been operating as a socially responsible travel company since 2012. We have grown as a team and are now made up of creative individuals who question the status quo, empower others, refuse to give up and aim to make the world a better place via sustainable means.

3. HISTORY

Initially an NGO, providing vocational training for ethnic minority children in Sapa District at the turn of the century, our organisation has undergone many changes.

4. THE PURPOSES OF ETHOS:-

- To preserve, promote and enhance traditional culture and practices.
- To minimise ill health and unnecessary suffering.
- To eliminate extreme poverty by removing systematic barriers.
- To initiate small scale sustainable development projects for capacity building.
- The empowerment of women through literacy and increased opportunity.
- To minimise waste and support local conservation and environmental protection efforts.

5. ETHOS TOURS

Any travel experience with ETHOS is designed to allow for a unique opportunity to support the local ethnic cultures while enjoying the diversity and beauty of the area in which we operate. All tours are designed to respect the region's cultural diversity and provide a sustainable alternative income source for local communities.

ETHOS runs on social enterprise principles: working hard and giving back to Sapa and all ethnic minorities. We are made up of inter-connected pieces: the support projects within the local community and the tour operation which facilitates the day to day running of the organisation.

6. RESPONSIBLE PROFIT AND REMUNERATION

The most direct form of benefit for ETHOS employees is a paid wage. Employees are selected with the wider community in mind. All guides are from underprivileged families and work part time to supplement their traditional lives. Guides are employed in such a way as to allow for consideration of traditional forms of employment such as farming rice. We create and nurture a healthy and enjoyable working environment, in which our employees are fairly compensated and encouraged to respect the customer and the quality of the service we provide. We seek fair and responsible profit, and fairly remunerate employees for their work and effort.

Approximately 53%* of the cost of each tour is paid directly in wages to the guide and local host and homestay families. This also includes food. All food is well balanced nutritionally and all surplus is given to the host family.

26%* of each tour is spent on operational costs including driver wages, entrance tickets to local villages and taxation.

The remaining 21%* pays all for all other overheads, including rental of the ETHOS community centre, operational costs, and additional staffing (full time wages of two members of administrative staff).

On occasion, ETHOS – Spirit of the Community receive one off donations from guests. 100% of all donated monies goes directly to ongoing development projects.

(*figures based on a typical one day tour, for two people, including lunch and a traditional homestay).

7. EMPLOYMENT AND STAFF STRUCTURE

ETHOS combines the expertise of local hilltribe groups with the acumen of committed Vietnamese and an unpaid British volunteer. As of February 2017, our current team is made up of 20 people (65% Hmong, 20% Red Dao, 5% Lao Lu, 5% Vietnamese and 5% British). As the statistics indicate, our focus is on the empowerment of ethnic minorities and we aim to work with skilled workers who show a commitment to preserving and celebrating their traditional culture; have good communication skills in a range of languages; are honest; open minded and forward thinking. All guides must have the backing of their families and enjoy their job.

8. OUR VISION

To be a responsible and creative leader in the Sapa tourism industry; designing and operating innovative, sustainable experiences that resoundingly demonstrate the positive impacts of ethical best practice. We wish to be a community within a community and one that celebrates diversity and culture.

9. MISSION STATEMENT

ETHOS -Spirit of the Community provides well-designed tours that connect travellers to Sapa and its people, creating authentic, unforgettable travel experiences.

ETHOS Adventures cares for the environment, its workers, and the local people, and we constantly strive to improve our operations and services through self-evaluation, innovation and creativity.

10. RIGHTS OF OUR EMPLOYEES

In order to respect the rights of our workers, ETHOS:

- Pays a wage that is well above average for the local area.
- Provides workers with leave for traditional responsibilities such as farming and childcare.
- Provides a safe and open workplace for our staff.
- Do not discriminate against any employees.

11. ETHOS MEMBERS

ETHOS is Social Enterprise managed by a committee of members. Those members are representative of the ethnic mix of the local area. All ETHOS members have a say in the running of the social enterprise. Every returning tour involves a debrief, where guide input is collected orally and this feedback is used to plan for the future.

ETHOS hold monthly general meetings. Meetings take place in different villages on a rotational basis. All ETHOS members are invited to attend and we also seek the involvement of the wider community. Meetings do not take place in circumstances where less than 50% of our members are not in attendance.

ETHOS are receptive to the fact that many cultures have typically patriarchal customs. As our guides are predominantly women, we seek the input of husbands and village elders. We follow an agenda and minutes are kept at all meetings.

Note – We are sensitive to the fact that many of our members are illiterate. Verbal minuted meetings help address this issue and all members are free to take the minutes for someone to read outside of ETHOS if they wish.

12. OUR COMMITMENT TO COMMUNITY

In addition to arranging treks, tours and homestays for travellers, ETHOS provide direct and desperately-needed support in the local community.

ETHOS facilitate cultural preservation by encouraging the transmission of traditional arts and crafts, and empower a growing number of local guides and artisans with fair and sustainable incomes. ETHOS aim to preserve and enhance traditional cultures, by teaching local skills such as basketry and batik to those within the community and to visiting guests. Tours emphasise the value of unique cultural identity and celebrate language, handicrafts and traditional customs.

We also aim to work towards the prevention of suffering by promoting self-sufficiency. ETHOS work on the prevention of diseases such as tuberculosis pneumonia and bronchial problems. Traditional Hmong homes are too cold, damp and smoky during the winter months. ETHOS aim to consult with experts from around the world to solve such issues in a sustainable and culturally sensitive way.

ETHOS members have a duty to help eliminate extreme poverty by focusing those in most need. When trekking and guiding, members have a duty of care towards others and have a responsibility to feedback circumstances whereby families, groups or individuals or communities are vulnerable and ETHOS can be of assistance. ETHOS will always aim to support through education, healthcare, construction and capacity building when able to do so. All project work will be fully accountable. Projects may be exposed publicly unless otherwise requested by those directly involved.

Where appropriate, ETHOS will work to support those in need to initiate small scale sustainable development projects for capacity building. These may be directly linked to ETHOS tours or focus in other areas. Examples might include animal husbandry, handicraft production, and catering.

We believe that empowering women is key to ending poverty and hunger. We are committed to striking a balance between the demands of tourism and the needs of the local indigenous people. ETHOS aim to empower women to participate fully in economic life. We believe that this will serve to improve the quality of life for women, men, families and communities.

13. NETWORKING AND PUBLIC PROFILE

ETHOS will outreach via our website, Facebook page and Instagram. We will seek to cooperate with, and seek advice from other groups that align with our aims and vision.

14. DONATIONS AND CROWDFUNDING

ETHOS aim to boost our ability to support the underprivileged through the receipt of donations and via crowdfunding. All donations will be accountable and expenditure recorded. When project work is completed that utilises money from donations, the donors and the wider public will have access to accounts on request.

As ETHOS operate on a very low profit threshold, it may be necessary to bolster funds by running public crowdfunding campaigns. When such occasions arrive, crowdfunding campaigns will clearly identify what the campaign money will be used for.

15. VOLUNTEERISM

ETHOS appreciate that all individuals may have something to offer. We will endeavour to seek the assistance of well qualified and autonomous volunteers who meet the relevant checks, requirements and align with our primary aims and objectives.

16. CARRYING OUT THE PURPOSES

In order to carry out the Social Enterprise purposes, trustees and members have the power to:

- (1) design tours that are culturally sensitive and unique
- (2) raise funds, receive grants and donations
- (3) apply funds to carry out the work of ETHOS
- (4) co-operate with and support other groups with similar purposes
- (5) do anything which is lawful and necessary to achieve the purposes

17. TRUSTEES

The Social Enterprise shall have a trustee membership. People who support the work of ETHOS can apply to the members to become a trustee. Once accepted by the members,

trustees have a role for 3 years and may renewed. The members will keep an up-to-date trustee list.

ETHOS members may remove a person's trustee status if they believe it is in the best interests of the charity.

18. ANNUAL GENERAL MEETING - AGM

- (1) The AGM must be held every year, with 14 days notice given to all members telling them what is on the agenda. Minutes must be kept of the AGM.
- (2) There must be at least 90% of members present at the AGM.
- (3) Every member has one vote.
- (4) The members shall present the annual report and accounts.

19. TRUSTEE MEETINGS

- (1) Trustees must collaborate on at least three occasions each year. Trustees may act by majority decision.
- (2) At least 3 trustees must be involved in any meeting to be able to take decisions. Minutes shall be kept for every meeting.
- (3) The trustees may make reasonable additional rules to help run the Social Enterprise. These rules must not conflict with this constitution or the law.

20. MONEY AND PROPERTY

- (1) Money and property must only be used for the Social Enterprises purposes.
- (2) ETHOS must keep accounts. The most recent annual accounts will be available as downloadable document on our website.
- (3) Trustees cannot receive any money or property from the Social Enterprise, except to refund reasonable out of pocket expenses.
- (4) All money must be held in a registered bank account, with the exclusion of day to day operational funds

21. GENERAL MEETINGS

If the Trustees consider it is necessary to change the constitution, or wind up the Social Enterprise, they must call a General Meeting so that the membership can make the decision. Trustees must also call a General Meeting if they receive a written request from the majority of members. All members must be given 14 days notice and told the reason for the meeting. All decisions require a two thirds majority. Minutes must be kept.

- (1) **Winding up** - any money or property remaining after payment of debts must be given to an organisation with similar purposes to this one.

- (2) **Changes to the Constitution** - can be made at AGMs or General Meetings. No change can be made that would divert from the original aims and objectives of ETHOS.
- (3) **General Meeting** - called on written request from a majority of members.
- (4) Trustees may also call a General Meeting to consult the membership

22. **SETTING UP THE SOCIAL ENTERPRISE**

This constitution was adopted on 13th June 2014.

23. **HISTORICAL CONTEXT**

ETHOS has operated in a variety of contexts since the late 1990's when ETHOS was founded as a British based registered charity. The initial aims were to support and educate under privileged minority groups in Sapa, Vietnam. ETHOS established a training school and funding came from the British, Danish and New Zealand embassies amongst others.

The charity endured hardship owing to corruption stemming from local partners. In effect the local government wanted substantial bribes that we refused to pay. When the charity ceased to operate, ETHOS lived on as a UK based organisation raising money and supporting Hmong people in and around the Sapa region on a small scale for over 10 years.

We re-established ourselves two years ago in Vietnam and now operate as a social enterprise. The motivation to do so stemmed from the fact that we feel we were often reacting to problems as opposed to pre-empting them. ETHOS has always about making proactive steps, so our team decided that we would go back to Vietnam and try and work on new ways to support people in the way we always hoped we could.

Our current team is made up of many of the girls that were originally students in our vocational training centre.

ETHOS have successfully worked hard over many years to improve many lives. We believe we have finally created a sustainable model that will allow us to move forward as a Social Enterprise and to achieve our long term goals of helping empower people.

Why support the minorities?

In only 25 years, Vietnam has developed from one of the world's poorest nations to achieving middle-income status. The impact of this development, however, has been very uneven. Ethnic minorities, who account for one-eighth of the population, also account for half of all those people living in poverty. This proportion soars among the Hmong ethnic minority, with poverty rates are estimated to exceed 80%. The minorities are typically marginalised from society and have little representation or voice in public and political debates, making it even harder to escape poverty. As a result, they have less access to health, education and other services.

ETHOS want to ensure that the minority groups of Sapa thrive as development threatens to engulf and further marginalise them.