A. Introduction

The Fair Trade USA Factory Standard for Apparel and Home Goods (Factory Standard) covers diverse supply chains under one set of requirements that apply to all manufacturing set-ups. Fair Trade USA recognizes that supply chains in the rug industry are unique and differ from most supply chains in the typical apparel and home goods setting. In rug manufacturing supply chains, the Certificate Holder (CH) is the entity where the majority of hours of labor on the rug is conducted, i.e. tufting and weaving, regardless of whether this entity takes legal ownership of the product. In most cases, the CH only conducts weaving and tufting processes and sends the product back to the material owner (trader) for finishing, labelling, and selling the product to the brand. In rare instances, the CH is the entity that produces and sells the rugs. This is allowed as long as the tufting/weaving is included in the scope of the Certificate. Rug supply chains that fall under special circumstances should contact Fair Trade USA at the time of the application to ensure their group is scoped correctly and the scope is approved prior to the certification audit.

B. Purpose

This document explains the requirements for the trader in the rug industry where the trader is not the same entity as the CH who is certified under the Factory Standard for Apparel and Home Goods.

Fair Trade USA and/or an approved Conformity Assessment Body (CAB) may visit the trader’s site(s) at any time to perform assurance and control activities against this policy.

C. Scope and Applicability

This document applies to all traders in the rug industry who directly contract with weaving and tufting facilities that are applying to be certified or currently are certified against the Fair Trade USA Factory Standard.

All sites where the trader finishes, labels and sells the Fair Trade Certified™ product must be included under this policy.

1. Requirements for the Trader

1.1. The trader who finishes, labels and sells the Fair Trade Certified™ product to brands is registered with Fair Trade USA.
1.2. The trader allows Fair Trade USA and its auditors unobstructed access to all necessary information required to verify compliance with the requirements listed in this policy.

1.3. The trader adheres to the eight fundamental ILO core conventions:

1.3.1. Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)
1.3.2. Right to Organise and Collective Bargaining Convention, 1949 (No. 98)
1.3.3. Forced Labour Convention, 1930 (No. 29)
1.3.4. Abolition of Forced Labour Convention, 1957 (No. 105)
1.3.5. Minimum Age Convention, 1973 (No. 138)
1.3.6. Worst Forms of Child Labour Convention, 1999 (No. 182)
1.3.7. Equal Remuneration Convention, 1951 (No. 100)
1.3.8. Discrimination (Employment and Occupation) Convention, 1958 (No. 111)

1.4. The trader’s workplace is free from abuse, including corporal punishment and physical harassment, sexual harassment, and psychological and verbal harassment.

1.5. For traceability, the trader must ensure that:

1.5.1. Fair Trade Certified rugs are physically identified clearly (i.e. tags or marks) as Fair Trade Certified throughout production, storage and transport while they are in the trader’s possession.

1.5.2. All its documentation with the CH (i.e. contracts, orders, or receipts) clearly identifies any Fair Trade Certified rugs (i.e. reference to Fair Trade USA, Fair Trade ID of buyer and seller, quantities, item description(s)).

1.6. Where the trader is a Conveyer of the Fair Trade Premium, the trader ensures that the full and correct amount of Premium is received in the Fair Trade Committee’s bank account in a timely manner.