Fair Trade CERTIFIED

Every Purchase Matters.

Apparel and Home Goods Program
What is Fair Trade?

Fair Trade is a global movement made up of a diverse network of producers, companies, shoppers, advocates and organizations. Based on the simple idea that the products we buy and sell are connected to the livelihood of others, Fair Trade is a simple way to promote responsible business, empower workers and farmers, and protect the planet.

Principles of Fair Trade:

- **Safe Working Conditions**
  - Guarantee of safe factory working conditions

- **Advancement of People**
  - Direct mechanism to improve worker livelihoods

- **Protection for the Planet**
  - Focus on environmental stewardship

- **Consumer Activation**
  - Celebrate responsible sourcing practices with your consumers
Fair Trade Certified™ by Fair Trade USA

Founded as a nonprofit in 1998, Fair Trade USA is the largest certifier of Fair Trade goods in the United States. Fair Trade Certified™ products are grown or made according to rigorous social and environmental standards, AND the people who produced them earned more money with every sale.

63% of Consumers recognize the Fair Trade Certified Label

30+ Fair Trade Certified product categories, ranging from coffee to footwear to furniture
Partner Brands

1,200+ partners that have collectively sent back over $500m in additional income to farmers and workers through Fair Trade Certified products
The Apparel and Home Goods Program provides three certified product options for brands:

**COTTON:**
Product made with Fair Trade Certified Cotton

Cotton farm is certified by Fair Trade and cotton farmers receive a premium to use for social and economic investments.

**FACTORY:**
Product made in a Fair Trade Certified Factory

Factory is certified by Fair Trade and factory workers receive a premium to use for social and economic investments.

**FULL PROGRAM:**
Product made with Fair Trade Certified Cotton in a Fair Trade Certified Factory

*Products sourced on Fair Trade Terms from Certified Suppliers can be labeled accordingly*
How Fair Trade Factory Certification Works

**Rigorous Standards**
Fair Trade Certified Factories are audited against the Fair Trade Factory Standard, which assures safe working conditions, proper pay and benefits, etc.

**Worker Empowerment**
Workers democratically elect a group of their peers to work with the worker community to use the Premium money to fund projects that address local needs. The workforce community then votes on their favorite projects.

**The Fair Trade Premium**
In addition to the cost of goods, brands pay a Premium for each Fair Trade Certified product. These funds, called the Fair Trade Premium, accumulate and are placed into a worker-managed bank account.

**Consumer Activation**
Fair Trade engages consumers and raises awareness about the need for ethically traded products; the Fair Trade Consumer-Facing Label enables consumers to easily identify and purchase quality products that align with their values.
### Fair Trade USA Factory Standard

**Fair Trade USA Social Compliance Requirements**
- Covers all the International Labor Organization (ILO) requirements and is based on SA8000
  - Prohibited Forced Labor
  - Prohibited Child Labor
  - Freedom from Discrimination and Abuse
  - Freedom of Association
  - Legally Required Wages and Benefits
  - Health and Safety Protections
  - Standard Work Hours and Mandatory Breaks

### The Fair Trade Certified Difference: Beyond Compliance

**Economic Development**
Fair Trade premium: 1-10% FOB

**Worker Engagement**
Worker trainings, grievance procedures, and Fair Trade Committee

**Women's Rights**
Equal pay and rights for women

**Environmental Management**
Reducing water, waste and energy usage

Fair Trade USA drives best-in-class worker health and safety at factories through the Fair Trade Factory Standard. In addition to ensuring safe working conditions, the objective of the standard is to increase empowerment, economic development social responsibility, and environmental management.

Factories are audited against the Fair Trade Standard annually.

View our [factory standard here](#).
The Fair Trade Committee

Workers at Fair Trade Certified factories democratically elect their co-workers to represent the greater worker voice on a Fair Trade Committee.

This Committee meets throughout the year with factory management to discuss issues at the factory. They also conduct worker surveys to identify community needs.

The Fair Trade Committee is responsible for effective management of the Fair Trade Premium fund.

Fair Trade Premium to Workers:

Fair Trade ensures an additional financial Premium to workers on every certified item. The Fair Trade Premium is a mechanism to directly improve worker livelihood and enable a journey to living wage.

Examples of Fair Trade Premium Projects:

- Health and sanitation projects
- Childcare facility
- Bicycles for workers
- Cultural celebrations
- Medical programs or health insurance policies
- Savings accounts & investment schemes
- Coupons for basic household items
- Hot plate and cookware sets
- Etc.
WORKER EMPOWERMENT: FAIR TRADE PROJECT PLANNING

FAIR TRADE PREMIUM PROJECT PLANNING: Example from a factory in Pakistan

FT USA Field Staff meet with the FT Committee to train them on their role as a FT representative. They survey the workforce to understand the community’s priority issues. The FT Committee then decides on a few top project ideas to meet these needs.

EXAMPLE OF SURVEY

FT Committee introduces the FT Premium project ideas to workers. The entire workforce votes on their favorite project(s) to be implemented with the Fair Trade Funds.

FT WORKER TRAINING & SURVEY IMPLEMENTATION

Results are reported out to the worker community. The FT Committee uses the FT Premium fund to implement the project(s) they selected.

ANALYSIS & IMPLEMENTATION OF FT PROJECT

HEALTH CLINIC RUN WITH FAIR TRADE PREMIUM

VOTING PROCESS
EXAMPLES OF PREMIUM PROJECTS

- Cash bonuses
- Gift Packages
- Gas stoves
- Goods Packages
- Blankets during the winter
- Clean Water
- Dry Rations
- Daycare
Subroto Mondal
28, from West Bengal, works in sewing at the Paridhan factory of Rajlakshmi Cotton Mills.

"It felt good when the first premium arrived after we produced Fair Trade garments for a year. I never thought something like this was possible. I'm proud to have clothes I have worked on reach the US, England, Australia and all over the world. When people buy these products, it benefits us. We hope consumers will continue and invest in us. The impact of these premiums reach far beyond the factory - each worker has a home village and relatives that in small and big ways truly benefit. I personally left school after the 10th grade. My hope is to invest in my children's futures so they can have a better future. Working here in a Fair Trade factory, I believe this is more possible."

Deepali Das
33, from Kolkata, has worked for 6 years at the factory of Rajlakshmi Cotton Mills. She has been on the Fair Trade committee for 1 year. Deepali Das (center), with her mother (left) and son, Kaushik Das (right).

"I enjoy being on the FT committee. My fellow workers share their ideas with me on how we can implement premiums to help the community. I have received 4 years of Fair Trade premiums and every time, I'm proud to have been part of the program. The first year when we received the premium, I purchased a bicycle for my son, Kaushik Das. He was so happy. When he's happy, I'm happy. I never thought I would buy a bicycle before I had the extra funds from the premium. Since then, I've put my premiums into savings for the future, which is what a lot of the workers favor - helping themselves in the long term. All the workers are thankful for the Fair Trade system and appreciate the chance to take part in a meaningful work arrangement."

Lakindar Ray
26, from Samastipur, Bihar, an operator in the knitting department, has worked since 2008 at Rajlakshmi Cotton Mills in Howrah. Ray has two children.

"I hope that Fair Trade consumers will continue to support us and our family. The first year I received my Fair Trade premium was a major change in life. My wife asked for some household goods and we bought a clothing cupboard. Next year, I hope to buy a TV. Whatever we buy with the premiums we receive, it's like a memory of the year that has gone past. This is something I received from the factory, something to be proud of. I appreciate the transparency of the Fair Trade premium arrangement at our factory - everyone gets the same amount, people can join the committee and help make decisions for the worker body. Friends from other factories are envious that we have this benefit."
Fair Trade USA

ENGAGING CONSUMERS WITH FAIR TRADE

Fair Trade Certified™ provides brands an opportunity to:

- Engage consumers in the process of how their products are made
- Plug into Conscious Consumer Movement
- Drive brand loyalty
- Differentiate from other companies
- Directly link your products to positive impact
- Create tangible benefit in your supply chain
- Story telling opportunities
- Develop and deliver on sustainability goals
- Mitigate risk within supply chains
*Watch Patagonia’s [short film](https://www.patagonia.com) about their involvement in the Fair Trade Fleece*
Fair Trade Certified Messaging

EXAMPLE: WEST ELM

*Watch West Elm's video about Skyline Exports, a Fair Trade Certified Factory*
Fair Trade Certified Messaging

EXAMPLE: PRANA

Bridge the Gap: Living Wage & Minimum Wage

Since prAna became the first North American apparel brand to produce Fair Trade Certified™ clothing, we have given back $100,000 to support workers worldwide.

Meet Rani
prAna Ambassadors recently visited our Fair Trade Certified™ factory in Bangalore, India where they met Rani, Fair Trade Committee President.

WATCH THE SHORT FILM ABOUT THEIR FAIR TRADE PROGRAM
Value of Fair Trade Certified

SERVICES AND VALUE-ADD OF FAIR TRADE

Brand Partners

1. **Brand Partnership Services:**
   a) **Direct Brand Support**
      Acting as a thought partner in building brand’s sourcing, business and marketing strategies for Fair Trade
   b) **Compliance Support for your Suppliers**
      Stronger, more transparent supply chains; risk mitigation through 3rd party auditing; replace internal audit programs with Fair Trade audit

2. **Beyond-Compliance Programs at Certified Factories:**
   Drive workforce well-being and community development through worker engagement, worker voice and representation, and improved livelihoods, keeping brands at the forefront of the sustainability movement

3. **Globally Recognized and Respected Third-Party Partnership:**
   Partnership with Fair Trade USA and use of the recognized consumer-facing label, adding credibility to Corporate Responsibility claims. Reputation “halo” affect from partnership with Fair Trade Certified™

Factory Partners

1. **Grow supplier’s business**
   Increase loyalty with existing customers, attract new customers in priority segments, and differentiate from competition

2. **Increase worker satisfaction and loyalty**
   Cost reduction due to decreased turnover; increase production quality and decrease errors; save money by training and investing in the current workforce

3. **Reduce Audit Fatigue**
   Replace Fair Trade Brand Partners’ audit programs with the Fair Trade USA audit

4. **Provide direct economic benefit to workers**
   Offer economic benefit to workers through Fair Trade premium at no cost to the factory owners
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To learn more about FTUSA’s Apparel and Home Goods certifications, please contact:

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