1. Purpose

The Fair Trade USA® position on exceptions to requirements under each of the standards programs is described in this policy. This document aims to maintain the integrity of exceptions decisions by prescribing the process by which such exceptions are considered and granted to ensure Fair Trade USA is consistent, fair, and non-discriminatory. This policy makes all steps in the process transparent for any interested parties and stakeholders. It also describes the process for requesting an exception, so that applicants, Certificate Holders, licensees, and Conformity Assessment Bodies (CABs) understand their roles and responsibilities.

2. Scope

This policy is applicable to applicants and entities certified to any standard in the Agriculture, Seafood, Apparel and Home Goods, and Trade programs. While this policy applies to Fair Trade USA at large, it is implemented at the program level and exceptions are granted only within an individual program – the relevant program assurance manual should be checked for additional requirements and guidance on requesting and granting exceptions within each program. An applicant, Certificate Holder, or licensee is referred to as auditee throughout this policy.

3. Approach to Exceptions

3.1. FTUSA recognizes that circumstances arise that create undue and unforeseen difficulty in meeting all requirements of a Fair Trade USA program, and that call for exceptions to requirements at different levels of an assurance system.

3.2. Common circumstances that result in requests for exceptions include:
   - Force majeure, including natural or human caused disasters;
   - Local regulatory circumstances out of the control of the auditee, such as governmental, legislative, or economic changes;
   - Specific and unique social, organizational, or technical conditions, or site-specific conditions.

3.3. FTUSA will only consider exceptions that:
   - Do not result in a dilution or reversal of the impact or benefits intended by the standard program or specific requirements therein, or result in harm to the intended beneficiaries; and
   - Are submitted using the process described in this policy.

3.4. In considering such exceptions, FTUSA will use the process described in this policy.

3.5. FTUSA reserves the right to deny any exception requested.
3.6. Exceptions are temporary in nature – the timeline over which an exception may be granted is defined in the exception guidance issued in each instance and is not to exceed one lifecycle of certificate validity.

3.7. Exceptions may be extended past the end of a certificate cycle, at the discretion of Fair Trade USA. Rules governing exception extensions are included in each program’s assurance manual, and specific timelines for individual exceptions are described in the relevant guidance.

3.8. Exceptions guidance issued for a given standard are formally reviewed at a minimum during a major standard revision and may be reviewed during minor standards revisions as deemed necessary.

3.9. Exceptions are granted contingent upon meeting the specific conditions listed in the guidance. These must be checked as a component of the assessment process employed in the relevant program.

3.10. While this policy is applicable to all Fair Trade USA programs, the policy is implemented at the program level, and program assurance manuals cover any additional program specific exceptions guidance or requirements related to implementing this policy.

4. Types of Exceptions

4.1. Types

4.1.1. Fair Trade USA recognizes three types of exceptions:
   a) Exceptions to requirements in a standard, or in any related, supporting normative documents, such as policies, procedures, and guidance.
   b) Exceptions to the assessment process defined for the standards program in the relevant assurance manual.
   c) Exceptions to the assurance model employed by a given program, such as requesting a different certification decision maker, deviation from labeling requirements, or alternate premium requirements.

4.1.2. Exceptions of different types require considerations and input from different departments at Fair Trade USA. The role of each department in providing input to exceptions of different types is clarified below.

4.1.3. Applicable and non-applicable compliance criteria and requirements for a given entity or situation are further described in the relevant program assurance manual and related guidance resources.

4.2. Limits

4.2.1. Fair Trade USA will not consider exceptions to requirements related to the following topics within its standards programs:
   a) Child labor
   b) Forced, bonded, or compulsory labor
   c) Discrimination, harassment, or abuse

4.2.2. Individual programs may have additional limits to exceptions considered within the program. Check the exceptions section of the program assurance manual for details.
5. Process to Consider Exceptions

5.1. Decision Making

5.1.1. In instances where a new exception is sought for which guidance has not been developed, a decision is first taken on whether to permit such exceptions and develop guidance, as described under 5.2 below.

5.1.2. The decision is taken by the head of certification for the program within which the exception is sought, in consultation with other departments, determined by the type of exception (per section 4).

5.1.2.1. For exceptions to requirements in standards (4.1.1.a), consultation with the Standards Department is required; the business unit lead within the program for which the exception is sought will also be consulted when an exception request presents a new circumstance for consideration.

5.1.2.2. For exceptions to the assessment process (4.1.1.b), consultation with the head of certification in the other programs is required.

5.1.2.3. For exceptions to components of the assurance model (4.1.1.c), or significant divergence from the standard, such as exceptions to multiple criteria or entire sections, consultation is required with the Chief Impact Officer, the Chief Operating Officer, and the program department heads.

5.1.2.4. Relevant program and department heads may consult additional team members where further input may be desired, depending upon the exception type and nature of the request.

5.1.3. The consultation team described above, led by the relevant certification head, discusses the circumstances surrounding the exception request (section 3) and determines whether the exception will result in a dilution or reversal of the impact or benefits intended by the standard program or specific requirements therein, or result in harm to the intended beneficiaries, per 3.3.

5.1.4. The certification head is responsible for taking and writing the decision reached by the consultation team. The written decision shall include a statement of justification to either accept or deny exceptions to the requirement as sought.

5.1.5. The time to make this decision, from the initial exception inquiry through consultation and decision making, shall not exceed one month.

5.1.6. The written decision must be conveyed to the requesting CAB or auditee by the Certification lead within the same week the decision is made.

5.1.7. If the decision is to allow exceptions, exception guidance must be written within two weeks and conveyed to the requesting CAB or auditee.

5.2. Exception Guidance

5.2.1. Guidance regarding each exception topic is written prior to the granting of an exception to an individual applicant or Certificate Holder.

5.2.2. Exception guidance includes:
   a) Eligibility requirements that must be met by the auditee in order to request the exception;
   b) Conditions upon which an exception request will be considered;
   c) Clarification of intent and interpretation of the requirements in question; and
   d) Any guidance specific to the individual exception on decision making, roles and responsibilities, length of validity, and auditing against the given exception, should one be granted.
5.2.3. A template for exceptions guidance is referenced in Appendix 1.

5.2.4. Exceptions guidance is developed and written by the head of certification within each program, with input from other departments as follows:

   a) Producer Services and Business Development staff are consulted to ensure eligibility requirements and conditions are appropriate or match the situation faced by auditees;
   
   b) Input from the Standards team on requirement interpretation and clarification of intent is sought in cases of exceptions to requirements of a standard; and
   
   c) Cross program certification consultation is conducted in cases of exceptions to assessment processes employed in a given program. This serves to align assessment process requirements across standards programs and ensure parity in integrity of assurance models.

5.2.5. The certification head responsible for the guidance alerts all relevant CABs to exceptions guidance as it is issued and provides additional support regarding auditing requirements for which exceptions may be granted upon request.

5.2.6. It is the CAB’s responsibility to follow any applicable auditing and process requirements listed in the exceptions guidance or in the program assurance manual.

6. Requesting an Exception

6.1. Using the Exception Request Form, requests for exceptions are made either through the CAB or by the auditee to Fair Trade USA, depending on the program in which the exception is requested.

6.1.1. In programs where Fair Trade USA is the certification decision maker, requests for exceptions may be made directly by the auditee to the certification team at Fair Trade USA in the relevant program.

6.1.2. In programs where the certification decision is made by the CAB, requests for exceptions must be made through the CAB - Fair Trade USA will not accept exception requests made directly by the auditee. Appendix 1 provides further clarification for the relevant program.

6.2. If an auditee seeks an exception, either the CAB or the auditee (per 6.1) must submit the request through email to the Fair Trade USA certification contact, with the following minimum information:

   1) The name of the applicant or Certificate Holder seeking the exception;
   
   2) The Fair Trade USA ID, if already provided; and
   
   3) Most recent Fair Trade USA audit report and CAP form, if applicable.

6.3. If the auditee seeks an exception for a new case, for which guidance has not yet been issued, the request must also include:

   1) A description of the exception sought, including the type of exception per section 4 of this policy;
   
   2) A description of the conditions leading to the request for an exception;
   
   3) An assessment of the risk that the exception, if granted, could result in negative, unintended, consequences for the parties (workers, beneficiaries, etc.) covered under the scope of the certificate; and
   
   4) Where relevant, the CAB will include their assessment of whether the exception could result in a dilution or reversal of the impact or benefits intended by the program requirement for which the exception is being sought.

6.4. If a request is made for a new exceptions case, Fair Trade USA will go through the decision process described in section 5.1 above.
6.5. If the auditee seeks an exception for which guidance already exists, the request must also include evidence of meeting any conditions described in the guidance.

6.6. In all instances the CAB or Fair Trade USA is responsible for informing auditees of this exceptions policy, all existing exceptions guidance, and guiding them through the process to request exceptions, when the benefits of an exception is indicated through audit activities.

7. Granting Exceptions

7.1. In all cases Fair Trade USA retains the responsibility for granting exceptions – this responsibility is not delegated to CABs or other contracted parties.

7.2. The head of certification within the relevant program is responsible for reviewing exception requests and assessing whether eligibility requirements and conditions are met. Additional information is sought on an as-needed basis from Producer Services teams or the Standards Department. The head of certification may contact the CAB or auditee with questions or clarification.

7.3. In instances where exceptions guidance has already been written, the head of certification in the relevant program is responsible for making a decision on granting an exception within two weeks of receiving a request in line with Section 5 above.

7.4. All decisions regarding exceptions are issued in writing to the requesting party, whether granting or denying, and follow the Exceptions Guidance Template appended to this policy.

7.5. Each exception granted shall include a write up of the exception itself, the justification for the decision regarding the requested exception, the timeline of its validity, and any associated conditions.

7.6. Neither exception guidance, nor exceptions granted to individual entities, is publicly available. All exceptions documentation is only shared with the requesting party and the relevant CAB.

7.7. FTUSA will communicate the granting of an exception to the requesting party, either the CAB or the auditee. Where the CAB is the certification decision maker, it is the CAB’s responsibility to communicate the decision and conditions of the exception to the auditee and share the relevant documentation. Appendix 1 provides further clarification for the relevant program.

8. Auditing Exceptions

8.1. The exception guidance shall include any requirements for auditing compliance against the conditions listed in the assessment.

8.2. Individual entities with granted exceptions should be audited according to any specified process in the guidance. If a different process exists for auditing a particular requirement, this is described in the relevant exception guidance.

8.3. It is the responsibility of the CAB to ensure audits of Certificate Holders with granted exceptions are conducted according to all stipulations in the relevant exception guidance.
Appendix

1.1 To ensure consistency in content and format:
   a) requests for exceptions are made by submitting a completed Exception Request Form,
   b) guidance is written by Fair Trade USA using the Exception Guidance Template, and
   c) granted exceptions are issued by Fair Trade USA using the Granted Exception Template.

1.2 Requests for exceptions are made either through the Conformity Assessment Body (CAB) or directly to Fair Trade USA, depending on the program in which the exception is requested. In programs where Fair Trade USA is the certification decision maker, requests are made directly to Fair Trade USA, while in programs where the CAB makes the certification decision the request must be made through the CAB.

1.2.1 Fair Trade USA is currently the certification decision maker for the Apparel and Home Goods and Trade programs, while the CAB is the certification decision maker for the Agriculture and Seafood programs.

1.3 Exception requests are reviewed and decided within two weeks. If a new exception is sought, for which guidance has not yet been developed, the request will be reviewed and decided within one month, allowing for an additional two weeks to document relevant exception guidance.