



# Trade Standard 2.0.0 Transition Policy

Fair Trade USA

Version 1.0.0

## Purpose

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Fair Trade USA has updated its Trade Standard that applies to all traders licensed to buy and sell Fair Trade Certified™ products. The purpose of this document is to outline the policy for transition from the Fair Trade USA Trade Standard Vision, Objectives and Summary 1.0, Trade Standard 1.0.0, Compliance Criteria for the Trade Standard 1.1.0, and Trade Standard: Apparel and Home Goods 1.1.0, to the new Trade Standard version 2.0.0

## Scope and Applicability

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This policy applies to all existing Licensees and all applicants to be licensed to trade Fair Trade Certified product under the Fair Trade USA Trade Standard.

Producers certified against a Fair Trade USA production standard, including the Agricultural Production Standard, Capture Fisheries Standard, and Factory Standard for Apparel and Home Goods are not directly affected by the new Trade Standard nor by this transition policy. However, updated requirements in the Trade Standard may affect the requirements for traders that producers are working with, and producers should be aware of their rights under the Trade Standard 2.0.0.

For clarification on this policy, please contact Fair Trade USA's Certification team ([certification@fairtradeusa.org](mailto:certification@fairtradeusa.org)).

## Related Documents

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- Trade Standard version 2.0.0 (lists core requirements)
- Requirements for Certificate Scope under the Trade Standard
- Summary of Changes to the Trade Standard 2.0.0 (lists new and core requirements)
- Trade Program Assurance Manual

## Relevant Definitions

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**New:** New requirements have been determined by Fair Trade USA based on a comparison of the Trade Standard 2.0.0 and requirements in the Compliance Criteria for the Trade Standard 1.1.0. See the separate document, *Summary of Changes to the Trade Standard 2.0.0*, for detail on which Criteria are considered new. For existing Licensees under the Factory Standard for Apparel and Home Goods, the definition of what constitutes a new criterion is broader, as these Licensees were not formally held to compliance criteria under the previous Trade Standard (See Section 3 of this document).



**Core:** Some compliance criteria are classified as *core* criteria. These relate to fundamental Fair Trade USA values and principles and non-conformities with any individual core requirement are considered especially severe. Compliance with core criteria is critical to maintain an active certification status with Fair Trade USA. Any non-compliance found against core criteria may result in immediate suspension of the Licensee. Core criteria are clearly labeled in the Trade Standard 2.0.0 as well as outlined in the *Summary of Changes to the Trade Standard 2.0.0*.

## 1. Existing Licensees (Excludes Licensees in Apparel and Home Goods)

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- 1.1. All desk and on-site audits will be conducted against the full requirements of the Trade Standard 2.0.0 beginning on its effective date of January 1, 2020.
- 1.2. A transition period of one year from publication of the standard, May 22, 2019 to May 22, 2020, will be allowed for all existing Licensees to become compliant with all the Criteria which represent new requirements.
  - 1.2.1. Existing Licensees will be allowed an extended Corrective Action Plan (CAP) for all new, non-core requirements. Licensees must still submit a CAP to resolve any non-compliances (NCs) for new requirements, but the timeline for implementation may extend until one year from publication of the Trade Standard.
  - 1.2.1 Existing Licensees will not be allowed an extended CAP for requirements that are not new.
  - 1.2.2 Existing Licensees will not be allowed an extended CAP for requirements that are considered core.
- 1.3. No requests for extensions on new requirements beyond the transition period will be granted.
- 1.4. Implementation of the CAP will be assessed when the Licensee's next audit is conducted.
  - 1.4.1. The Certification team will review the CAP and decide if the plan is sufficient to close the NC. The Certification team may request additional information.

## 2. New Trade Applicants

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- 2.1. All desk and on-site audits will be conducted against the full requirements of the Trade Standard 2.0.0 beginning on its effective date of January 1, 2020.
- 2.2. New Licensees onboarded between May and January will be required to comply with the new Trade Standard by January 1, 2020.
  - 2.2.1. They are not required to comply with the Trade Standard 2.0.0 during the transition period before its effective date of January 2020; however, it is recommended that new Licensees prepare to comply with the Trade Standard 2.0.0 as they may be audited against it any time after January 1, 2020.
  - 2.2.2. Licensees onboarded during the transition period in categories other than Apparel and Home Goods will be sent both the new Trade Standard 2.0.0 and the previous Trade Standard documents. Licensees onboarded during the transition period in Apparel and Home Goods will only be sent the Trade Standard 2.0.0. Please refer to the *Summary of Changes to the Trade Standard 2.0.0* document for detail highlighting the changes made to the new standard.
- 2.3. No extended CAP process will be granted for any criteria for new Licensees.



### 3. Existing Licensees in Apparel and Home Goods

3.1. For existing Licensees purchasing and/or selling Fair Trade Certified factory or cotton products, the definition of what constitutes a *new* criterion is broader.

3.2. The list of new criteria, which are allowed to have extended, one-year CAPs (detailed in Section 1 of this document), will be different for these Licensees. All of the criteria are considered new for Licensees in Apparel and Home Goods, with the exception of core requirements.

3.2.1. Licensees in this category must comply with a select group of core requirements as soon as the Trade Standard 2.0.0 is in effect (January 1, 2020). These core requirements relate primarily to transparency, use of the Fair Trade Certified seal, adherence to applicable labor and environmental laws, ensuring the correct Premium payment is made, and product traceability. The Trade Standard clearly outlines which criteria are considered core.

### 4. Trade Transition Timeline Overview

