



ISEAL Community Member System Overview

Organisation Name	Fair Trade USA
Year	2022
Version	1

1) The **STRATEGIES** our system employs to meet its sustainability objectives

Fair trade is a global movement made up of a diverse network of producers, companies, consumers, advocates, and organizations putting people and planet first. We at Fair Trade USA™ believe that everyone wants to do what's right — for their families, fellow global citizens, and the planet. That's why we're committed to making the right choices the most obvious ones. Based on the simple idea that the products bought and sold every day are connected to the livelihoods of others, fair trade is a way to make a conscious choice for a better world. A choice for Fair Trade Certified™ goods is a choice to support responsible companies, empower farmers, workers, and fishers, and protect the environment. In other words, it's a world-changing way of doing business.

Fair Trade Certified is how we achieve our mission. It's an award-winning, rigorous, and globally recognized sustainable sourcing certification program that improves livelihoods, protects the environment, and builds resilient, transparent supply chains.

When you see a product with the [Fair Trade Certified label](#), you can be sure it meets rigorous social, environmental, and economic standards.

That means:

- Safe working conditions;
- Environmental protection;
- Sustainable livelihoods; and
- Community Development Funds.

2) A description of the **STANDARD or TOOL (delete as appropriate)** that our system has developed

The Agricultural Production Standard (APS), launched in May 2017, sets the requirements for all agricultural producers or groups of producers certified to Fair Trade USA standards. The APS is a comprehensive standard that supports sustainable livelihoods for farmers and workers, by supporting lasting, positive change in four focal impact areas:

- Income Sustainability;

- Community and Individual Well-Being;
- Empowerment; and
- Environmental Stewardship.

The Fair Trade USA Agricultural Production Standard (APS) applies globally to all agricultural production systems – covering diverse groups and structures of farms and associated processing facilities under one standard. For each certified group or individually certified farm, a Certificate Holder holds the APS Certificate and is ultimately responsible for ensuring compliance with the APS on behalf of the entities within scope. Farms and facilities are audited against a set of criteria that is applicable to their Farm Size – Small, Mid-sized, or Large Farms and Facilities. All crops and wild harvested agricultural products may be audited under the APS, in addition to dairy products and farmed seafood, with the exception of products that are endangered or threatened and those that are illegal to produce or collect from the wild. Products from certified producers may not be sold as Fair Trade Certified unless they are sold on Fair Trade terms, as specified in the associated Trade Standard that applies to exporters, importers, brand partners, and other entities along the supply chain.

Fair Trade USA seeks to empower and drive sustainable livelihoods for small producers and workers around the world, as outlined in the Fair Trade USA Impact Management System. The implementation of the APS supports sustainable livelihoods for farmers and workers by reinforcing lasting, positive change related to the four impact goals: Income Sustainability, Community and Individual Well-Being, Empowerment, and Environmental Stewardship. The APS drives these four impact goals through six thematic modules: 1) Empowerment 2) Fundamental Rights at Work 3) Wages, Working Conditions, and Access to Services 4) Biodiversity, Ecosystem Function, and Sustainable Production 5) Traceability and Transparency 6) Internal Management System.

3) How we maintain **RESPONSIBILITY** for decisions taken about and by our system

Fair Trade USA is committed to following best practices in developing and revising its Standards, including:

- Identifying directly and indirectly affected stakeholders and providing them with information about the Standard development/revision process and how they can participate;
- Holding public consultations and ensuring that there is a balance of interests of participating stakeholders;
- Providing a variety of opportunities and tools for stakeholders to participate, such as teleconferences, meetings, and webinars;
- Ensuring a variety of opinions are given equal weight and providing for balanced decision-making;
- Making Standards and supporting documents publicly available and reviewing our Standards on a regular basis.

Fair Trade USA utilizes a Standards Committee to serve as the technical decision-making body for Fair Trade USA's standards. The committee is responsible for providing oversight to ensure that Fair Trade USA standards are consistent with the organization's vision, strategy, theory of change, and impact goals. And for approving the final content of all new standards and all major standards revisions.

The Committee is comprised of individuals with demonstrated expertise and understanding in the field of certification and standards setting and in the issues and industries related to Fair Trade USA's programs. Any stakeholder of Fair Trade USA is eligible to serve on the Standards Committee, with the exception of sitting Board members.

Fair Trade USA also utilizes a Certification Governance Committee to serve as the governing body for overseeing the ongoing evolution and effective implementation of Fair Trade USA's certification and assurance system. It provides oversight, governance and facilitates critical consultative decision making necessary for effective functioning and operations of the Fair Trade USA certification and assurance system.

4) How our system's design demonstrates a **COMMITMENT TO IMPROVEMENT**

The Impact Management System (IMS) is Fair Trade USA's approach to defining, measuring, and communicating the impact of their model. The foundation of the IMS is the organization's Theory of Change. It also includes the indicators, processes, and technologies used to monitor and evaluate its programs and report on progress toward achieving its outcomes over time. The objectives of the IMS are:

1. Define the outcomes and impact that Fair Trade USA aims to achieve and the methodology for measuring it;
2. Evaluate the effectiveness of program strategies and activities (e.g. standards, market support, consumer activation programs) in realizing goals and desired outcomes;
3. Use internal and external evaluations to refine Fair Trade USA's programs and improve results; and
4. Communicate the change Fair Trade USA is enabling for producers, communities, businesses, and consumers.

Fair Trade USA's impact for farmers, fishers and workers results from two primary mechanisms:

1. Certificate Holders' adherence to rigorous standards; and
2. The investment of Community Development Funds, an output of the standard.

Fair Trade USA is a data-driven organization whose livelihood depends on the appropriate management and care of data assets. Data is at the center of every activity in the organization. Whether the focus is customer centricity, productivity, decision support, or compliance, data is at the heart of it.

Data is a key component of the operation that supports the mission of driving Impact through the empowerment of farmers and workers by cultivating an equitable global trade model. To support this mission, the organization's data must be collected, managed, stored, and shared in a systemic, automated, reliable, and accurate manner. All data collected and generated by FTUSA are valued as key assets to support the continued strategic growth of the organization. Data assets are used internally to drive the business as well as inform key business decisions and the long term business strategy. Externally data assets are used to capture new customers and to build additional value for existing customers.

To amplify the impact at origin, Fair Trade USA provides producer support services such as education and training on human rights, leadership, gender equity, and financial resilience. Certificate Holders are the farms, factories, fisheries, and cooperatives that hold a Fair Trade Certificate. They implement fair trade production standards, ensuring that they are operating in an ethical and fair manner. These standards are designed to protect the livelihoods of those who produce goods by requiring decent and safe working conditions, supporting economic well-being, advocating for gender equity, requiring fair prices*, and protecting human rights. Through adherence to the Trade Standard, each industry and brand partner commits to pay an additional sum of money above the purchase price of the Fair Trade Certified product, also known as the Fair Trade Premium. These funds are then returned to the farmers, fishers, and workers, also known as Program Participants, in the form of Community Development

Funds. Program Participants organize into a committee and democratically vote on the administration of these funds, supporting empowerment and agency over the impact on their communities and livelihoods. Ultimately, these stakeholder journeys culminate in shifting the global systems of inequity to create a model where producers, as well as their communities, thrive under strong social protections and fair trading relationships supported by a movement of conscious consumers. Businesses are in turn rewarded by consumers for responsible sourcing and supporting the people producing the products they buy and sell.

5) How our standard or tool is monitored and reviewed to ensure its **RELEVANCE**

Fair Trade USA's approach to monitoring and evaluation includes a variety of methods and tools to collect data and to measure the outputs, outcomes, and impact of their programs. The Data Collection Pyramid below breaks down the IMS data sources into different collection levels and methods based on their content and frequency of collection.

- Level 1 – Systematic Data Data collected from all producer organizations and systematically from industry partners.
- Level 2 – Sampled Data Data collected periodically across a selected group of producer organizations, consumers and businesses preferably a representative sample. Where appropriate, these results can be extrapolated to draw conclusions at an organizational level.
- Level 3 – In-depth Studies Deeper research studies on a specific topic or for a carefully chosen subset of program participants. The goal is depth over breadth. They can also include a “control” group of similar, non-certified entities to enable comparison.

For more information, please refer to the Fair Trade USA [Impact Management System Overview](#)

All Standards undergo a major revision at least every five years to ensure that they are kept relevant and meet the goals of the organization and stakeholders. If external stakeholder requests for revision are received, or internal business or impact needs indicate that a revision is needed sooner, then FTUSA's Executive Team will decide if a major or minor revision of the standard should be completed. FTUSA staff monitor audit data and MYE data, and collect ongoing feedback from field staff and external partners to identify areas for improvement in the Standard.

FTUSA publishes an annual workplan on our website, listing all major and minor revision to occur throughout the year so that stakeholders can see if new projects are starting. All directly impacted stakeholders are notified when the Public Project Plan is published once a major standard revision is initiated and open for external input.

Stakeholders are continuously identified in several ways, including all directly impacted groups, and research and tracking of similar initiatives operating in the same space or with related expertise. Care is taken to specifically identify stakeholder groups that are not adequately represented, and proactively seek their contributions. This includes addressing constraints faced by disadvantaged stakeholders and developing stakeholder engagement strategies that ensure direct participation from diverse stakeholder groups.

All resources relevant to a Standard revision, including the Project Plan, Draft Standard and any Draft associated documents, are made available on our website during the public comment period. All directly affected stakeholders receive an email notification linking to the revision webpage with this information.

6) How the standard or tool is **IMPLEMENTED**

Standards revisions are always used as an opportunity to ensure that language is clear, specific, objective, and verifiable. Stakeholder consultation with implementers and auditors is important in supporting this process. All Standards consist of both Compliance Criteria and Intent and Clarification to provide greater details to support consistent interpretation. Where additional guidance is needed, as identified during Standards revisions or where evidence of inconsistent interpretation arises during

implementation, separate Policies or Guidance documents are developed to ensure clear and specific interpretation.

The Conformity Assessment Body Oversight Program is the mechanism FTUSA has put in place to ensure Conformity Assessment Body (CAB) and auditor performance and identify auditor training and calibration activities to continuously improve.

Fair Trade USA's oversight program is structured to assess two aspects of CAB activity: Compliance with program requirements, and CAB and auditor performance and consistency in their assessment of Certificate Holders.

FTUSA uses two data sources to assess CAB compliance with program requirements:

- Results from an annual internal audit performed by each CAB against the requirements in the CAB Manual; and,
- Results from an audit sample assessed for compliance with the program process requirements by FTUSA.

FTUSA uses three additional data sources to assess CAB and auditor performance and consistency in Certificate Holder assessments:

- Review of any complaints issued against the CAB in the preceding year;
- Audit report calibration assessment; and
- Onsite oversight audits –review and/or witness audits.