



# Project Plan: Factory Standard Major Revision, 2.0.0

Fair Trade USA

## 1. Introduction

---

Fair Trade USA® empowers farmers, fishers, and workers to enhance the value of their work in ways that improve lives and protects the environment. Rather than creating dependency on aid, it harnesses the power of market to help producers, businesses, and consumers alike to invest in a better future.

Fair Trade USA and partnering Conformity Assessment Bodies audit and certify supply chains around the world to help ensure that farmers, fishers, and workers are paid fair prices and wages, work in safe conditions, protect the environment, and earn community development funds to improve their lives.

The Fair Trade USA Factory Standard for Apparel and Home Goods (Factory Standard) defines the requirements for factories to obtain certification. This document summarizes the objectives, project activities, and decision-making process for the major revision of the Factory Standard. This project will be carried out according to Fair Trade USA's [Standards Development & Revision Procedure](#), and ISEAL's Standard-Setting Code of Good Practice.

## 2. Scope

---

Fair Trade USA's Factory Standard covers factories globally that produce manufactured products such as apparel and home goods. All sites that perform final substantial production processes are covered by the Factory Standard in order to certify a product.

This project will directly affect our Factory Standard for Apparel and Home Goods 1.4.0, in addition to all guidance and policies associated with the Standard. As part of the major revision described in this document, we will be updating all binding and guidance documents regarding compliance with the Factory Standard. All Certificate Holders certified against the Factory Standard and brand partners will be directly involved in this process, as well as representatives from the broader manufacturing industry, and other prospective industry stakeholders including but not limited to workers, traders, non-profit organization, academics, and governmental institutions.

## 3. Background and Rationale

---

It is the primary goal of the Factory Standard major revision to innovate the existing framework of the Standard to leverage our model and unlock a greater value proposition for all those involved, while ensuring the Standard can deliver on Fair Trade USA's organizational strategy for impact and growth. This



includes broadened impact for workers, streamlined processes to improve the overall certification process, and exploring opportunities to apply our framework to other industries with factory workers.

Additionally, it is considered best practice in standards-setting and certification to conduct a standard major revision at least every five years. This ensures that the standards are up-to-date and drive desired impact. Fair Trade USA's Standards Development & Revision Procedure is in line with this best practice, and this review of the Factory Standard was initiated given that the initial version of this Standard was published in 2013.

The following are some specific opportunities to improve the Factory Standard which the major revision aims to address:

- Evaluate opportunities to increase alignment with other Fair Trade USA producer standards, including innovations in the Fair Trade Difference model, to strengthen impact for factory workers as well as improve the effectiveness and efficiency of support services provided by Fair Trade USA.
- Evaluate and right-size our approach to continuous improvement and scoring, to balance rigor with program accessibility, promote effective implementation and systems, and incentivize longer-term improvements.
- Evaluate and refine our approach to environmental requirements.
- Structure the Factory Standard to facilitate application in other manufacturing industries to broaden the impact of Fair Trade USA.
- Refine and clarify scoping requirements to ensure they are clear and appropriate for diverse contexts and iterate these for broader application.
- Identify opportunities for Fair Trade USA to reduce the audit burden on factories where possible by effectively aligning with other programs and engaging in existing alignment opportunities, such as the Social & Labor Convergence Program, and exploring opportunities for mutual recognition.
- Any revision is an opportunity to address structural, grammatical, and clarity amendments.

## 4. Intended Outcomes of the Standard

---

The Factory Standard takes a stepwise approach to improving the livelihoods of factory workers through improving working conditions and supporting their economic development. All elements of the Fair Trade Difference, including the Fair Trade Premium, Fair Trade Committee, and Needs Assessment, are mechanisms by which workers are empowered to identify and address their challenges. The Standard includes strong health and safety protections for factory workers, which are imperative to improve worker well-being. The requirements of the Factory Standard aim to improve working conditions, access to services and ensure fair wages for individuals who are part of the program. Furthermore, through requirements around environmental health and safety it aims to ensure production practices do not harm workers and surrounding communities.

The primary goal of Fair Trade USA is to enable sustainable livelihoods for the workers, farmers, and fishermen who grow, catch, and produce the goods consumers purchase. Our Factory Standard focuses



on social and economic progress and working conditions which support workers in factories around the world.

## 5. Project Activities

Phases highlighted in yellow are the primary opportunities for participation by external stakeholders.

	Q1	Q2	Q3	Q4	Q1	Q2
Internal Review	[Blue bar]					
Pre-Consultation		[Yellow bar]				
Develop First Public Draft			[Blue bar]			
Public Comment				[Yellow box: 2 month minimum]		
Analysis of Feedback					[Blue bar]	
Revision					[Blue bar]	
Approval & Finalization						[Blue bar] ★

Step	Timeline	Description
Internal Review	Q1 - Q2 2021	<p>Conducting a detailed internal review of the current Factory Standard, processing learnings from monitoring, implementing, and evaluating the Standard since 2013. During this process we will identify key issues and strategic questions on the direction of the Factory program.</p> <p>This phase includes research on key issues and consultation with internal stakeholders, including Fair Trade USA staff and field consultants. Analysis of audit report findings, non-compliances and benchmark results will help to identify key issue areas.</p>



<p><b>Pre-Consultation</b></p>	<p>Q2 2021</p> <p>Preliminary consultation with external stakeholders to inform approach to key issues and development of the first draft. Consultation methods will include an email announcement that the revision is beginning, preliminary surveys, and targeted interviews with key thought-partners.</p>
<p><b>Develop first public draft of revised standard</b></p>	<p>Q2 - Q3 2021</p> <p>Begin incorporating changes into the draft Factory Standard 2.0.0 including structure and content. Around this time, we will be engaging with the Standard Committee to present initial direction and solicit their input on key issues.</p>
<p><b>Public consultation</b></p>	<p>Q4 2021</p> <p>The draft Factory Standard 2.0.0 is targeted to be published for public consultation at the beginning of Q4. The consultation will be open for two months. This public consultation is part of Fair Trade USA's commitment to integrate stakeholder input and to follow consultation best practices laid out in the ISEAL Standard-Setting Code of Good Practice.</p> <p>During the public consultation phase, all stakeholders have an opportunity to participate and provide feedback on the draft Factory Standard. Consultation methods include an online public comment form, email announcement, and additional direct outreach activities to ensure participation by diverse stakeholder groups.</p> <p>During this time, Fair Trade USA will also conduct pilot audits using the draft Standard in order to test new structures and processes, as well as requirements, and gather learnings.</p>
<p><b>Analysis and revision, of standard</b></p>	<p>Q1 2022</p> <p>The Standards team reviews the comments received during the public consultation phase and uses this feedback along with learnings from the pilots to inform final changes to the Factory Standard. They make recommendations to the Standards Committee regarding the content of the final Standard.</p> <p>A summary of feedback from the consultation phase and how the feedback was incorporated will be created. If needed, further consultation will be held to address any pending topics.</p>



**Approval and publication**

Q2 2022

Fair Trade USA's Standards Committee and Leadership Team will approve the Factory Standard 2.0.0. The final version will be published on our website, along with the summary of feedback and response and transition plan and effective date, and an announcement will be sent to all relevant partners and participating stakeholders.

## 6. Summary of Changes Since Last Major Revision

Date of Revision	Description of Change
March, 2014	Minor language changes and adoption of formal compliance criteria following pilot phases. Scope was broadened to apply to apparel and home goods rather than cut-make-trim factories exclusively.
November, 2017	In this minor revision, the Factory Standard and Compliance Criteria were merged into a single document, and compliance criteria were edited and reorganized for clarification purposes. The minor revision was carried out to clarify language, provide guidance where needed, modify terms to improve the implementation of the Factory Standard.
September, 2018	Minor grammatical errors were fixed throughout the Standard. An updated list of guidance documents specific to the rug industry was added to the Introduction.

## 7. Decision-making Process

Fair Trade USA's Standards and Implementation Resources Team works with the Standards Committee to review stakeholder feedback, discuss core strategic issues, and ensure all Fair Trade USA standards' content is consistent with the organization's vision, strategy, theory of change, and impact goals.

The Standards Committee is responsible for approving final standard content. Once the standard's content has been approved, the Leadership Team will review adherence to Fair Trade USA's Standards Development and Revision Procedure. The Leadership Team's final approval closes the standard revision process.



## 8. How to Get Involved

---

The Standards Team at Fair Trade USA is leading this project, and we encourage you to comment on this Project Plan, the standard development and revision process and/or goals by emailing us at [standards@fairtradeusa.org](mailto:standards@fairtradeusa.org).

During this project, Fair Trade USA will hold opportunities to comment on the draft standard. There will be at least one public comment period. Please inform us if you would like to receive notice when the public comment period is open. Summary of the comments received and Fair Trade USA responses will be publicly shared. A revision website will be created where all stakeholders will be able to access updates and associated supporting materials.

