



December 2017

PROGRESS UPDATE ON THE FAIR LABOR ASSOCIATION'S FAIR COMPENSATION WORKPLAN

The Fair Labor Association and its affiliates are committed to the joint goal of ensuring that workers receive fair compensation, as reflected in the FLA's Workplace Code of Conduct.

Since the adoption of the Fair Compensation Workplan in 2015, we have made significant progress and learned a great deal. The FLA has created a data collection methodology for collecting detailed compensation information during assessments, identified wage benchmarks for practical understanding of the wage gap, and published fair compensation reports identifying areas in which workers are at highest risk. Most FLA business affiliates have aligned their own Codes of Conduct to reflect our joint commitment to fair compensation and many are piloting the FLA's new Wage Data Collection Toolkit.

After three years of progress, we are evaluating the timeline in our workplan and adjusting it based on our learnings to date. Our original workplan underestimated the enormity of the task and the time needed to reach sustainable solutions. At the same time, we have deepened our understanding of urgent compensation issues and learned that they cannot be approached with a single blueprint for success.

We continue to work diligently and collaboratively to make progress on fair compensation. Our next steps include the following:

- The FLA is currently conducting a survey of buyer and supplier affiliates so that we can further target and focus our fair compensation work.
- The FLA is conducting a pilot study to test approaches to wage remediation in the agricultural sector in India.
- The FLA's business affiliates will use the FLA's new Wage Data Collection Toolkit in 2018; rather than a simple data collection exercise, this Toolkit is a means for sparking action-oriented conversations between buyers and suppliers around compensation levels.
- As affiliates use the new toolkit, they will share their learnings with the FLA and with each other. Together we will then build a menu of joint strategies and actions to address wage gaps in a sustainable and just way.
- The FLA will continue to analyze our wage data and will publish a series of country-specific reports geared towards gaining a deeper understanding of the wage gap for workers.

We will continue to publish updates to keep all stakeholders informed of our progress and to hold ourselves accountable for the ongoing work of improving worker compensation around the world.