



FAIR LABOR
ASSOCIATION®



PRINCIPLES OF FAIR LABOR AND RESPONSIBLE SOURCING

1. Company Affiliate establishes and commits to clear standards (Workplace Standards)

- 1.1 Company Affiliate establishes and articulates clear, written workplace standards that meet or exceed those embodied in the FLA Workplace Code of Conduct.
- 1.2 Company Affiliate leadership formally commits to uphold workplace standards and to integrate them into company business practices.

2. Company Affiliate identifies and trains appropriate staff (Staff Training)

- 2.1 Company Affiliate identifies all staff (and service providers, where relevant) responsible for implementing its workplace standards compliance program.
- 2.2 Company Affiliate ensures that all staff (including sourcing) and relevant service providers are trained on the company's commitment to standards and the integration of standards into business practices.
- 2.3 Company Affiliate ensures that staff or service providers responsible for implementing workplace standards compliance functions have appropriate competencies and suitable training in all areas under their responsibility.
- 2.4 Company Affiliate ensures that training is updated at regular intervals.

3. Company Affiliate shares commitment to workplace standards with suppliers and workers in the supply chain (Committed Suppliers)

- 3.1 Company Affiliate formally conveys workplace standards to suppliers and receives written acknowledgment of standards and commitment to uphold them.
- 3.2 Company Affiliate obtains written agreement of suppliers to (a) submit to periodic inspections and audits, including assessments conducted by FLA assessors or independent external monitors or service providers accredited by the FLA for compliance with workplace standards, and (b) collaborate with the Company Affiliate to remediate instances of noncompliance.
- 3.3 Company Affiliate conditions future business with suppliers upon continuous improvement of compliance performance.
- 3.4 Company Affiliate ensures that workplace standards are made available to workers, managers and supervisors in written form and appropriate languages.
- 3.5 Company Affiliate ensures that workers, managers and supervisors are informed orally and educated about workplace standards at regular intervals to take account of labor turnover.

4. Company Affiliate ensures workers have access to grievance procedures and confidential reporting channels (Grievance Mechanisms and Confidential Channel)

- 4.1 Company Affiliate ensures there are functioning grievance procedures at supplier production sites.
- 4.2 Company Affiliate provides channels for workers to contact the Company directly and confidentially.
- 4.3 Company Affiliate ensures training and communication is provided to all workers about the grievance procedures and channels.
- 4.4 Company Affiliate ensures that grievance procedures and complaint channels are secure and prevents any punishment or prejudice against workers who use the systems.

5. Company Affiliate conducts workplace standards compliance monitoring (Monitoring)

- 5.1 Company Affiliate conducts pre-sourcing assessment of suppliers to review compliance with workplace standards.
- 5.2 Company Affiliate monitors an appropriate sampling of suppliers regularly to assess compliance with workplace standards.
- 5.3 Company Affiliate ensures that monitoring includes as appropriate, but not limited to, worker interviews, management interviews, documentation review, visual inspection, and occupational safety and health review.
- 5.4 Company Affiliate ensures that, where relevant, monitoring is consistent with applicable collective bargaining agreements.

6. Company Affiliate collects, manages and analyzes workplace standards compliance information (Collection and Management of Compliance Information)

- 6.1 Company Affiliate maintains a complete and accurate list of all suppliers.
- 6.2 Company Affiliate collects and manages information on suppliers' compliance with workplace standards.
- 6.3 Company Affiliate analyzes noncompliance findings to identify trends, including persistent and/or egregious forms of noncompliance and reports to the FLA on such analysis.

7. Company Affiliate remediates in a timely and preventative manner (Timely and Preventative Remediation)

- 7.1 Company Affiliate, upon completion of the monitoring visit, contacts the supplier concerned within 14 days and collaborates with the supplier to create a remediation plan within 60 days that addresses all noncompliances.
- 7.2 Company Affiliate takes steps to conduct root cause analysis, apply sustainable supply chain solutions and prevent the occurrence of noncompliances in other suppliers.
- 7.3 Company Affiliate updates the FLA periodically on progress of remediation and confirms completion.
- 7.4 Company Affiliate records and tracks the progress of remediation.

8. Company Affiliate aligns planning and purchasing practices with commitment to workplace standards (Responsible Purchasing Practices)

- 8.1 Company Affiliate has formal written policies and procedures for planning and purchasing that 1) articulate the many complexities involved in their global supply chains, including different supplier business models and 2) require relevant internal representatives to work with suppliers to reduce negative impacts on working conditions. These policies and procedures shall address a) the alignment of financial terms with the FLA Workplace Standards, b) the adequacy of lead time provided (considering, for example, availability of inputs, testing, design changes, and production capacity) to produce without excessive overtime, unauthorized subcontracting, or other negative impacts, and c) attempt at balanced annual planning in order to eliminate negative outcomes (i.e. lower efficiency, poor labor retention, and longer throughput) that arise from traditional seasonal order demand.
- 8.2 All relevant business and compliance staff are trained and knowledgeable of the consequences of their planning and purchasing practices on working conditions in order to mitigate negative impacts on code compliance.
- 8.3 Company Affiliate holds relevant staff accountable for the implementation of planning and purchasing practices that help avoid negative impacts on workers and working conditions.
- 8.4 Company Affiliate staff responsible for planning and purchasing decisions engage with their labor compliance staff and suppliers in regular and constructive dialogue throughout the production process and when problems arise to support operations at the factory level and avoid negative impacts on workers and/or compliance with code standards at supplier facilities.

9. Company Affiliate establishes & maintains relationships with labor non-governmental organizations, trade unions & other civil society institutions (Consultation with Civil Society)

- 9.1 Company Affiliate reviews sourcing base and develops a civil society outreach strategy that reflects the geographical distribution of sourcing.
- 9.2 Company Affiliate develops and maintains links to civil society organizations (CSOs) involved in labor rights in sourcing countries to gain understanding of local compliance issues as referenced in FLA guidance.
- 9.3 Company Affiliate engages with CSOs and knowledgeable local sources in the design and implementation of compliance program strategies, trainings, worker communication channels, or remediation plans specific to production sites.
- 9.4 Company Affiliate consults with legally constituted unions or worker representative structures at the production site during audits and remediation.

10. Company Affiliate meets FLA verification and programmatic requirements (Verification Requirements)

- 10.1 Company Affiliate participates in FLA due diligence activities, including production site monitoring, assessments and company headquarter visits, as applicable.
- 10.2 Company Affiliate completes a standardized annual report on fulfillment of Principles of Fair Labor and Responsible Sourcing.
- 10.3 Company Affiliate maintains a complete and accurate list of applicable suppliers with the FLA.
- 10.4 Company Affiliate responds to FLA requests for documentation, contracts, information and clarification in a timely manner.
- 10.5 Company Affiliate pays annual dues and any other applicable fees.